THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON THE ENGAGEMENT AND ORGANISATIONAL COMMITMENT OF EMPLOYEES

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Submitted in partial fulfilment of the requirements for the degree of Master in Business Administration at the Nelson Mandela Metropolitan University (NMMU)

Supervisor: Prof C Arnolds

December 2013
DECLARATION

I, Nomnikelo Kondlo, hereby declare that:

- The work in this research paper is my own except where otherwise stated.
- Other sources used or referred to have been documented and acknowledged by complete referencing.
- This research paper has not been previously submitted in full or partial fulfilment of the requirements of an equivalent or higher qualification at any other recognised educational institution.
- I hereby give consent for my dissertation, if accepted, to be available for photocopying and for interlibrary loan, and for the title and summary to be made available to outside organisations.

___________________________________
Ms Nomnikelo Kondlo
Port Elizabeth
December 2013
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- To everyone not mentioned above that has also contributed in one way or the other
DEDICATION

This dissertation is dedicated first, to my late grandmother Mbutokazi Georgina Kondlo, who taught me the importance of education and perseverance from my early childhood. I am the woman I am today because of her guidance, sacrifices and discipline. May her beautiful soul rest in peace.

Second, to my two beautiful children, Kamva and Aphiwe, for allowing me the space, opportunity and time to do this study and for keeping me grounded during this master’s journey.
ABSTRACT

Companies are facing unprecedented pressure from various stakeholders to behave as responsible corporate citizens. The issue of Corporate Social Responsibility (CSR) has therefore gained prominence as a central facet of both social and business platforms in recent years. There is overwhelming evidence from research literature that CSR is an emerging and increasingly important driver of employee engagement and organisational commitment. Studies however also point out that businesses that have engaged in CSR have generally failed to embrace fully the fact that it can be an important driver of employee engagement and not many of them are using this potentially powerful tool to attract, engage and retain employees.

The primary objective of the study is to investigate the perceived economic benefit, social impact and environmental impact of CSR on employee engagement and organisational commitment in business firms. Convenience sampling was used to select a stratified sample of 150 employees from six different industries in the Nelson Mandela Bay Metropolis. While 150 questionnaires were distributed, only 91 respondents eventually participated (response rate = 60.7%). The data analyses included the calculation of Cronbach alpha coefficients, descriptive statistics (percentages, means, standard deviation and frequency scores), multiple regression, Pearson correlations and Scheffé tests.

The empirical results show, among others, that the economic benefit of CSR has the strongest effect on affective commitment of employees; that the environmental benefit of CSR plays a big role in employees wanting to stay with their firms (continuance commitment) and feeling obliged to stay with their firms (normative commitment); and that the social benefit of CSR has a strong effect on the level of employee engagement.

The managerial implications of these findings are discussed. The shortcomings of the study and gaps for future research are also highlighted.
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CHAPTER 1

SCOPE OF THE STUDY

1.1 INTRODUCTION

The debate on Corporate Social Responsibility (CSR) issues gained prominence as a central facet of both social and business platforms in the past few years (Cheers, 2006). According to Katsoulakos (2006), the essence of this debate is primarily based on the realisation that development centred only on economic growth paradigms is unsustainable and this necessitates a pro-active role by states, corporations and communities in a development process aimed at balancing economic growth with environmental sustainability and social cohesion. This debate has resulted in the evolution, advancement and widening of Corporate Social Responsibility into what is currently referred to as “Corporate Sustainability”.

Parralell to the evolution highlighted above, society’s ethical expectations of businesses over the years have also evolved and become very noteworthy. Modern business is undoubtedly faced with pressure to not only engage in CSR but to also devise integrated and responsible business strategies to help it run in a corporately sustainable manner. The notion of corporate responsibility therefore raises the question of “what it means for a business to be a responsible and good corporate citizen”, one which has been discussed and debated by scholars for years. Katsoulakos (2006) asserts that good corporate citizens are companies behaving according to values that society expects them to hold or more specifically according to what is expected of a ‘good’ company by its stakeholders. The emphasis of good corporate citizenship therefore seems to resonate strongly and be very focused on stakeholder engagement, accountability, trust and reputation management. For the purposes of this study, the concept of corporate social responsibility is examined in relation to its potential influence on employees as one of the key internal stakeholders of a business.
In their discussion of the service profit chain, Pfau and Kay (2002) note that in a business, an important prerequisite for pleasing all stakeholders is to ensure employee engagement and job satisfaction. These researchers further elaborated on this where they noted that profitability and growth in a business flow from customer loyalty, which is directly impacted by levels of employee effort. A twenty-first century business thus needs to take a balanced approach towards ensuring that its value proposition appeals to both the intrinsic and extrinsic needs of its employees, as the internal stakeholders in the business.

The above discussion puts into the spotlight the debate that hinges on the paradigm shift characterising the employer-employee employment deal of a modern business, which has been tackled by few researchers to date, amongst others by Buckingham and Coffman (1999), Fenwick and Bierema (2008), as cited in Nanderam (2010). All the above-mentioned researchers point to a noticeable shift in traditional management practices, where a great emphasis had previously been placed on extrinsic rewards like base salary as the primary factor for motivating employees, to modern management practices that equally acknowledge the value of intrinsic rewards. This discussion is vital for understanding why it is critically important for the twenty-first century business to consider and embrace the strategic impact of corporate social responsibility and sustainability initiatives, as a management practice that is likely to generate intrinsic reward elements within its workforce.

According to Jennings (2000), intrinsic reward elements include not only the professional learning and development opportunities but a positive organisation profile in the community as well. Whitaker and Wilson (2007) believe that successfully providing these rewards has potential to strengthen the emotional connection between the employer and the employee.

The literature reviewed above acknowledges the potential value of CSR initiatives which transcends their utility as a management tool for positively influencing the organisation’s profile across multiple external shareholder perspectives, to presenting the business with an opportunity to engage more profoundly with its employees. This therefore suggests that CSR initiatives particularly those that are fully integrated across the various business facets while at the same time being
based on the economic, social and environmental corporate sustainability aspects, could open up and broaden opportunities for the employers to facilitate stronger commitment and engagement of employees to the organisation.

1.2 PROBLEM STATEMENT

As highlighted above, companies are facing unprecedented pressure from communities, regulators, non-governmental organisations, activists and socially responsible investors, among others to behave as responsible corporate citizens. Forward-thinking businesses are increasingly coming to terms with the fact that ignoring this pressure represents a significant risk while responding proactively presents an emerging opportunity. Gross (2009) points out that even the businesses that have engaged in CSR have generally failed to embrace fully the fact that it can be an important driver of employee engagement and not many of them are using this potentially powerful tool to attract, engage and retain employees.

There is overwhelming evidence from surveys, management consulting, journalistic and corporate sources showing that CSR is an emerging and increasingly important driver of employee engagement. Gross (2009) further points out that there is compelling evidence that an important opportunity rests with CSR’s potential to influence employee engagement and, consequently, the positive business outcomes that go along with an engaged workforce.

This study aims to present an opportunity for businesses to strategically position themselves in a way that acknowledges and appreciates the value of CSR as an integrated business strategy for ensuring corporate sustainability, specifically by examining the influence of CSR on engagement and commitment of employees.

Previous research has set out to measure employee engagement at the organisational level and connect it to business outcomes (Towers Perrin, 2009; ISR, 2006). These studies have shown that employee engagement may lead to among others results reduced employee turnover and greater customer satisfaction, employee productivity and company profitability.
Other recent studies on engagement suggest that overall levels of employee engagement are very low, leading some to classify the situation as an engagement crisis (Aon Consulting and Orenda Connections, 2009; The Conference Board, 2005; Blessing White, 2008; Towers Perrin, 2007/8). The engagement crisis highlighted above poses itself as a challenge for today’s businesses and emphasizes the need for the businesses to embrace CSR as one of the strategies and tools that could possibly enhance intrinsic motivation and potentially result in better engaged and committed employees.

Poisat (2006, as cited in Werner, 2011), asserts that employees that are engaged are emotionally, cognitively and personally dedicated to the organisation and its goals as they tend to go beyond the requirements and expectations of their particular jobs and roles. Saks (2006) seems to agree with the above view when he asserts that one way in which an employee responds to the support and commitment displayed by an organisation is by reciprocating with enhanced engagement and commitment. The views of these two authors are consistent with Kahn’s (1990) definition of engagement as the obligation employees feel, as a result of their organisation’s support, which becomes their impetus to enhance their performance.

For today’s businesses, organisational commitment has also become one of the key business imperatives and requires a strong management focus. Stredwick (2005) states that an organisation will not operate effectively unless it has a stable relationship with its employees.

Organisational commitment is thus critical to any business that seeks not only to retain valued employees, but also increase its productivity levels and become sustainable in the long run. Prior research has shown that a strong affective employee/employer connection is a key behavioural driver associated with employee engagement (Buckingham and Coffman, 1999; Meyer and Allen, 1991).

Similarly, Nanderam (2010) suggests that one of the benefits associated with a business’s participation in CSR programmes is that it influences an employee’s affective connection. The above source points out that desirable behavioural outcomes associated with employee engagement can be strongly correlated with
affective commitment. Seemingly, both CSR and organisational commitment can influence an employee’s emotional connection to the extent that they showcase an employer’s orientation towards socially conscious business practices and commitment to doing business in a way that is sustainable.

Modern businesses are aware that they can contribute to sustainable development by managing their operations in such a way as to enhance economic growth and increase competitiveness whilst ensuring environment protection and promoting social responsibility (Fontaine, 2013). Fontaine (2013) further asserts that CSR is the deliberate inclusion of public interest into corporate decision-making, and the honouring of a triple bottom line, that is, people, planet and profit.

The above points indicate that there is evidence from past studies that highlights that an important opportunity rests in CSR’s potential to impact employee engagement and commitment. The current study also makes reference to and draws upon the CSR business case proponents and uses their arguments to highlight the advantages that a business can derive by engaging in CSR as debated by various researchers in previous studies. The researcher provides a very brief introduction of these arguments in this chapter followed by a detailed summary of the business case arguments in the next chapter, as the researcher felt that this literature makes a compelling case pertaining to the associated benefits of a businesses’ engagement in CSR while at the same time highlighting the potential risks and costs of disengagement.

According to Kurucz, Colbert and Wheeler (2008), there are four equally important aspects of the business case arguments for CSR. The first argument for CSR practices covers CSR benefits in terms of cost and risk reduction. The second aspect demonstrates the effects of CSR on competitive advantage. The third aspect is based on the effects of CSR on company legitimacy and reputation. Finally, the fourth and last aspect illustrates the role of CSR in creating win–win situations for the company and society.
1.3 RESEARCH OBJECTIVES

The primary objective of the study is to investigate the influence of CSR on employee engagement and organisational commitment in business firms. More specifically, the study investigates the relationship between perceived economic benefit, social impact and environmental impact, on the one hand, and employee engagement and organisational commitment, on the other hand.

To achieve the primary objective, the following secondary objectives were pursued:

- To investigate which of the independent variables have the strongest influence on employee engagement and organisational commitment respectively;
- To investigate whether the study participants perceive any economic, social and environmental benefits in their firm’s CSR programmes;
- To investigate the role that demographic variables play in the participants’ perceptions of the latent variables.

1.4 THE NULL HYPOTHESES

This study is based on a few hypotheses that seek to test the relationships between both internal and external CSR practices and employee engagement (EE) and organisational commitment (OC). The following null hypotheses were thus formulated based on the above discussion of past studies to investigate the relationships between the variables in the conceptual model:

HO1: There is no relationship between the perceived economic benefit of CSR and the perceived organisational commitment in a business

HO2: There is no relationship between the perceived social impact of CSR and the perceived organisational commitment in a business

HO3: There is no relationship between the perceived environmental impact of CSR and the perceived organisational commitment in a business
HO4: There is no relationship between the perceived economic benefit of CSR and the perceived effectiveness of employee engagement in a business

HO5: There is no relationship between the perceived social impact of CSR and the perceived effectiveness of employee engagement in a business

HO6: There is no relationship between the perceived environmental impact of CSR and the perceived effectiveness of employee engagement in a business

Inferential statistical analysis was conducted to prove or disprove these null hypotheses.

1.5 METHODOLOGY OF THE STUDY

1.5.1 Research paradigm

The study was located in the positivist paradigm, as quantitative analysis was conducted to investigate the hypothesised relationships outlined above. Descriptive statistics (means, percentages and standard deviations) were also calculated to investigate the prevalence levels of the latent variables within the study sample.

1.5.2 The sample

Convenience sampling was used to target a cross-section sample of at least 150 employees from various firms covering six industries. The sample was stratified to include 50 respondents each of lower-level employees, supervisors and middle managers. The selection of the sample took into account the demographic variables like age, gender, educational level, home language, position in the company as well as tenure. A structured survey questionnaire was administered and accompanied by a covering letter with guidelines for answering the questions in the questionnaire. Confidentiality and anonymity were maintained throughout the data collection process. The questionnaires were distributed by contact persons in the various firms, who also collected and returned the completed questionnaires to the researcher.
1.5.3 The measuring instruments

A structured questionnaire was specifically developed by the researcher to gather the necessary data for this study. A covering letter with a description of the purpose and the importance of the study was also attached to the questionnaire. The covering letter served to inform and assure respondents of their anonymity, confidentiality and freedom to decide whether to participate in the study or not. The covering letter is attached as Annexure 1.

The questionnaire was structured into two sections. Section A consisted of a mix of questions based on each variable measured. Instruments to measure the economic, social and environmental impact of CSR were self-constructed based on scholarly research studies on these variables. Existing instruments with proven psychometric properties were used to measure the organisational commitment and employee engagement latent variables. Specifically, the Meyer and Allen (1993) instrument was used to measure organisational commitment, and consisted of sections to measure affective commitment, normative commitment and continuance commitment. The Gallup Organisation (1998) Q12 instrument that is in the public domain and usually used in engagement studies, was used to measure employee engagement. Section B consisted of questions pertaining to the demographical data required for the study. All responses on the latent variables were anchored to a Likert scale ranging from (1) strongly disagree to (5) strongly agree. The measuring instruments are attached as Annexure 2.

1.6 DEFINITION OF CONCEPTS

Corporate Social Responsibility (CSR)
In this study, CSR is defined as the integration of business operations and values, whereby the interests of all stakeholders including customers, employees, investors, the community, and the environment are reflected in the company's policies and actions (DeWitt and Dahlin, 2009).
Corporate sustainability (CS)
Corporate Sustainability (CS) refers to internal and external business practices built around economic, social and environmental considerations.

Economic benefit of CSR
Economic benefits in the context of this study refer to benefits or value that the respondents perceive to be resulting from internally or externally orientated economic or financial CSR practices.

Social benefit of CSR
Social benefits in the context of this study refer to benefits or value that the respondents perceive to be resulting from internally or externally orientated social and community CSR practices.

Environmental benefit of CSR
Environmental benefits in the context of this study refer to benefits or value that the respondents perceive to be resulting from internally or externally orientated environmental/ ecological CSR practices of the sample company.

Employee engagement (EE)
Employee engagement in the context of this study refers to the following attributes that the employees perceive themselves to be in possession of: the levels at which employees perceive that they know what is expected of them at work, they have the materials and equipment required to do their job effectively, given the opportunities to do what they do best every day, are recognised and praised for good work, shown care and support by their supervisor, encouraged and given opportunities to learn and develop, feel that their opinions count, their role is aligned to the mission of the organisation, work with committed colleagues, display passion for work, have feelings of hope about the future within the organisation as well as the willingness and ability to contribute ‘discretionary effort’ to help the organisation succeed.
**Organisational Commitment (OC)**

Organisational commitment in the context of the study refers to employees’ affective, continuance and normative dimensions of commitment as developed by Meyer and Allen (1993).

**Businesses, firms and organisations**

These terms are used interchangeably for business firms in the private sector. Where relevant, these terms therefore refer to business firms.

### 1.7 OUTLINE OF THE STUDY

The treatise is structured as follows:

**Chapter 1: Scope of the study**

This chapter provides the introduction, problem statement, conceptual framework and methodology of the study.

**Chapter 2: Literature review**

This chapter provides a literature review on the conceptualisations, nature and importance of CSR. The chapter also outlines theoretical frameworks that are mostly relevant to the study and which the researcher has used as the basis for arguments and discussion. The findings and information presented in similar studies in the past as well as the theoretical foundations of the hypothesised relationships of the study are also presented in this chapter.

**Chapter 3: Methodology of the study and Empirical results**

This chapter discusses the research design of the study with specific reference to the research paradigm, the sample, data collection method used as well as the validity and reliability of the study. It also deals with the documentation, analysis and interpretation of the empirical results of the study.
Chapter 4: Descriptive Statistics - Empirical results
This chapter reports on the empirical results with regard to descriptive statistics that emanated from the various statistical data analyses.

Chapter 5: Summary, conclusion and recommendations
In this chapter, the empirical findings are summarised and discussed based on the relationships tested. Furthermore, conclusions are drawn about what these findings imply for the South African firms engaged in CSR. Recommendations in this regard are made. The chapter also reports on the limitations of the study, as well as highlighting areas for future research.

1.8 CHAPTER SUMMARY

The above text has challenged today’s businesses on the importance of nesting their CSR activities in employees as the critical internal stakeholders in any business. With many global companies investing millions of dollars in CSR initiatives, it has never been more worthwhile to assess returns with employees and optimize the return on such investments, especially when one considers the impact of this stakeholder group on competitive advantage.

Successful CSR strategies need to be based on a clearly articulated and contingent input-output perspective; bringing employees closer to such strategies, satisfying key and varying employee needs, encouraging employee identification with the business are all important business inputs necessary in creating a good partnership with employees (Bhattacharya, Sen and Korschun, 2008).

This discussion is continued in Chapter Two with a specific emphasis on CSR as a potential driver of competitive advantage through employee engagement and organisational commitment.
CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

Having dealt with the scope of the study in the previous chapter, this chapter reviews the literature on the study’s three main variables, namely corporate social responsibility (CSR), organisational commitment (OC) and employee engagement (EE). The chapter begins with a definition of CSR, followed by a brief discussion and evaluation of perspectives on the merits for CSR, particularly highlighting the business case arguments. The study then introduces the corporate sustainability concept, a discussion which brings forth the study’s argument on the perceived value of CSR as a key strategy for corporate sustainability. A subsequent discussion to this is based on the multidimensional perspectives of CSR and specifically discusses details of the three CSR pillars as measured by this study, namely the economic, social and environmental aspects, specifically outlining what the study hypothesises as the essential CSR elements for ensuring Corporate Sustainability (CS), through organisational commitment and employee engagement.

Finally, literature on the two attitudinal constructs that the study has linked to CSR, namely employee engagement (EE) and organisational commitment (OC), are also reviewed and discussed with reference to their perceived and hypothesised relationships to CSR and based on the evidence gathered from previous studies that also set out to measure these relationships in similar fashion. The researcher notes the complexity in attempting to define these two very broad concepts, employee engagement in particular, and thus limits the literature review discussion to only that which is relevant for the purposes and outcomes of this study. Specifically, the literature reviewed on these constructs discusses their measurement scales and provides the rationale and motivation behind the choice of the specific instruments chosen for this study from the many disparate scales of measurements that exist in literature for both these constructs.
2.2 CSR DEFINED

Current literature presents various definitions of CSR (Dahlsrud, 2008). One that seems to have been quoted often by previous researchers is from Carroll (1979: 500), namely: “the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organisations at a given point in time”. According to Aguilera, Rupp, Williams and Ganapathi (2007), although the literature base on this concept has grown significantly over the past few years, a clear definition of CSR is very hard to express due to the fluctuating nature of its relationship variables.

Carroll (1999), for example, points out that there are more than twenty-five various conceptual definitions of CSR. McGuire, Sundgren and Schneeweis (1988, cited in Nanderam, 2010) propose that the idea of CSR is based on emphasising that the business’s obligations should extend beyond economic and legal aspects to include certain responsibilities to society. McGuire et al. (1988) further expand this by citing a definition of CSR offered by the World Business Council for Sustainable Development. This Council defines CSR as “a continuing commitment by business to…contribute to economic development, while improving the quality of life of the workforce… as well as of the local community and society at large” (Nanderam, 2010: 17). For its relevance to the present study’s objectives, the following definition has been identified as the main operational definition that will guide the study. CSR is the integration of business operations and values, whereby the interests of all stakeholders including customers, employees, investors, the community, and the environment are reflected in the company’s policies and actions (DeWitt and Dahlin, 2009).

2.3 THE MERITS OF CSR

The argument on the merits for CSR draws heavily on one of the most popular discussions on CSR’s value to the business, called the business case argument for CSR, dubbed ‘doing good in order to make a profit’, Cheers (2011). The business case argument for CSR relates to the business rationale for engaging in CSR, that is, the specific benefits to businesses in an economic and financial sense.
The question that is often posed is whether a business can do well by being good. Carroll and Shabana (2010) make this question explicit in their work where they specifically seek to determine if companies can perform better financially by addressing both their core business operations and their responsibilities to the broader society.

As highlighted in the previous chapter, Kurucz et al. (2008) argue that CSR can enhance a company’s competitive advantage. According to Nandaram (2010), in the changing face of multi-stakeholder preferences, including employees, consumers and shareholders, the economic value of CSR is also seen as increasing.

Seemingly, the goal of CSR is to embrace responsibility for the company’s actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders, and all other members of the public sphere. Fontaine (2013) argues that CSR demands that businesses manage the economic, social and environmental impacts of their operations in order to maximize the benefits and minimize the downsides.

In terms of the business case merits for CSR as espoused by Kurucz et al. (2008), there are four equally important categories of benefits which can be associated with CSR, namely benefits in terms of cost and risk reduction, competitive advantage, company legitimacy and reputation as well as through creation of win-win situations for the company and society. Husted and Allen (2007) contend that much effort has previously been focused on demonstrating that positive CSR can be linked to improved financial performance but that there is a growing sense that looking after the people and the community as well as the environment are all relevant to long-term business survival.

Martin, Petty and Wallace (2009) claim that CSR investments are of utmost importance in helping companies maintain positive stakeholder reputations. According to Cheers (2011), without positive stakeholder reputations most businesses would most likely suffer from lost sales, negative publicity, and a discontented workforce. The quality of relationships that a company has with its employees and other key stakeholders such as customers, investors, suppliers,
public and governmental officials, activists, and communities is crucial to its success, as is its ability to respond to competitive conditions and corporate social responsibility (D’Amato, Henderson and Florence, 2009).

The business case argument on the merits and benefits of CSR discussed in the literature above provides a good rationale for conducting this study which is geared towards determining the benefits of both internal and external CSR practices in a business by investigating the effectiveness and impact of CSR on employee commitment and engagement respectively. In other words, this study seeks to determine the value of CSR as a business strategy for ensuring corporate sustainability, through employee commitment and engagement.

2.4 THEORETICAL PERSPECTIVES ON CSR

According to Wilson (2003), CSR is grounded on three fundamental theories, namely the social justice theory, the rights theory and the deontological theory. Social justice proponents advocate for a fair society in which the needs of all members of society are considered, not just those with power and wealth. Its proponents are of the view that business managers need to consider how their goods can be most appropriately distributed in society.

The rights theory is concerned with the meaning of rights, including basic human rights and property rights. One argument in the rights theory which is relevant to this study is that property rights should never override human rights. From a CSR perspective, this would mean that while shareholders of a business have certain property rights, this does not give them licence to override the basic human rights of employees, local community members, and other stakeholders.

Deontological theory deals with the belief that everyone, including corporate managers, has a moral duty to treat everyone with respect, including listening and considering others’ needs. The above literature on theoretical perspectives upon which CSR is grounded sets the scene for the subsequent discussion based on the two theoretical perspectives that the researcher has chosen for their relevance to this study.
While a number of other theories have also been linked to the concept of CSR, for the purposes of this study, specific reference is made to the stakeholder theory of Freeman (1984, cited in Basu and Palazzo, 2006). Proponents of the stakeholder theory emphasize the need for businesses to provide for society’s discretionary expectations. In addition to making a profit and obeying the law, the stakeholder theory states that a business should attempt to alleviate or solve social problems. This view is the pinnacle of the stakeholder theory which since its introduction has been revised by many different scholars.

An opponent to the stakeholder theory mentioned above, is a shareholder theory which is based on the view of prioritising profitability above everything else in a business. The difference between the shareholder and stakeholder views is that the former is focused on maximising profit for one group of the many business stakeholders, that being the shareholders, while the latter is a multi-stakeholder approach that is all centred on creating and maximising shared value for a variety of stakeholders in a business. The stakeholders’ view includes employees as internal stakeholders and thus reinforces the concept of a win-win situation for the business and society alluded to by Kurucz et al. (2008) in their arguments for the merits of CSR. According to Lee (2008), the stakeholder theory maintains that corporations should consider the effects of their actions upon the customers, suppliers, general public, employees, and others who have a stake or interest in the corporation. According to Cheers (2011), by providing for the needs of stakeholders, businesses ensure their continued success and safeguard their corporate sustainability. Proponents of the stakeholder theory also maintain that increasing shareholder wealth is not the most sustainable approach (Cheers, 2011).

Seemingly, there is a paradigm shift in terms of the society’s perceptions on business priorities and imperatives as they relate to the satisfaction of both shareholders and other stakeholders. While a business still needs to make a profit to remain in business and generate shareholder wealth, equally there seems to be a growing expectation and demand that warrants that businesses must equally also meet the needs of society including their employee. This is one approach believed to
have potential to not only maximise the businesses' profits but help them to earn and retain social authority.

2.5 CORPORATE SUSTAINABILITY

As indicated in Chapter 1, the corporate world has seen a shift in recent years from CSR practices that are mainly based on philanthropic principles to a much more integrated approach where businesses have had to proactively consider the economic, social and environmental consequences of their business activities. Corporate Sustainability can generally be regarded as the corporate response to sustainable development represented by strategies and practices that address the key issues for the world’s sustainable development.

Zadek, Pruzan, and Evans (1997) define corporate sustainability as meeting the needs of a firm’s direct and indirect stakeholders, such as shareholders, employees, clients, pressure groups, communities, etcetera, without compromising its ability to meet the needs of future stakeholders. Sustainable development on the other hand is about creating the conditions for better quality of life for everyone, now and in the future, based on eco-efficiency and innovative solutions for engaging everyone and particularly the developing countries in the global economy (Katsoulakos, 2006).

The literature discussed above implicitly supports one of the arguments made by this study in the previous chapter that CSR presents itself as an opportunity and one of the business strategies to achieve corporate sustainability. To build on this argument as well as relate it to the study objectives, the researcher draws on findings and conclusions from other relevant studies that have also similarly tackled the CSR subject.

According to an international study conducted by the Society for Human Resource Management (SHRM, 2007), there is emerging evidence that CSR can impact business in the following ways: motivating, developing and retaining staff, boosting employee morale, enhancing loyalty and maximizing productivity. The SHRM study further points out that leading companies are realizing that CSR can be nested in the company’s employee brand and can be part of the value proposition for working
at a given firm. If CSR is to achieve corporate sustainability as argued above, employees as a key driver of value in any organisation need to not only play a central role in its agenda but need to be engaged in the task of integrating CSR throughout the business.

Zadek et al. (1997) explain that a key issue in the discussion of corporate sustainability is that a business can be sustained if it shifts its focus from profit maximization to value-creation maximization for stakeholders. The point that these academics make seems to resonate well with the stakeholder theory argument discussed above.

Amongst its strategic impacts, CSR provides moral arguments as to why socially and environmentally responsible behaviours of business should be integrated into the business practice. Strong economic performance and good social and environmental performance are not mutually exclusive, firms with social citizenship records and a real commitment to corporate responsibility are arguably more sustainable, better managed and, therefore, better long-term investments (Ed Motorola, 2004).

CSR also aims to encompass stakeholder engagement, thus strengthening the relationship between a company and its internal and external stakeholder groups, as it attempts to address the diversified needs of each group of stakeholders: a safe workplace for employees, quality goods and services at a fair price for clients, and job creation for local communities (Zadek et al., 1997).

Wilson (2003) supports the argument that presents CSR as a corporate sustainability strategy and points out that CSR encourages more accountability in business practice, thus helping to define the nature of the relationship between corporations and the rest of society. For example, businesses enter into contractual relationships (both explicit and implicit) with other stakeholder groups as a matter of everyday business, and these contractual arrangements can serve as the basis for accountability relationships.

To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer
concerns into their business operations and core strategy in close collaboration with their stakeholders (European Commission, 2011).

CSR and CS are often used synonymously and corporate sustainability has developed to become an important feature in CSR strategies. A strategic approach to CSR is increasingly important to the competitiveness of enterprises. As highlighted in the literature discussion above, it can bring benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity. While CSR can be regarded as an immediate requirement and necessity, CS is more long-term, therefore CSR is an important strategy to use as a foundation for sustainable business models that will ensure corporate sustainability when integrated into the business practice.

The common thread in the literature discussed above seemingly urges twenty-first century businesses to consider the long-term effects of their present actions and business strategies; it is perhaps essential to advise today’s businesses that have not transformed, to change the single-financial bottom line which traditionally has been used as the only means of determining the business’s success and replace it with a more balanced triple-bottom line encompassing economic, social and environmental objectives into its business practices (also referred to as “people, planet, profit”).

The literature above also indicates that the CSR approach is embedded in key areas of focus and guidance for its implementation which ultimately also seek to achieve these triple bottom line objectives.

2.6 THE MULTIDIMENSIONAL NATURE OF CSR

The CSR literature discussed so far shows that the CSR agenda generally covers a multitude of issues, which can be anything from human rights, labour and employment practices (such as training, diversity, gender equality and employee health and well-being), environmental issues (such as biodiversity, climate change, resource efficiency, life-cycle assessment and pollution prevention), and combating bribery and corruption.
For the purposes of this study, the discussion on CSR dimensions will be narrowed and focused on aspects of corporate social responsibility as discussed under the corporate sustainability section which the researcher has identified as relevant to be examined, namely the social, environmental/ecological and economic impacts of CSR.

According to the Daffodil International University (2008), the purpose of CSR is to make corporate business activity and corporate culture sustainable in the three aspects as mentioned above. These three main CSR aspects will be investigated in the present study to determine their level of influence on both employee engagement and organisational commitment.

As identified in Chapter 1, the primary objective of the study is to assess the effectiveness of CSR by investigating its influence on employee engagement and organisational commitment. More specifically this will be achieved by investigating the relationships between perceived CSR economic benefit or impact, social impact and environmental impact on employees as well as investigating which of the independent variables have the strongest influence on employee engagement and organisational commitment respectively. Most of the studies that have investigated the CSR influence on employees have used these three pillars of CSR amongst other variables as a basis for examining their relationships with CSR (Turban and Greening, 1997; Maignan and Ferrell, 2001; Carmeli, Gillat and Waldman, 2007).

Findings and results from some of these studies are discussed below. Peterson (2004) concluded that corporate perceptions are positively related to organisational commitment; with even stronger links among employees who believe in CSR. While Blackhaus, Stone and Heiner (2002), in their study concluded that environment, community relations and diversity have the greater influence on employee engagement than other CSR facets.

In their study, Strand, Levine and Montgomery (1981) found that although they have a low weight in the attribute function, social and environmental dimensions are integrated in entry preferences. In summary, these studies provide strong empirical
support for CSR’s influence on employee (or organisational) commitment (Blackhaus, Stone and Heiner, 2002; Peterson, 2004; Strand, Levine, Montgomery, 1981).

2.6.1 Economic aspects of CSR

The economic responsibility of business is “to produce goods and services that society desires and to sell them at a profit” (Carroll and Shabana, 2010). By doing so, businesses fulfil their primary responsibility as economic units in society. In terms of CSR, the most critical question regarding the economic aspects to be asked concerns the extent and cost at which a business should go about maximizing its profits (Carroll and Shabana, 2010). In other words, while the business case proponents of CSR argue that it is the business’s primary objective to create wealth or profit for shareholders, there is a need to balance this with value creation maximization for stakeholders as highlighted by Zadek et al. (1997) and others in the sections above.

According to the Daffodil International University (2008), the economic performance of a company has direct and indirect impacts on all of its stakeholders – including its employees, local governments, non-profit organisations, customers, suppliers, and the communities in which the company operates. They go further to elaborate that a good economic performance makes it possible to develop operations for the long term and to invest in development and the well-being of employees. In other words, the understanding of the economic impacts of the company’s operations could help a business to work in more efficient ways that would ensure its corporate sustainability. The economic dimension of the sustainability agenda should rather consider the direct and indirect economic impacts that the businesses operations have on the surrounding communities.

2.6.2 Social aspects of CSR

A company’s operation not only depends on financial and natural resources but also on social resources, namely human capital and social capital. Human capital is primarily concerned with aspects like skills, motivation and loyalty of employees and
business partners. Social capital, on the other hand, includes the quality of public services, such as a good education system, infrastructure or a culture supportive of entrepreneurship.

Socially sustainable companies add value to the communities within which they operate by increasing the human capital of individual partners as well as furthering the social capital of these communities. As human and social capital is concerned with the needs of different stakeholders, a company may not be able to meet the expectations of all stakeholder groups simultaneously. From this perspective, a sustainable company manages social capital in such a way that stakeholders can understand its motivations and can broadly agree with the company's value system (Zadek et al., 1997). CSR social initiatives are aimed at achieving and sustaining positive social development of the various stakeholders of a business including the people within the company, in the supply chain of the company, in the community the company is in and as customers of the company.

Laughland and Bansal (2011) conducted a research survey and results showed that employees would rather work for sustainable firms and some would even forego higher earnings to do so. Firms must better leverage this knowledge to attract and retain the best employees. The above-mentioned survey also found that many organisations are becoming increasingly active in addressing social concerns in a way that shows a sense of accountability for the social effects that the business operations have on people directly and indirectly.

The present study focuses specifically on employees as the units of analysis. Employees as a level of analysis have received limited attention in past CSR literature as past CSR and Human Resource Management research has mainly focused on relationships between leadership and corporate social behaviour (Swanson, 2008; Waldman, Siegel and Javidan, 2006).

Although some theoretical models of Corporate Social Performance explicitly included employees as a level of analysis, for example Wood (1991), few studies have investigated CSR's influence on employees' attitudes and perceptions. Social responsibility to employees extends beyond terms and conditions of the formal
contract of employment. This view ties in with the whole notion on the importance of balancing the intrinsic and extrinsic rewards and is a view that was discussed and highlighted by a few researchers in the previous chapter, for example, Strickler (2006) and Jennings (2000), in the section that discussed the problem. Companies need to come up with wider expectations that today’s employees have for the quality of their working life. Such expectations include taking care of the personnel’s welfare and safety at work and upholding their skills and motivation for the work. Beyond these expectations, a socially responsible company secures just treatment and equal opportunities for all its employees, regardless of gender, age, race, or religion (Daffodil International University, 2008).

The social aspect of the study is premised on two social theories, the social identity and social exchange theories (Pascal Gond, El-Akremi, Igalens and Swaen, 2010). Social identity theory suggests that individuals tend to reinforce their self-esteem and bolster their self-image by identifying with groups and organisations recognized for their social engagement and responsibility. However, social identity theory does not integrate notions of reciprocity, expectations and mutual obligations which are needed to understand how attitudes and behaviour, enhanced by identification, may contribute to corporate performance (Cropanzano and Mitchell, 2005).

The social exchange theorists highlight that CSR encompasses actions oriented toward stakeholders which are beyond the scope of traditional corporate activities, involving, for example, the environmental practices, working with NGOs or other social groups. These actions are likely to alter dynamics between corporations and their employees, creating a need for employees to reciprocate positive corporate social behaviour (Pascal et al., 2010). This study uses the two theories highlighted above as a basis for showing how employees may develop a sense of obligation and display commitment and high level of engagement due to CSR practices.

### 2.6.3 Environmental and ecological aspects of CSR

According to Dyllick and Hockerts (2002), a firm’s production process requires resources. These may be natural resources, which can either be renewable (such as wood, fish, and rice) or non-renewable (such as fossil fuels, biodiversity, and quality
soil). These natural resources can also take the form of ecosystems, for instance climate stabilization, water, purification, and/or reproduction of plants and animals. Economic value is derived from the consumption and utilization of national resources and the maintenance of ecosystems. If the natural resources are completely consumed, a business will eventually become unsustainable. Hence, ecologically sustainable companies use only natural resources that are consumed at a rate below the natural reproduction, or at a rate below the development of substitutes. They do not cause emissions that accumulate in the environment at a rate beyond the capacity of the natural system to absorb and assimilate these emissions. In addition, they do not engage in activity that degrades ecosystems.

Environmental concern and sustainable development constitute a key pillar of corporate social responsibility. Environmental and ecological issues have been an important topic of discussion for the past thirty years in the business world – the longest time of the three dimensions of corporate social responsibility. The knowledge and issues within the dimensions have progressed across a landscape of changing business realities. The twenty-first century business is faced with a different set of challenges compared to challenges of the past (Daffodil international University, 2008).

According to Porter and Kramer (2002: 66), when companies ‘get the where and how right’, philanthropic activities and competitive advantage become mutually reinforcing and create a virtuous circle. They contend that corporate philanthropy may be used to influence the competitive context of an organisation, which would allow the organisation to improve its competitiveness and at the same time fulfil the needs of some of its stakeholders. For example, charitable giving to education causes would improve the quality of human resources available for the firm. Similarly, charitable contributions to community causes would result in the creation and preservation of high local quality of life, which may sustain sophisticated and demanding local customers.

The notion of creating win-win outcomes through CSR activities has been raised by a few researchers previously. Drucker (1984: 62) argues ‘the proper “social responsibility” of business is to turn a social problem into economic opportunity and
economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth’. Kurucz et al. (2008) point out that it will not be too long before it can be asserted that ‘the business of business is the creation of sustainable value – economic, social and ecological’.

The win-win perspective to CSR practices is aimed at satisfying stakeholders’ demands while, at the same time, allowing the firm to pursue its operations. By engaging its stakeholders and satisfying their demands, the firm finds opportunities and solutions which enable it to pursue its profitability interest with the consent and support of its stakeholder environment. The win-win perspective to CSR practices provides a view in which CSR is perceived as a vehicle that allows both the firm to pursue its interest and stakeholders to satisfy their demands (Kurucz et al., 2008).

The concept of the win-win approach resonates well with this study’s main objective and outcomes in the sense that the study supports the argument that a business that is engaged in CSR that is comprised of economic, social and environmental practices is highly likely to have high employee engagement and commitment levels which in turn should create a win-win situation as engaged and happy employees are regarded as the most productive.

2.7 CSR AND EMPLOYEE ENGAGEMENT

Traditionally, businesses used corporate social responsibility (CSR) initiatives as vehicles for charity donations (Wan-Jan, 2006; Wood, 1991). Businesses are increasingly dependent on employee efforts related to innovation and customer service levels as a basis for securing competitive advantage (Nanderam, 2010). Parallel to the argument that presents CSR as a business case, is the human capital development argument which is based on the fact that modern businesses tend to depend more and more on the intellectual capital contributions of employees as a means of achieving competitive success (Lawler and Mohrman, 2003).

Traditionally, businesses relied on the use of extrinsic reward elements, specifically cash-based incentives, as a means of motivating employee efforts (Strickler, 2006). However, today’s workforce, particularly younger generations of knowledge workers,
expect and attach value to both extrinsic and intrinsic reward elements in exchange for job efforts (Jennings, 2000).

There is a growing body of literature today suggesting a positive relationship between CSR and employee engagement (Towers Perrin, 2007/8; ISR, 2006; Aon Consulting and Orenda Connections, 2005; Conference Board, 2005; Blessing White, 2003). These studies set out to measure employee engagement at the organisational level and connect it to business outcomes and, in summary, they have shown that employee engagement may lead to a number of positive business outcomes, including, among others, decreased absenteeism and turnover, increased customer satisfaction and loyalty, increased productivity and increased revenue growth.

Towers Perrin (2007/8) conducted a Global Workforce Study that polled 88,600 workers in a survey that covered a range of workplace practices, but focused particularly on the drivers of attraction, retention and engagement at mid- to large-sized companies. The survey found that CSR is the third most important driver of employee engagement overall, and that an organisation’s reputation for social responsibility was an important driver for both engagement and retention among all age groups except 18-24 years of age. It also found that a company’s reputation as a good employer ranks sixth as an attraction driver. Accordingly, the report’s authors noted “organisations with a reputation for CSR can take advantage of their status and strengthen their appeal as an attractive employer by making their commitment part of their value proposition for potential candidates (Towers Perrin, 2007/8). The above literature presents compelling evidence that an important opportunity rests with CSR’s potential to influence employee engagement and, consequently, the positive business outcomes that go along with an engaged workforce (Gross, 2009).

According to Gross (2009), employers want employees who will do their best work to help the company achieve its objectives. Employees want good jobs that are challenging and meaningful. A term that is increasingly used to describe this win-win situation is an engaged workforce.
The following section discusses the meaning of engagement as it relates to this study, the instrument that the researcher has chosen to measure it, and the reasons behind the choice of this particular instrument as a measurement tool. For the purposes of this study, employee engagement will be defined as a measurable degree of an employee’s positive or negative emotional attachment to their job, colleagues and organisation that profoundly influences their willingness to learn and perform at work.

The Gallup Organisation (1998) Q12 measurement scale is used in the present study for its ability to identify strong feelings of employee engagement. This instrument classifies employees into three different levels, namely engaged, not engaged, or actively engaged. The Gallup organisation uses a twelve-item index for measuring employee engagement. The Q12 is divided into two broad categories of employee survey items mainly those that measure attitudinal outcomes (satisfaction, loyalty, pride, customer service intent, and intent to stay with the company) and those that measure actionable issues that drive the above outcomes. When present at high levels, the Q12 are believed to be a reflection of an environment where employees can develop and grow and the opposite holds for lower scores. According to the Gallup organisation, engaged workers are the employees who contribute, perform, and take a keen interest in doing their best.

As highlighted by Robinson, Perryman and Hayday (2004), it makes sense for organisations to monitor the engagement levels of employees and to take action to increase these if necessary. CIPD (2007) also highlights the importance of monitoring levels of employee engagement as a key element in managing the organisation's human capital.

Against the background of the preceding literature review, it is hypothesised that:

H1: There is a positive relationship between the perceived economic benefit of CSR and the perceived effectiveness of employee engagement

H2: There is a positive relationship between the perceived social impact of CSR and the perceived effectiveness of employee engagement
**H3:** There is a positive relationship between the perceived environmental impact of CSR and the perceived effectiveness of employee engagement.

The above-mentioned hypothesised relationships are graphically depicted in Figure 2.1.

**FIGURE 2.1 HYPOTHESES RELATIONSHIPS BETWEEN EFFECTIVE CSR AND EMPLOYEE ENGAGEMENT**

![Diagram of hypothesised relationships between CSR and employee engagement]

2.8 CSR AND EMPLOYEE COMMITMENT (EE)

Employee commitment is a psychological state that characterises the employee’s relationship with the organisation (Morrison, 1996). Commitment has been the focus of numerous studies within the disciplines of organisational behaviour as well as industrial and organisational psychology (Amos and Weathington, 2008; Hult, 2005). Nanderam (2010) contends that a driving force behind the growing commitment literature, similar to previous job satisfaction studies, is its impact on desirable business outcomes, including reduced turnover and increased discretionary efforts. Similarly to other constructs in organisational psychology, commitment has been defined, conceptualised and measured in various ways. Common to all the
conceptualisations found in literature is its positive relationship and impact therefore on job performance (Nanderam, 2010).

This study seeks to find out if there is an existing relationship between organisational commitment and a business engagement in sustainable CSR activities. In trying to bring about a standard measurement for commitment, Meyer and Allen (1993) reviewed literature and proposed a three-component model which has become one of the most widely used conceptualizations of organisational commitment in both business and academia. This study will also use the revised version by Meyer and Allen (1993) of this measuring scale to determine levels of organisational commitment amongst the study respondents. It is important to note that this study is one of the few that have applied this model specifically in determining the influence of Corporate Social Responsibility on commitment and thus it fills a gap by making this contribution to the literature.

According to Meyer and Allen (1993), organisational commitment has three dimensions: affective, normative and continuance. Affective commitment refers to an employee’s emotional link to, identification with and involvement in the organisation (Meyer and Allen, 1993). Affective commitment is derived from acceptance and internalization of the organisation’s goals and values and more strongly related to desirable business outcomes relative to normative and continuance commitment forms. Extending this value connection to the CSR literature, Porter (2008) suggested that CSR initiatives are most effective when they are fully integrated into the values, mission, strategy and operations of the organisation.

Organisations that participate in CSR activities are generally perceived as having a positive corporate citizenship profile. This perception of being socially responsible is a valued employment deal expectation (Melcrum Publishing, 2005). The use of the three-component commitment model is theoretically appropriate for this study as it is focused on exploring the degree to which socially responsible corporate actions may result in a stronger alignment of value between employee and employer. This value alignment may lead to an affective commitment bond which results in desirable behavioural outcomes in the workplace.
Normative commitment entails an employee’s sense of obligation to remain with the organisation. According to Meyer and Allen’s study (1991), this develops from internalization of norms through socialization and receipt of benefits that create a need to reciprocate (Meyer and Allen, 1991). The principle of exchange where an employer and employee exchange rewards is also regarded as a determinant of normative commitment which appeals to employees’ sense of moral obligation.

Continuance commitment is defined as the loss of benefits that would be incurred if the employee resigned from the organisation. It is very much extrinsic in nature and results from economic or instrumental rationale (Allen and Meyer, 1990). Empirical studies like that by Meyer and Allen (1997) suggest that this form of commitment is weakly correlated with discretionary job efforts.

This study will measure all three dimensions of employee commitment because although the three-component commitment model has been used extensively in an organisational setting, there are fewer documented studies that used this model within the context of corporate sustainability. This study therefore extends the body of knowledge related to the application of Meyer and Allen’s (1993) model in a CSR context.

Based on the preceding literature review it is hypothesised that:

H4a: There is a positive relationship between the perceived economic benefit of CSR and the perceived organisational commitment (as measured by affective commitment)

H4b: There is a positive relationship between the perceived economic benefit of CSR and the perceived organisational commitment (as measured by continuance commitment)

H4c: There is a positive relationship between the perceived economic benefit of CSR and the perceived organisational commitment (as measured by normative commitment)
H5a: There is a positive relationship between the perceived social impact of CSR and the perceived organisational commitment (as measured by affective commitment)

H5b: There is a positive relationship between the perceived social impact of CSR and the perceived organisational commitment (as measured by continuance commitment)

H5c: There is a positive relationship between the perceived social impact of CSR and the perceived organisational commitment (as measured by normative commitment)

H6a: There is a positive relationship between the perceived environmental impact of CSR and the perceived organisational commitment (as measured by affective commitment)

H6b: There is a positive relationship between the perceived environmental impact of CSR and the perceived organisational commitment (as measured by continuance commitment)

H6c: There is a positive relationship between the perceived environmental impact of CSR and the perceived organisational commitment (as measured by normative commitment)

The above-mentioned hypothesised relationships are graphically depicted in Figure 2.2 below.
2.9 CHAPTER SUMMARY

CSR is an important business strategy because, wherever possible, consumers want to buy products from companies they trust; suppliers want to form business partnerships with companies they can rely on; employees want to work for companies they respect; and NGOs increasingly want to work together with companies seeking feasible solutions and innovations in areas of common concern. Satisfying each of these stakeholder groups allows companies to maximize their commitment to another important stakeholders group – their investors, who benefit most when the needs of these other stakeholder groups are being met.

The study has deliberated on and discussed different perspectives and views pertaining to the different stakeholders in a business and while this discussion has highlighted views and perspectives from different schools of thoughts, it does seem there is a change of dynamics in terms of categorising the business stakeholders by the degree of importance to the business. More views seem to support the need for a paradigm shift that would bring about a balance in this regard.
The utility of CSR initiatives is seemingly undergoing a transition as organisations respond to varied stakeholder influences. Within this context, organisations appear to be increasingly attuned to the strategic benefits of the varied forms of CSR, particularly sustainable CSR strategies.

The winning companies of this century will be those who prove with their actions that they can be profitable and increase social value. Corporations should consider the three dimensions of CSR discussed throughout this study for running successfully in this competitive world.

The next chapter discusses the details of the research methodology of this study, and describes amongst others, the research design, sampling and data collection procedures used in this study. The chapter also explains the measuring instruments used in the study.
CHAPTER 3

RESEARCH METHODOLOGY AND EMPIRICAL RESULTS

3.1 INTRODUCTION

The literature review in Chapter 2 provided the theoretical underpinning for the relationships to be explored and analysed in this study. Chapter 3 outlines the research methodology that was used in the study. Aspects of the research design which are discussed in this chapter include the research paradigm, the sample as well as the measuring instrument. The data collection process is explained and the validity and reliability of the measuring instrument is also discussed. The last section of this chapter provides an analysis of the study results.

3.2 RESEARCH PARADIGM

Research methodology literature indicates two research paradigms in which research studies are generally located, namely the positivistic or the interpretivistic paradigms. According to Collis and Hussey (2009: 11), a research paradigm is a framework that guides how research should be conducted, based on people’s philosophies and their assumptions about the world and the nature of knowledge. Collis and Hussey (2009: 11) go further to explain that data collected through the above-mentioned paradigms can be described in two ways, qualitative and quantitative.

Qualitative data are concerned with qualities and non-numerical characteristics while quantitative data are collected in numerical form. The interpretivistic paradigm is associated with qualitative methods of analysis while the positivistic paradigm tends to be associated to quantitative methods of analysis.

Collis and Hussey (2009: 56) explain that the positivistic approach focuses on explanatory theories to explain and/or predict social phenomena, and is thus based on the assumption that social reality is singular and objective, and is not affected by
the act of investigating it. This approach uses larger samples and is based on logical reasoning to ensure precision, objectivity and rigour. It is also mainly concerned with the establishment of causal relationships between variables using hypotheses.

Whereas the positivist approach focuses on the measurement of the social phenomena, interpretivism focuses on exploring the complexity of social phenomena with a view to gaining interpretive understanding. This is done using a range of methods that all seek to describe, translate and come to terms with the meaning of naturally occurring phenomena in the social world (Collis and Hussey, 2009: 57).

The following is a comparative discussion based on the five philosophical assumptions underpinning these two paradigms (Collis and Hussey, 2009: 58):

- The **ontological assumption** or the nature of social reality: Positivists assume that social reality is objective and separate from the researcher while interpretivists believe that reality is subjective and based on participant's perceptions and views.

- The **epistemological assumption** or the constitution of valid knowledge: Positivists see the researcher as independent from what is being researched while interpretivists see the researcher as someone that interacts with what is being researched.

- The **axiological assumption** or the role of values: Positivists believe that research is value-free and unbiased while interpretivists believe that research is value-laden and that biases are present in the process.

- The **rhetorical assumption** or the language of research: Positivists believe that a researcher should use a formal style of writing, passive voice and accepted quantitative words; interpretivists on the other hand believe that the researcher should use an informal style of writing, personal voice as well as accepted qualitative terms.

- The **methodological assumption** or the process of research: Positivists follow a deductive approach where the research is based on exploring the cause and effect relationships, from a generic approach to prediction and understanding, while interpretivists follow an inductive approach based on studying the social phenomena in order to formulate of theories.
The study was located in the positivist paradigm, as quantitative analyses were conducted to investigate the hypothesised relationships in this study. Descriptive statistics (means, percentages, standard deviations and frequency scores) were also calculated to investigate the prevalence levels of the latent variables in the selected firms. Sheffé tests were conducted to investigate the differences among selected demographic variables with regard to perceptions of latent variables.

3.3 METHODOLOGY OF THE STUDY

3.3.1 The sample

Convenience sampling was used to target a cross-section sample of at least 150 employees from the firms covering six industries. The sample was stratified to include 50 respondents each of lower-level employees, supervisors and middle managers. The questionnaires were distributed by contact persons in the various firms, who also collected and returned the completed questionnaires to the researcher.

While 150 questionnaires were distributed, only 91 participants responded (response rate = 60.7%). Table 3.1 provides the demographic composition of the participants of the study.
TABLE 3.1 DEMOGRAPHIC COMPOSITION OF THE SAMPLE

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>48</td>
<td>53.0</td>
</tr>
<tr>
<td>Male</td>
<td>43</td>
<td>47.0</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-29</td>
<td>20</td>
<td>22.0</td>
</tr>
<tr>
<td>30-39</td>
<td>36</td>
<td>40.0</td>
</tr>
<tr>
<td>40-49</td>
<td>33</td>
<td>36.0</td>
</tr>
<tr>
<td>60+</td>
<td>2</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>100.0</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Language</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Isi-Xhosa</td>
<td>61</td>
<td>67.0</td>
</tr>
<tr>
<td>English</td>
<td>13</td>
<td>14.0</td>
</tr>
<tr>
<td>Afrikaans</td>
<td>9</td>
<td>10.0</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>9.0</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Highest Educational Qualification</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 10</td>
<td>4</td>
<td>4.0</td>
</tr>
<tr>
<td>Grade 11</td>
<td>30</td>
<td>33.0</td>
</tr>
<tr>
<td>Matric and equivalent</td>
<td>29</td>
<td>32.0</td>
</tr>
<tr>
<td>Higher Certificate</td>
<td>16</td>
<td>18.0</td>
</tr>
<tr>
<td>Diploma</td>
<td>10</td>
<td>11.0</td>
</tr>
<tr>
<td>Degree/Postgraduate degree</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;5 years</td>
<td>45</td>
<td>49.0</td>
</tr>
<tr>
<td>5-10 years</td>
<td>26</td>
<td>29.0</td>
</tr>
<tr>
<td>10-15 years</td>
<td>7</td>
<td>3.0</td>
</tr>
</tbody>
</table>
### Industry Distribution

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of responses</th>
<th>Percentage of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>12</td>
<td>13.0</td>
</tr>
<tr>
<td>Hospitality</td>
<td>16</td>
<td>18.0</td>
</tr>
<tr>
<td>Ecotourism</td>
<td>29</td>
<td>32.0</td>
</tr>
<tr>
<td>Retail</td>
<td>8</td>
<td>9.0</td>
</tr>
<tr>
<td>Automobile</td>
<td>14</td>
<td>15.0</td>
</tr>
<tr>
<td>Communications</td>
<td>12</td>
<td>13.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>91</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

---

### Response Rate by Gender

The first question required respondents to indicate their gender. The results are presented in Figure 3.1.

**FIGURE 3.1 GENDER BIOGRAPHIC WITHIN THE RESPONDENTS**

![Gender Pie Chart]

Figure 3.1 above shows that 53% of respondents were female and 47% were male. This indicates a fair gender composition for this study.
3.3.1.2 Response rate by age group

The second question required respondents to indicate their age. The results are presented in Figure 3.2.

**FIGURE 3.2 AGE BIOGRAPHIC WITHIN THE RESPONDENTS**

![Age distribution chart](image)

Figure 3.2 illustrates that 36% of the respondents were aged between 40 and 49 years, 40% between 30 and 39 years and 22% were aged between 20 and 29 years. Only 2% of respondents were aged 60 years and above. It is interesting to note that overall, although the majority of the study respondents came from the age category 30 to 39 years, the maturity of the respondents in terms of age amongst the respondents in this study is diverse. The fact that a very high percentage (40%) of the study respondents came from this category could be an indication that the majority of the workforce in South African firms is comprised of this age group and this could present itself as an opportunity in terms of firms needing to identify CSR champions and professionals that can help drive CSR strategies within their workforce.
3.3.1.3 Response rate by language

The third question required respondents to indicate their home language. The results are presented in Figure 3.3.

**FIGURE 3.3 HOME LANGUAGE BIOGRAPHIC WITHIN THE RESPONDENTS**

Figure 3.3 above illustrates that 14% of the respondents indicated English as their home language, 10% Afrikaans, and the majority of the respondents highlighted Isi-Xhosa as their home language while the minority (9%) chose to tick other as an indication that their home language was not any of those listed in the questionnaire.

3.3.1.4 Response rate by highest educational qualification

In this fourth biographic question, respondents were required to indicate their highest education qualification. The results are presented in Figure 3.4.
According to Figure 3.4 above, altogether 18% of the respondents had obtained a grade 10, and 33% a grade 11. Respondents who had obtained a matric or equivalent constituted 32% of the respondents; 18% of respondents had obtained a higher certificate; 11% had a degree or diploma, while 1% had obtained a post-degree qualification.

3.3.1.5 Response rate by tenure

In this biographic question of the questionnaire the respondents were required to indicate their tenure (duration in current job). The results are presented in Figure 3.5.
Figure 3.5 illustrates that about half (45%) of the respondents had a job tenure at their current employer of less than 5 years, 26% of the respondents had tenure between 5 and 10 years while 7% of respondents had a job tenure spanning between 10 and 15 years and fewer respondents (3%) had a job tenure of 15 years and more with their current employer. About 10% did not indicate their tenure with the current employer.

3.3.1.5 Response rate by Industry

The respondents were required to indicate the industry in which they work. The results are presented in Figure 3.6.
The response rate by industry is illustrated in Figure 3.6 above. Of the six industries that participated in the study, 13% were from the banking industry, 18% came from the hospitality industry and the majority of the respondents (32%) were from the ecotourism industry. The retail industry had 9% respondents, automobile sector 15% while the communications industry had 13% of the overall respondents in this study.

### 3.3.2 The measuring instruments

Existing instruments with proven psychometric properties were used to measure the organisational commitment and employee engagement latent variables. The Meyer and Allen (1979) instrument was used to measure organisational commitment, which consisted of sections to measure affective commitment, normative commitment and continuance commitment. The Gallup organisation (1998) Q12 instrument that is in the public domain and usually used in engagement studies, was used to measure employee engagement.

Instruments to measure the economic, social and environmental impact of CSR were self-constructed based on scholarly research studies on these variables (Gond, El-Akremi, Igalens, Swaen, 2000; Gross, 2009; The Daffodil International University, 2008). All responses on the latent variables were anchored to a Likert scale ranging...
from (1) strongly disagree to (5) strongly agree. The data analyses included the calculation of Cronbach alpha coefficients, descriptive statistics (percentages, means, standard deviation and frequency scores), multiple regression, Pearson correlations and Scheffé tests.

3.4 THE EMPIRICAL RESULTS

This section reports on the empirical results that emanated from the various data analyses conducted in this study. First the assessment of the validity of the data is discussed. This followed by the results of the assessment of the internal reliability of the data as measured by Cronbach alpha coefficients. Furthermore, the results that emanated from the multiple regression analysis, Pearson correlation analysis and Scheffé tests are reported, while the results of the descriptive statistics (percentages, means and standard deviations) are reported in Chapter 4.

3.4.1 Validity of the measuring instruments

According to Collis and Hussey (2009: 65), validity is the extent to which the research findings accurately reflect the phenomena under study. According to Struwig and Stead (2001), validity comprises the external and internal validity of research design:

- **External validity** - refers to the extent to which one can generalise the results of a study to other populations
- **Internal validity** - refers to the extent to which conclusions which are free from bias can be formulated.

Collis and Hussey (2009: 65) differentiate between the various ways in which the validity of research can be measured, the most common being the face validity. They explain that face validity involves ensuring that the tests used by the researcher do actually measure or represent what they are supposed to measure or represent. Content or face validity is the degree to which the content of the items adequately represents the universe of all relevant variables in the study. Criterion-related validity
is the degree to which the predictor is adequate in capturing the relevant aspects of the criterion or variable (Collis and Hussey, 2009: 59).

According to Collis and Hussey (2009: 65), construct validity is another important form of validity important in business research. This type of validity measures characteristics, known as hypothetical constructs which are not directly observable, such as motivation, satisfaction, ambition and anxiety. These hypothetical constructs are assumed to exist as factors which explain observable phenomena.

In the present study, face and content validity was relied upon to test the validity of the measurement items of the instruments that were used to measure the latent variables investigated in the study. To this end, the opinions of senior executives, who drive CSR strategies in their firms, were sought.

### 3.4.2 Reliability of the measuring instruments

According to Collis and Hussey (2009: 64), reliability is concerned with the findings of the research and is one aspect of the credibility of the findings. They go further to explain that for a research result to be reliable, a repeat study should produce the same result. De Vos, Strydom, Fouche and Delport (2002: 169) point out that reliability is primarily concerned not with what is being measured but how well it is being measured.

Collis and Hussey (2009: 186) suggest that there are three ways of estimating how reliable responses are to questions, namely:

- The test-re-test method where questions are asked of the same people, but on two occasions. In this method, the responses from two different occasions are correlated and the correlation co-efficient of the two sets of data are computed in order to provide an index of reliability.
- The split-halves method where the questionnaires or interview record sheets are divided into two equal halves and a correlation of the two data sets is computed
- Internal consistency method where every item is correlated with every other item across the entire sample and the average inter-item correlation is then taken as the index of reliability.

McMillan and Schumacher (2006: 186) identify Cronbach alpha as an ideal measuring tool when participants respond to questions that are anchored on a Likert scale. The Cronbach alpha calculation examines the inter-correlations among test items and the closer a Cronbach’s coefficient alpha is to 1.00 the higher the instrument’s internal consistency and reliability.

**TABLE 3.2: RELIABILITY OF MEASURING INSTRUMENTS**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>CRONBACH ALPHA VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective commitment</td>
<td>0.75</td>
</tr>
<tr>
<td>Continuance commitment</td>
<td>0.76</td>
</tr>
<tr>
<td>Normative commitment</td>
<td>0.61</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>0.78</td>
</tr>
<tr>
<td>Perceived economic benefit of CSR</td>
<td>0.82</td>
</tr>
<tr>
<td>Perceived environmental benefit of CSR</td>
<td>0.71</td>
</tr>
<tr>
<td>Perceived social benefit of CSR</td>
<td>0.77</td>
</tr>
</tbody>
</table>

The Cronbach alpha was calculated to assess the reliability of the instruments used in this study. According to Zikmund, Babin, Carr and Griffin (2010), a Cronbach alpha of above 0.80 is considered very good reliability, below 0.60 as poor, between 0.60 and 0.69 as fair and between 0.70 and 0.79 as good reliability. Table 3.3 shows that all the variables exhibited fair to very good reliability with Cronbach alphas ranging from exceeding 0.61 to 82. The items used to measure the variables listed in Table 3.3 were therefore all reliable and thus retained for further analyses.

### 3.4.3 Multiple regression results

The relationships between corporate social responsibility and its determinants were tested using the STATISTICA software package. Specifically, the influence was tested of CSR on affective commitment, continuance commitment, normative commitment and employee engagement. The three independent variables used in
this study were the economic impact, social impact and environmental impact of CSR. The results of the multiple regression analysis are shown from Table 3.4 to 3.7.

**TABLE 3.3  MULTIPLE REGRESSION ANALYSIS: PERCEIVED ECONOMIC BENEFIT OF CSR**

<table>
<thead>
<tr>
<th>DEPENDENT VARIABLE: AFFECTIVE COMMITMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>$R^2 = 0.42033419$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>N=91</th>
<th>b*</th>
<th>Std.Err.- of b*</th>
<th>B</th>
<th>Std.Err.- of b</th>
<th>t(87)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.699574</td>
<td>0.365358</td>
<td>1.914763</td>
<td>0.058809</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic benefit</td>
<td>0.34555</td>
<td>0.149691</td>
<td>0.346683</td>
<td>0.150188</td>
<td>2.308325</td>
<td>0.023353</td>
</tr>
<tr>
<td>Social benefit</td>
<td>0.26922</td>
<td>0.144036</td>
<td>0.270156</td>
<td>0.144536</td>
<td>1.869123</td>
<td>0.064970</td>
</tr>
<tr>
<td>Environmental benefits</td>
<td>0.13247</td>
<td>0.089043</td>
<td>0.137336</td>
<td>0.092315</td>
<td>1.487681</td>
<td>0.140451</td>
</tr>
</tbody>
</table>

*Note: P-values in bold indicate a significant relationship*

3.4.3.1 The influence of the perceived economic benefit of CSR on the perceived organisational commitment (as measured by affective commitment)

To investigate the above-mentioned relationship the following hypothesis was formulated:

H4a: There is a positive relationship between the perceived economic benefit of CSR and the perceived organisational commitment (as measured by affective commitment)

The empirical results show that the perceived economic benefit of CSR is positively related ($r = 0.35, p < 0.05$) to affective commitment towards the firm. In other words, the more respondents believe that CSR has positive economic benefits for employees or society, the higher their effective commitment towards their firms will be. This empirical result supports the hypothesis H4a.
3.4.3.2 The influence of the perceived social benefit of CSR on the perceived organisational commitment (as measured by affective commitment)

To investigate the above-mentioned relationship the following hypothesis was formulated:

H5a: There is a positive relationship between the perceived social benefit of CSR and the perceived organisational commitment (as measured by affective commitment)

The empirical results show that the social benefit of CSR is not significantly related to affective commitment towards the firm. This means that increasing or decreasing the perceived social benefits of CSR does not have an influence on the affective commitment of employees. This empirical result does not support hypothesis H5a.

3.4.3.3 The influence of the perceived environmental benefit of CSR on the perceived organisational commitment (as measured by affective commitment)

To investigate the above-mentioned relationship the following hypothesis was formulated:

H6a: There is a positive relationship between the perceived environmental impact of CSR and the perceived organisational commitment (as measured by affective commitment)

The empirical results show that the environmental benefit of CSR is not significantly related to affective commitment towards the firm. This means that increasing or decreasing the perceived environmental benefits does not have an influence on the affective commitment of employees. This empirical result does not support hypothesis in H6a.
TABLE 3.4: INFLUENCE OF CSR ON CONTINUANCE COMMITMENT

<table>
<thead>
<tr>
<th>DEPENDENT VARIABLE: CONTINUANCE COMMITMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>( R^2 = 0.15521032 )</td>
</tr>
<tr>
<td>( N=91 )</td>
</tr>
<tr>
<td>b*</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Intercept</td>
</tr>
<tr>
<td>Economic benefit</td>
</tr>
<tr>
<td>Social benefit</td>
</tr>
<tr>
<td>Environmental benefits</td>
</tr>
</tbody>
</table>

Note: P-values in bold indicate a significant relationship

3.4.3.4 The influence of the perceived economic benefit of CSR on the perceived organisational commitment (as measured by continuance commitment)

To investigate the above-mentioned relationship, the following hypothesis was formulated:

H4b: There is a positive relationship between the perceived economic benefit of CSR and the perceived organisational commitment (as measured by continuance commitment)

The empirical results show that the economic benefit of CSR is not significantly related to continuance commitment towards the firm. This means that increasing or decreasing the perceived economic benefits of CSR does not have an influence on the continuance commitment of employees. This empirical result does not support hypothesis H4b.

3.4.3.5 The influence of the perceived social benefit of CSR on the perceived organisational commitment (as measured by continuance commitment)
To investigate the above-mentioned relationship the following hypothesis was formulated:

H5b: There is a positive relationship between the perceived social benefit of CSR and the perceived organisational commitment (as measured by continuance commitment)

The empirical results show that the social benefit of CSR is not related to the continuance commitment towards the firm. This means that increasing or decreasing the perceived social benefits of CSR does not have an influence on the continuance of employees. This empirical result does not support hypothesis H5b.

3.4.3.6 The influence of the perceived environmental benefit of CSR on the perceived organisational commitment (as measured by continuance commitment)

To investigate the above-mentioned relationship the following hypothesis was formulated:

H6b: There is a positive relationship between the perceived environmental impact of CSR and the perceived organisational commitment (as measured by continuance commitment)

The empirical results show that the perceived environmental benefit of CSR is positively related \( (r = 0.31, p < 0.01) \) to continuance commitment towards the firm. In other words, the more respondents believe that CSR has positive environmental benefits for employees or society, the higher their continuance commitment towards their firms will be. This empirical result supports the hypothesis H6b.
TABLE 3.5: INFLUENCE OF CSR ON NORMATIVE COMMITMENT

<table>
<thead>
<tr>
<th>DEPENDENT VARIABLE: NORMATIVE COMMITMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>$R^2 = 0.18464404$</td>
</tr>
<tr>
<td>$F(3,87) = 6.5673$  $p &lt; 0.05$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>N=166</th>
<th>b*</th>
<th>Std.Err.- of b*</th>
<th>B</th>
<th>Std.Err.- of b</th>
<th>t(87)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>1.591138</td>
<td>0.392719</td>
<td>4.051590</td>
<td>0.000110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic benefit</td>
<td>0.117142</td>
<td>0.177533</td>
<td>0.106520</td>
<td>0.161436</td>
<td>0.659829</td>
<td>0.511106</td>
</tr>
<tr>
<td>Social benefit</td>
<td>0.166729</td>
<td>0.170827</td>
<td>0.151633</td>
<td>0.155360</td>
<td>0.976010</td>
<td>0.331766</td>
</tr>
<tr>
<td>Environmental benefits</td>
<td>0.250310</td>
<td>0.105605</td>
<td>0.235197</td>
<td>0.099229</td>
<td>2.370254</td>
<td>0.019986</td>
</tr>
</tbody>
</table>

Note: *P*-values in bold indicate a significant relationship

3.4.3.7 The influence of the perceived economic benefit of CSR on the perceived organisational commitment (as measured by normative commitment)

To investigate the above-mentioned relationship the following hypothesis was formulated:

H4c: There is a positive relationship between the perceived economic benefit of CSR and the perceived organisational commitment (as measured by normative commitment)

The empirical results show that the perceived economic benefit of CSR is not significantly related to normative commitment towards the firm. This means that increasing or decreasing the perceived economic benefits of CSR does not have an influence on the normative commitment of employees. This empirical result does not support hypothesis H4c.

3.4.3.8 The influence of the perceived social benefit of CSR on the perceived organisational commitment (as measured by normative commitment)

To investigate the above-mentioned relationship the following hypothesis was formulated:
H5c: There is a positive relationship between the perceived social benefit of CSR and the perceived organisational commitment (as measured by normative commitment)

The empirical results show that the social benefit of CSR is not significantly related to normative commitment towards the firm. This means that increasing or decreasing the perceived social benefits of CSR does not have an influence on the normative commitment of employees. This empirical result does not support hypothesis H5c.

3.4.3.9 The influence of the perceived environmental benefit of CSR on the perceived organisational commitment (as measured by normative commitment)

To investigate the above-mentioned relationship the following hypothesis was formulated:

H6c: There is a positive relationship between the perceived environmental impact of CSR and the perceived organisational commitment (as measured by normative commitment)

The empirical results show that the environmental benefit of CSR is positively related \((r = 0.25, p < 0.05)\) to affective commitment towards the firm. In other words, the more respondents believe that CSR has positive environmental benefits for employees or society, the higher their normative commitment towards their firms will be. This empirical result supports the hypothesis H6c.

In summary, it seems that the perceived benefits of CSR are generally more related to perceived employee commitment than to the perceived employee engagement. This could mean that CSR could be a greater tool and utility in determining employee commitment than employee engagement in a firm.

Overall the perceived environmental benefits of CSR seem to be a stronger determinant of organisational commitment than the other two independent variables (perceived social and economic benefits). The perceived economic benefits relationship seems to be positively related to organisational commitment only when
measured as affective commitment and not related when measured in the other two forms or variables of commitment. The fact that there does not seem to be a relationship between the perceived social benefits of CSR and the various forms of organisational commitment is noteworthy.

### TABLE 3.6: INFLUENCE OF CSR ON EMPLOYEE ENGAGEMENT

<table>
<thead>
<tr>
<th>DEPENDENT VARIABLE: EMPLOYEE ENGAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>$R^2 = 0.4159119$</td>
</tr>
<tr>
<td>$F(3,87) = 20.623 \ p &lt; 0.001$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>N=166</th>
<th>b*</th>
<th>Std.Err.- of b*</th>
<th>B</th>
<th>Std.Err.- of b</th>
<th>t(87)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.218306</td>
<td>0.324661</td>
<td>3.752546</td>
<td>0.000315</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic benefit</td>
<td>0.099285</td>
<td>0.150302</td>
<td>0.088159</td>
<td>0.033459</td>
<td>0.660570</td>
<td>0.510634</td>
</tr>
<tr>
<td>Social benefit</td>
<td>0.500995</td>
<td>0.144625</td>
<td>0.444918</td>
<td>0.128436</td>
<td>3.464107</td>
<td>0.000828</td>
</tr>
<tr>
<td>Environmental benefits</td>
<td>0.140176</td>
<td>0.089406</td>
<td>0.128615</td>
<td>0.082032</td>
<td>1.567852</td>
<td>0.120546</td>
</tr>
</tbody>
</table>

**Note:** *P*-values in bold indicate a significant relationship

3.4.3.10 The influence of the perceived economic benefit of CSR on the perceived effectiveness of employee engagement

To investigate the above-mentioned relationship the following hypothesis was formulated:

**H1:** There is a positive relationship between the perceived economic benefit of CSR and the perceived effectiveness of employee engagement

The empirical results show that the perceived economic benefit of CSR is not significantly related to employee engagement in the firm. This means that increasing or decreasing the perceived economic benefits of CSR does not have an influence on the engagement levels of employees. This empirical result does not support hypothesis H1.
3.4.3.11 The influence of the perceived social benefit of CSR on the perceived employee engagement

To investigate the above-mentioned relationship the following hypothesis was formulated:

H2: There is a positive relationship between the perceived social benefit of CSR and the perceived effectiveness of employee engagement

The empirical results show that perceived social benefit of CSR is positively related \( (r = 0.50, p < 0.001) \) to employee engagement. In other words, the more respondents believe that CSR has positive social benefits for employees or society, the higher their engagement in their firms will be. This empirical result supports hypothesis H2.

3.4.3.12 The influence of the perceived environmental benefit of CSR on the perceived effectiveness of employee engagement

To investigate the above-mentioned relationship the following hypothesis was formulated:

H3: There is a positive relationship between the perceived environmental impact of CSR and the perceived effectiveness of employee engagement

The empirical results show that the environmental benefit of CSR is not significantly related to employee engagement in the firm. This means that increasing or decreasing the perceived environmental benefits of CSR does not have an influence on the engagement levels of employees in the firm. This empirical result does not support hypothesis H3.

The results above highlight that the perceived social benefits of CSR are the key determinant of employee engagement. They also indicate that employee engagement and environmental as well as economic benefits of CSR are not related.
3.4.4 Pearson correlations and Scheffé tests – empirical results

TABLE 3.7: CORRELATIONS AMONG THE LATENT AND DEMOGRAPHIC VARIABLES

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>AFFEC</th>
<th>CONTN</th>
<th>EECON</th>
<th>EENGA</th>
<th>EENVI</th>
<th>NORMC</th>
<th>SSOCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENDER</td>
<td>-0.167164</td>
<td>-0.217346</td>
<td>-0.044879</td>
<td>-0.127145</td>
<td>-0.179808</td>
<td>-0.052985</td>
<td>0.023771</td>
</tr>
<tr>
<td>AGE</td>
<td>-0.011646</td>
<td>0.065129</td>
<td>-0.008080</td>
<td>-0.117647</td>
<td>-0.018762</td>
<td>-0.143487</td>
<td>-0.027522</td>
</tr>
<tr>
<td>LANGUAGE</td>
<td>0.219364</td>
<td>-0.103897</td>
<td>0.305589</td>
<td>0.238067</td>
<td>-0.003539</td>
<td>-0.139099</td>
<td>0.267573</td>
</tr>
<tr>
<td>QUALIFICATION LEVEL</td>
<td>0.069648</td>
<td>-0.331028</td>
<td>0.208807</td>
<td>0.135582</td>
<td>-0.042526</td>
<td>-0.297471</td>
<td>0.291809</td>
</tr>
<tr>
<td>TENURE</td>
<td>-0.066275</td>
<td>-0.064466</td>
<td>-0.183214</td>
<td>-0.064187</td>
<td>0.057723</td>
<td>-0.020866</td>
<td>-0.140752</td>
</tr>
<tr>
<td>INDUSTRY</td>
<td>0.004601</td>
<td>0.002546</td>
<td>-0.024223</td>
<td>-0.065225</td>
<td>0.037191</td>
<td>-0.151348</td>
<td>-0.053999</td>
</tr>
</tbody>
</table>

Note: values in bold indicate significant correlations at $p < 0.05$

Language group has an influence on perceived economic benefit of CSR, the perceived social benefit of CSR and engagement. In other words, language groups perceive the economic and social benefit of CSR differently. They also perceive engagement differently.

Education groups also view continuance commitment, normative commitment and the social benefit of CSR differently. It appears that education qualification is negatively related to both continuance commitment and normative commitment. This means the higher the qualification the lower is the continuance commitment and normative commitment. The results show that education qualification is positively related to the perceived social benefit of CSR. This means that the higher the education qualification the more positive is the perceived social benefit of CSR.

The above results indicate that of the six demographical variables of the study, the language group and qualification level are the only ones that seem to be relevant to the study variables. The lesson from these results is perhaps that CSR strategies that are accommodative and cognisant of the language and qualification differences are highly likely to be more impactful than those that use a blanket approach for all.
Exploring the correlation results further, Scheffé tests were conducted. The results are reported below.

**TABLE 3.8: INFLUENCE OF LANGUAGE GROUP ON PERCEIVED ECONOMIC BENEFIT OF CSR**

Scheffé test  
Independent variable: Language  
MS$= .37762$  
df $= 85.00$

<table>
<thead>
<tr>
<th></th>
<th>Xhosa (Mean = 3.28)</th>
<th>English (Mean = 3.57)</th>
<th>Afrikaans (Mean = 3.74)</th>
<th>Other (Mean = 3.60)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.613351</td>
<td>0.120589</td>
<td>0.748396</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>0.613351</td>
<td>0.925438</td>
<td>0.999740</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>0.120589</td>
<td>0.925438</td>
<td>0.977897</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>0.748396</td>
<td>0.999740</td>
<td>0.977897</td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 3.9: INFLUENCE OF LANGUAGE GROUP ON EMPLOYEE ENGAGEMENT**

<table>
<thead>
<tr>
<th></th>
<th>Xhosa (Mean = 3.49)</th>
<th>English (Mean = 3.63)</th>
<th>Afrikaans (Mean = 3.81)</th>
<th>Other (Mean = 3.80)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.902492</td>
<td>0.307457</td>
<td>0.696159</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>0.902492</td>
<td>0.895611</td>
<td>0.959441</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>0.307457</td>
<td>0.895611</td>
<td>0.999970</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>0.696159</td>
<td>0.959441</td>
<td>0.999970</td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 3.10: INFLUENCE OF LANGUAGE GROUP ON PERCEIVED SOCIAL BENEFIT OF CSR**

<table>
<thead>
<tr>
<th></th>
<th>Xhosa (Mean = 3.54)</th>
<th>English (Mean = 3.74)</th>
<th>Afrikaans (Mean = 3.92)</th>
<th>Other (Mean = 3.90)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.832662</td>
<td>0.258582</td>
<td>0.669510</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>0.832662</td>
<td>0.916364</td>
<td>0.972323</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>0.258582</td>
<td>0.916364</td>
<td>0.999904</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>0.669510</td>
<td>0.972323</td>
<td>0.999904</td>
<td></td>
</tr>
</tbody>
</table>
The Scheffé tests reveal that Xhosa-speaking respondents view the economic (Table 3.9) and social benefits (Table 3.11) of CSR less positively (mean = 3.28) than the English (mean = 3.57) and Afrikaans-speaking (mean = 3.74) respondents. The Scheffé tests (Table 3.10) also indicate that Xhosa-speaking respondents reported a lower level of employee engagement (mean = 3.49) compared to English (mean = 3.63) and Afrikaans-speaking (mean = 3.81) respondents.

**TABLE 3.11: INFLUENCE OF EDUCATION ON PERCEIVED SOCIAL BENEFIT OF CSR**

<table>
<thead>
<tr>
<th></th>
<th>Grade 10  (Mean = 3.12)</th>
<th>Grade 11  (Mean = 3.56)</th>
<th>Matric and equivalent (Mean = 3.57)</th>
<th>Higher Certificate (Mean = 3.92)</th>
<th>Diploma/Degree (Mean = 3.83)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.874833</td>
<td>0.864046</td>
<td>0.365627</td>
<td>0.581771</td>
<td>0.342989</td>
</tr>
<tr>
<td>2</td>
<td>0.874833</td>
<td>1.000000</td>
<td>0.589948</td>
<td>0.917738</td>
<td>0.591843</td>
</tr>
<tr>
<td>3</td>
<td>0.864046</td>
<td>1.000000</td>
<td>0.627635</td>
<td>0.931334</td>
<td>0.602057</td>
</tr>
<tr>
<td>4</td>
<td>0.365627</td>
<td>0.589948</td>
<td>0.627635</td>
<td>0.99492</td>
<td>0.880906</td>
</tr>
<tr>
<td>5</td>
<td>0.581771</td>
<td>0.917738</td>
<td>0.931334</td>
<td>0.99492</td>
<td>0.832331</td>
</tr>
<tr>
<td>6</td>
<td>0.342989</td>
<td>0.591843</td>
<td>0.602057</td>
<td>0.880906</td>
<td>0.832331</td>
</tr>
</tbody>
</table>

**TABLE 3.12: INFLUENCE OF EDUCATION ON NORMATIVE COMMITMENT**

<table>
<thead>
<tr>
<th></th>
<th>Grade 10  (Mean = 3.38)</th>
<th>Grade 11  (Mean = 3.43)</th>
<th>Matric and equivalent (Mean = 3.31)</th>
<th>Higher Certificate (Mean = 3.12)</th>
<th>Diploma/Degree (Mean = 3.00)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.999983</td>
<td>0.999972</td>
<td>0.982735</td>
<td>0.932289</td>
<td>0.999436</td>
</tr>
<tr>
<td>2</td>
<td>0.999983</td>
<td>0.980797</td>
<td>0.638749</td>
<td>0.472127</td>
<td>0.997541</td>
</tr>
<tr>
<td>3</td>
<td>0.999972</td>
<td>0.980797</td>
<td>0.938034</td>
<td>0.799123</td>
<td>0.999793</td>
</tr>
<tr>
<td>4</td>
<td>0.982735</td>
<td>0.638749</td>
<td>0.938034</td>
<td>0.997994</td>
<td>1.000000</td>
</tr>
<tr>
<td>5</td>
<td>0.932289</td>
<td>0.472127</td>
<td>0.799123</td>
<td>0.997994</td>
<td>0.999975</td>
</tr>
<tr>
<td>6</td>
<td>0.999436</td>
<td>0.997541</td>
<td>0.999793</td>
<td>1.000000</td>
<td>0.999975</td>
</tr>
</tbody>
</table>

The empirical results (Table 3.12) show that employees with higher education levels exhibit more positive perceptions about the social benefits of CSR than those with lower education levels. Tables 3.13 and 3.14 indicate that the higher the education
level of employees is, the less positive the normative and continuance commitments are to their firms.

TABLE 3.13: INFLUENCE OF EDUCATION ON CONTINUANCE COMMITMENT

<table>
<thead>
<tr>
<th>Scheffé test</th>
<th>Independent variable: Education</th>
<th>MS = 0.45275</th>
<th>df = 85.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 10 (Mean = 3.38)</td>
<td>Grade 11 (Mean = 3.35)</td>
<td>Matric and equivalent (Mean = 3.17)</td>
<td>Higher Certificate (Mean = 2.98)</td>
</tr>
<tr>
<td>1</td>
<td>1.000000</td>
<td>0.996876</td>
<td>0.954933</td>
</tr>
<tr>
<td>2</td>
<td>1.000000</td>
<td>0.955011</td>
<td>0.687753</td>
</tr>
<tr>
<td>3</td>
<td>0.996876</td>
<td>0.955011</td>
<td>0.978364</td>
</tr>
<tr>
<td>4</td>
<td>0.954933</td>
<td>0.687753</td>
<td>0.978364</td>
</tr>
<tr>
<td>5</td>
<td>0.634984</td>
<td>0.147862</td>
<td>0.469169</td>
</tr>
<tr>
<td>6</td>
<td>0.982992</td>
<td>0.978319</td>
<td>0.995888</td>
</tr>
</tbody>
</table>

The results of the Scheffé tests above indicate that a special caution needs to be applied when firms put together CSR strategies that cater to people that speak different languages and who come from different cultures as these groups tend to perceive things differently. In other words, things like language, ethnicity, culture etcetera, could act as barriers to adoption in CSR strategies.

Some of the important themes that can be extracted from the results presented and analysed above are highlighted below, namely:

- that the economic benefit of CSR has the strongest effect on affective commitment of employees. In other words, if firms increase the economic benefit of CSR, they would increase strong positive feelings towards the firms on the part of employees

- that the environmental benefit of CSR plays a big role in employees wanting to stay (not resign from) with their firms (continuance commitment) and feeling obliged to
stay with their firms (normative commitment). In other words, the environmental benefit of CSR plays a big role in employee retention.

- that the social benefit of CSR has a poor effect on affective commitment of employees. In other words increasing the social benefits of CSR would not automatically lead to positive attitudinal attachment towards the firms on the part of the employees

- that the social benefit of CSR has a strong effect on the level of employee engagement. In other words, if firms increase the CSR social benefits, the level of engagement amongst employees in their firms will increase.

- that the evidence presented in the empirical results above indicates that allowing for language diversity can influence employee perceptions of economic and social CSR benefits as well as employee engagement negatively or positively.

- that highly educated employees tend to relate positively to the social benefits of CSR and less positively to normative commitment. In other words, the higher the firms could increase the social benefits the more highly educated people will be influenced positively and that highly educated employees do not seem to feel obliged to remain with the firm hence the negative perceptions towards the normative commitment.

### 3.5 CHAPTER SUMMARY

The research design methodology used in this study was discussed in this chapter. An overview of the research paradigm, the sample as well as the measuring instrument was given. The chapter also discussed the reliability and validity of the measuring instrument and a brief explanation was given of the process undertaken to collect data for the study.

The second section of this chapter documented, analysed and reported the empirical results of the study. Firstly the demographical variables were examined and illustrated by means of pie charts and tables. Secondly, the relationships between
the independent variables, i.e. the perceived CSR benefits (economic, social and environmental) and the dependent variables, i.e organisational commitment (affective, normative and continuance) and employee engagement, were analysed. Specifically, a multiple regression analysis and Scheffé tests were done to test these relationships. Correlation coefficients were also calculated for the relationships between the latent the demographic variables.

All empirical results were interpreted and preliminary findings were highlighted. In the next, final chapter, the findings highlighted in this chapter will be discussed in terms of their managerial implications for business firms.
CHAPTER 4

DESCRIPTIVE STATISTICS - EMPIRICAL RESULTS

4.1 INTRODUCTION

In this chapter the empirical results with regard to the descriptive statistics are reported. The descriptive statistics reveal to what extent the respondents agreed or disagreed with the questionnaire statements. These statistics often reveal weaknesses (the level of disagreement with statements) and strengths (the level of agreement with statements) in organisations. Valuable information is therefore often uncovered by descriptive statistics.

The data analysed consisted of the calculation of the means, standard deviations and percentage responses to the questionnaire statements. All strongly disagree and disagree responses were collapsed into one group, labelled Disagree, while all the strongly agree and agree responses were combined into another group, labelled Agree. The empirical descriptive results are presented by means of tables and Tables 4.1 to 4.7 demonstrates the average responses by providing results for the means and standard deviation to individual questions.

4.2 DESCRIPTIVE STATISTICS: AFFECTIVE COMMITMENT

Table 4.1 depicts the prevailing affective commitment among respondents towards their employing firms. Table 4.1 demonstrates the average responses by providing results for the means and standard deviation to individual questions. The mean scores achieved on the 8 statements of affective commitment covered a range between 2.96 and 3.71 while the standard deviation covered a range between 0.88 and 1.19. The overall mean score for effective commitment is 3.33 which is higher than 3.0 thus indicating that the respondents are expressing a positive affective commitment to their firms.
A large number of the respondents (63.7%) indicated that they enjoy discussing their organisations with people outside it while an overall 28.6% respondents neither agreed or disagreed with the statement, with a mere 7.7% totally disagreeing with this statement. More than a third of the respondents (40.6%) reported that they would be very happy to spend the rest of their career with their organisations. A slight concern was brought about by the 27.4% of respondents that could not decide whether they regarded the organisation’s problems as their own or not. Overall, it appears that the majority of the respondents display a very positive attitude in terms of their perceived affective commitment to the organisation. The overall mean score indicated above (3.33) supports this analysis.

**TABLE 4.1: DESCRIPTIVE STATISTICS ON AFFECTIVE COMMITMENT**

<table>
<thead>
<tr>
<th>Code</th>
<th>Statement</th>
<th>Disagree %</th>
<th>Neutral %</th>
<th>Agree %</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFCO1</td>
<td>I would be very happy to spend the rest of my career with this organisation</td>
<td>32</td>
<td>28</td>
<td>40</td>
<td>3.16</td>
<td>1.19</td>
</tr>
<tr>
<td>AFCO2</td>
<td>I enjoy discussing my organisation with people outside it</td>
<td>7</td>
<td>29</td>
<td>64</td>
<td>3.71</td>
<td>0.89</td>
</tr>
<tr>
<td>AFCO3</td>
<td>I really feel as if this organisation's problems are my own</td>
<td>36.</td>
<td>28</td>
<td>36</td>
<td>2.96</td>
<td>1.12</td>
</tr>
<tr>
<td>AFCO4</td>
<td>I think that I could not easily become as attached to another organisation as I am to this one</td>
<td>32</td>
<td>30</td>
<td>38</td>
<td>3.09</td>
<td>1.12</td>
</tr>
<tr>
<td>AFCO5</td>
<td>I feel 'part of the family' at my organisation</td>
<td>18</td>
<td>21</td>
<td>61</td>
<td>3.51</td>
<td>1.04</td>
</tr>
<tr>
<td>AFCO6</td>
<td>This organisation has a great deal of personal meaning for me</td>
<td>11</td>
<td>27</td>
<td>62</td>
<td>3.60</td>
<td>0.96</td>
</tr>
<tr>
<td>AFCO7</td>
<td>I feel 'emotionally attached' to this organisation</td>
<td>31</td>
<td>34</td>
<td>35</td>
<td>3.02</td>
<td>1.06</td>
</tr>
<tr>
<td>AFCO8</td>
<td>I feel a strong sense of belonging to my organisation</td>
<td>11</td>
<td>31</td>
<td>58</td>
<td>3.56</td>
<td>0.88</td>
</tr>
</tbody>
</table>

**AVERAGE MEAN SCORE = 3.33**
4.3 DESCRIPTIVE STATISTICS ON CONTINUANCE COMMITMENT

Table 4.2 below depicts the prevailing continuance commitment among respondents towards their employing firms. The mean scores achieved on the 8 statements of continuance commitment covered a range between 2.19 and 3.42 while the standard deviation covered a range between 0.96 and 1.29. The overall mean score for continuance commitment is 3.15, which is higher than 3.0 thus indicating that the respondents are expressing a positive and fairly good continuance commitment to their firms.

It is of interest to note that there is an apparent contradiction amongst the respondents in answering statements under this form of commitment; they tended to swing between agreeing and disagreeing a lot. While more than two thirds of the respondents (68%) percent disagreed with the statement that they were not afraid of what might happen should they quit their job without having another one lined up, less than a half (48%) reported that it would not be too costly to leave their organisation right now. A further 47% felt that one of the few serious consequences of leaving their organisation would be the scarcity of available alternatives, with an overall 52% of all respondents agreeing that right now staying with their organisation is as much a matter of necessity as desire.
TABLE 4.2 DESCRIPTIVE STATISTICS ON CONTINUANCE COMMITMENT

<table>
<thead>
<tr>
<th>Code</th>
<th>Statement</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>COCO1</td>
<td>I am not afraid of what might happen if I quit my job without having another one lined up</td>
<td>68</td>
<td>12</td>
<td>20</td>
<td>2.19</td>
<td>1.29</td>
</tr>
<tr>
<td>COCO2</td>
<td>It would be very hard for me to leave my organisation right now, even if I wanted to</td>
<td>31</td>
<td>22</td>
<td>47</td>
<td>3.22</td>
<td>1.23</td>
</tr>
<tr>
<td>COCO3</td>
<td>Too much in my life would be disrupted if I decided I wanted to leave my organisation now</td>
<td>23</td>
<td>34</td>
<td>43</td>
<td>3.27</td>
<td>1.16</td>
</tr>
<tr>
<td>COCO4</td>
<td>It wouldn't be too costly for me to leave my organisation now</td>
<td>19</td>
<td>33</td>
<td>48</td>
<td>3.38</td>
<td>1.12</td>
</tr>
<tr>
<td>COCO5</td>
<td>Right now, staying with my organisation is a matter of necessity as much as desire</td>
<td>19</td>
<td>29</td>
<td>52</td>
<td>3.42</td>
<td>0.96</td>
</tr>
<tr>
<td>COCO6</td>
<td>I feel that I have too few options to consider leaving this organisation</td>
<td>29</td>
<td>26</td>
<td>45</td>
<td>3.16</td>
<td>1.06</td>
</tr>
<tr>
<td>COCO7</td>
<td>One of the few serious consequences of leaving this organisation would be the scarcity of available alternatives</td>
<td>20</td>
<td>33</td>
<td>47</td>
<td>3.33</td>
<td>1.10</td>
</tr>
<tr>
<td>COCO8</td>
<td>One of the major reasons I continue to work for this organisation is that leaving would require considerable personal sacrifice — another organisation may not match the overall benefits I have here</td>
<td>24</td>
<td>30</td>
<td>46</td>
<td>3.21</td>
<td>1.08</td>
</tr>
</tbody>
</table>

AVERAGE MEAN SCORE = 3.15

4.4 DESCRIPTIVE STATISTICS ON NORMATIVE COMMITMENT

Table 4.3 depicts the prevailing normative commitment among respondents towards their employing firms. The mean scores achieved on the 8 statements of normative commitment covered a range between 2.56 and 4.08 while the standard deviation covered a range between 0.88 and 1.03. The overall mean score for normative commitment is 3.30, which is higher than 3.0 thus indicating that the respondents are expressing a generally positive normative commitment to their firms.
It is of interest to note that a very high percentage (79%) of the respondents reported that they do not believe that a person must always be loyal to his or her organisation with an insignificant 15% of the respondents neither agreeing nor disagreeing with this statement. Overall, 71% of the respondents felt that people these days move from company to company too often with 135 disagreeing with this statement. Altogether 52% of the respondents were in total disagreement with the statement that things were better in the days when people stayed with one organisation for most of their careers and an almost close (32%) concurred with this statement.

### TABLE 4.3 DESCRIPTIVE STATISTICS ON NORMATIVE COMMITMENT

<table>
<thead>
<tr>
<th>Code</th>
<th>Statement</th>
<th>Disagree %</th>
<th>Neutral %</th>
<th>Agree %</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOCO1</td>
<td>I think that people these days move from company to company too often.</td>
<td>13</td>
<td>15</td>
<td>72</td>
<td>3.89</td>
<td>1.03</td>
</tr>
<tr>
<td>NOCO2</td>
<td>I do not believe that a person must always be loyal to his or her organisation</td>
<td>5</td>
<td>15</td>
<td>80</td>
<td>4.08</td>
<td>0.88</td>
</tr>
<tr>
<td>NOCO3</td>
<td>Jumping from organisation to organisation does not seem at all unethical to me</td>
<td>19</td>
<td>26</td>
<td>56</td>
<td>3.54</td>
<td>1.09</td>
</tr>
<tr>
<td>NOCO4</td>
<td>One of the major reasons I continue to work for this organisation is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain</td>
<td>18</td>
<td>33</td>
<td>49</td>
<td>3.40</td>
<td>0.98</td>
</tr>
<tr>
<td>NOCO5</td>
<td>If I got another offer for a better job elsewhere I would not feel it was right to leave my organisation</td>
<td>53</td>
<td>21</td>
<td>26</td>
<td>2.56</td>
<td>1.34</td>
</tr>
<tr>
<td>NOCO6</td>
<td>I was taught to believe in the value of remaining loyal to one organisation</td>
<td>41</td>
<td>21</td>
<td>38</td>
<td>2.88</td>
<td>1.19</td>
</tr>
<tr>
<td>NOCO7</td>
<td>Things were better in the days when people stayed with one organisation for most of their careers</td>
<td>52</td>
<td>16</td>
<td>32</td>
<td>2.64</td>
<td>1.27</td>
</tr>
<tr>
<td>NOCO8</td>
<td>I do not think that wanting to be a 'company man' or 'company woman' is sensible anymore</td>
<td>15</td>
<td>40</td>
<td>45</td>
<td>3.40</td>
<td>0.94</td>
</tr>
</tbody>
</table>

**AVERAGE MEAN SCORE = 3.30**
4.5 DESCRIPTIVE STATISTICS ON EMPLOYEE ENGAGEMENT

Table 4.4 shows the prevailing engagement levels among respondents towards their employing firms. The mean scores achieved on the 12 statements of employee engagement covered a range between 2.97 and 4.33 while the standard deviation covered a range between 0.81 and 1.23. The overall mean score for employee engagement is 3.58, which indicates that the respondents rate their employee engagement levels above average.

TABLE 4.4 DESCRIPTIVE STATISTICS ON EMPLOYEE ENGAGEMENT

<table>
<thead>
<tr>
<th>Code</th>
<th>Statement</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENGA1</td>
<td>I know what is expected of me at work</td>
<td>8</td>
<td>45</td>
<td>47</td>
<td>4.33</td>
<td>0.84</td>
</tr>
<tr>
<td>ENGA2</td>
<td>I have the materials and equipment I need to do my work right</td>
<td>9</td>
<td>14</td>
<td>77</td>
<td>3.93</td>
<td>0.94</td>
</tr>
<tr>
<td>ENGA3</td>
<td>At work, I have the opportunity to do what I do best every day</td>
<td>33</td>
<td>52</td>
<td>15</td>
<td>3.75</td>
<td>0.81</td>
</tr>
<tr>
<td>ENGA4</td>
<td>In the last seven days, I have received recognition or praise for good work</td>
<td>38</td>
<td>22</td>
<td>40</td>
<td>2.97</td>
<td>1.23</td>
</tr>
<tr>
<td>ENGA5</td>
<td>My supervisor, or someone at work, seems to care about me as a person</td>
<td>11</td>
<td>27</td>
<td>62</td>
<td>3.64</td>
<td>0.96</td>
</tr>
<tr>
<td>ENGA6</td>
<td>There is someone at work who encourages my development</td>
<td>15</td>
<td>23</td>
<td>62</td>
<td>3.63</td>
<td>1.07</td>
</tr>
<tr>
<td>ENGA7</td>
<td>At work, my opinions seem to count</td>
<td>19</td>
<td>29</td>
<td>52</td>
<td>3.34</td>
<td>1.04</td>
</tr>
<tr>
<td>ENGA8</td>
<td>The mission/purpose of my organisation makes me feel like my work is important</td>
<td>9</td>
<td>37</td>
<td>54</td>
<td>3.54</td>
<td>0.86</td>
</tr>
<tr>
<td>ENGA9</td>
<td>My co-workers are committed to doing quality work</td>
<td>12</td>
<td>26</td>
<td>62</td>
<td>3.60</td>
<td>0.95</td>
</tr>
<tr>
<td>ENGA10</td>
<td>I have a close friend at work</td>
<td>33</td>
<td>30</td>
<td>37</td>
<td>3.07</td>
<td>1.23</td>
</tr>
<tr>
<td>ENGA11</td>
<td>In the past six months, I have talked with someone about my progress</td>
<td>31</td>
<td>16</td>
<td>53</td>
<td>3.25</td>
<td>1.19</td>
</tr>
<tr>
<td>ENGA12</td>
<td>At work, I have opportunities to learn and grow</td>
<td>12</td>
<td>19</td>
<td>69</td>
<td>3.86</td>
<td>1.01</td>
</tr>
</tbody>
</table>

**AVERAGE MEAN SCORE = 3.58**

A significant number of respondents (77%) reported that they have the materials and equipment they need to do their work right while a further high 62% were in agreement with the statement that their supervisor, or someone at work, seems to
care about them as a person. About 69% were in total agreement with the statement that at work, they have opportunities to learn and grow. However, a notable area of concern is the 38% of respondents that disagreed with the statement that they had in the past seven days received recognition or praise for good work. These results generally reflect significantly positive perceptions towards engagement in the employing firms of the respondents.

4.6 DESCRIPTIVE STATISTICS ON PERCEIVED ECONOMIC BENEFITS OF CSR

Table 4.5 below depicts the responses on how the respondents perceive the economic benefits of CSR in their employing firms. The mean scores achieved on the 9 statements of perceived economic benefits covered a range between 3.69 while the standard deviation covered a range between 0.87 and 1.14. The average mean score of 3.41 is greater than 3.0 which reflect that the respondents gave a fairly good rating to their perceived economic benefits of CSR in their firms.

Two-thirds (60%) agreed that as a result of their firm’s CSR programme, their firms invest more in the development of its workers while 54% committed to the statement that as a result of their CSR programme, their firm invests more in the well-being of its workers. About 57% of respondents agreed that as a result of their CSR programme, their firm invests more in the well-being of its managers. It is worth noting that about 47% of the respondents remained neutral about whether they believed that their CSR programme has a positive influence on the government programmes that are run in their town or not. These results reflect that the respondent’s perception of the economic benefits of CSR is generally positive in relation to more obvious internal practices like employee development and the general wellbeing of workers but tends to be neutral or less when it comes to externally oriented activities.
### TABLE 4.5 DESCRIPTIVE STATISTICS ON PERCEIVED ECONOMIC BENEFITS OF CSR

<table>
<thead>
<tr>
<th>Code</th>
<th>Statement</th>
<th>Disagree %</th>
<th>Neutral %</th>
<th>Agree %</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECON1</td>
<td>As a result of our CSR programme, my firm invests more in the development of its workers</td>
<td>15</td>
<td>25</td>
<td>60</td>
<td>3.59</td>
<td>1.14</td>
</tr>
<tr>
<td>ECON2</td>
<td>As a result of our CSR programme, my firm invests more in the well-being of its workers</td>
<td>20</td>
<td>26</td>
<td>54</td>
<td>3.44</td>
<td>1.06</td>
</tr>
<tr>
<td>ECON3</td>
<td>As a result of our CSR programme, my firm invests more in the well-being of its managers</td>
<td>6</td>
<td>37</td>
<td>57</td>
<td>3.69</td>
<td>0.87</td>
</tr>
<tr>
<td>ECON4</td>
<td>I believe that our CSR programme has a positive influence on the wages that workers receive</td>
<td>29</td>
<td>47</td>
<td>24</td>
<td>2.92</td>
<td>0.90</td>
</tr>
<tr>
<td>ECON5</td>
<td>I believe that our CSR programme has a positive influence on the salaries that managers receive</td>
<td>23</td>
<td>43</td>
<td>34</td>
<td>3.09</td>
<td>0.98</td>
</tr>
<tr>
<td>ECON6</td>
<td>I believe that our CSR programme has a positive influence on the economic activities of our town</td>
<td>11</td>
<td>27</td>
<td>62</td>
<td>3.63</td>
<td>0.95</td>
</tr>
<tr>
<td>ECON7</td>
<td>I believe that our CSR programme has a positive influence on the government programmes that are run in our town</td>
<td>12</td>
<td>41</td>
<td>47</td>
<td>3.41</td>
<td>0.89</td>
</tr>
<tr>
<td>ECON8</td>
<td>I believe that our CSR programme has a positive influence on community activities where I live</td>
<td>14</td>
<td>33</td>
<td>53</td>
<td>3.50</td>
<td>1.09</td>
</tr>
<tr>
<td>ECON9</td>
<td>As a result of our CSR programme, my firm has gained the trust of my community</td>
<td>15</td>
<td>33</td>
<td>52</td>
<td>3.40</td>
<td>0.91</td>
</tr>
</tbody>
</table>

**AVERAGE MEAN SCORE = 3.41**

### 4.7 DESCRIPTIVE STATISTICS ON PERCEIVED SOCIAL BENEFITS OF CSR

Table 4.6 shows the responses to how the respondents perceive the social benefits of CSR in their firms. The mean scores achieved on the 9 statements of perceived economic benefits covered a range between 4.14 and 3.15 while the standard deviation covered a range between 0.84 and 1.20.
The average mean score of 3.65 is greater than 3.0 and indicates that the respondents gave a relatively high rating to their perceived social benefits of CSR in their firms.

### TABLE 4.6 DESCRIPTIVE STATISTICS ON PERCEIVED SOCIAL BENEFITS OF CSR

<table>
<thead>
<tr>
<th>Code</th>
<th>Statement</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOCI1</td>
<td>As a result of our CSR programme, my firm treats its customers with respect</td>
<td>23</td>
<td>36</td>
<td>41</td>
<td>4.14</td>
<td>0.85</td>
</tr>
<tr>
<td>SOCI2</td>
<td>As a result of our CSR programme, my firm respects consumer rights (safe products, fair standards of advertising and trade, providing full and unambiguous information, etcetera)</td>
<td>8</td>
<td>28</td>
<td>64</td>
<td>3.80</td>
<td>0.93</td>
</tr>
<tr>
<td>SOCI3</td>
<td>As a result of our CSR programme, my firm provides good customer service</td>
<td>30</td>
<td>43</td>
<td>27</td>
<td>3.93</td>
<td>0.84</td>
</tr>
<tr>
<td>SOCI4</td>
<td>As a result of our CSR programme, my firm invests in the quality of work life of its employees</td>
<td>15</td>
<td>38</td>
<td>47</td>
<td>3.36</td>
<td>0.89</td>
</tr>
<tr>
<td>SOCI5</td>
<td>As a result of our CSR programme, my firm ensures just treatment and equal opportunities for all its employees</td>
<td>21</td>
<td>38</td>
<td>41</td>
<td>3.15</td>
<td>1.09</td>
</tr>
<tr>
<td>SOCI6</td>
<td>Through our CSR programme, my firm provides additional vocational training programmes for our community</td>
<td>20</td>
<td>37</td>
<td>43</td>
<td>3.32</td>
<td>1.12</td>
</tr>
<tr>
<td>SOCI7</td>
<td>Through our CSR programme, my firm sponsors sports and/or cultural events in my community</td>
<td>13</td>
<td>25</td>
<td>62</td>
<td>3.66</td>
<td>1.20</td>
</tr>
<tr>
<td>SOCI8</td>
<td>Through our CSR programme, my firm makes donations to charitable organisations in my community</td>
<td>12</td>
<td>19</td>
<td>69</td>
<td>3.85</td>
<td>1.06</td>
</tr>
</tbody>
</table>

**AVERAGE MEAN SCORE = 3.65**

Altogether 69% of the respondents agreed with the statement that through their CSR programme, their employing firms make donations to charitable organisations in their community while a further high percentage (62%) reported that through their CSR
programme, their firms sponsor sports and/or cultural events in their community. Another 47% reported that as a result of their CSR programme, their firm invests in the quality of work life of their employees. A notable 64% agreed that as a result of their CSR programme, their firm respects consumer rights (safe products, fair standards of advertising and trade, providing full and unambiguous information, etcetera). It is to be noted that 30% of the respondents disagreed with the statement that as a result of their CSR programme, their firm provides good customer service. These empirical results reflect a very positive perception on the social benefit of CSR to the firm. It is however of interest to note that the social benefits of CSR seem more readily associated with externally oriented gestures of the firm like charitable giving and sponsorships than internal operational imperatives like good customer service.

4.8 DESCRIPTIVE STATISTICS ON PERCEIVED ENVIRONMENTAL BENEFITS OF CSR

Table 4.7 depicts the responses to how the respondents perceive the environmental benefits of CSR in their firms. The mean scores achieved on the 6 statements of perceived environmental benefits covered a range between 3.54 and 3.12 while the standard deviation covered a range between 0.89 and 1.03. The average mean score of 3.35 is greater than 3.0 and indicates that the respondents gave an above average rating of the perceived environmental benefits of CSR in their firms.

A majority of the respondents (52%) reported that through their CSR programme, their firm fights against the overuse of natural resources (water, electricity, soil, etcetera) while 38% neither agreed nor disagreed with the statement. Altogether 47% of the respondents could neither agree nor disagree with the statement that through their CSR programme, their firm participates in the search for renewable energy sources while a further 38% absolutely agreed with the statement. It is notable that this is perhaps one of the variables in this analysis that has generated very close scores for statements. Most respondents seem to either agree or be neutral with the statements about this variable and very few disagreed with statements.
### TABLE 4.7 DESCRIPTIVE STATISTICS ON PERCEIVED ENVIRONMENTAL BENEFITS OF CSR

<table>
<thead>
<tr>
<th>Code</th>
<th>Statement</th>
<th>Disagree %</th>
<th>Neutral %</th>
<th>Agree %</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENVI1</td>
<td>Through our CSR programme, my firm fights against the overuse of natural resources (water, electricity, soil, etcetera)</td>
<td>0.10</td>
<td>0.38</td>
<td>0.52</td>
<td>3.54</td>
<td>0.95</td>
</tr>
<tr>
<td>ENVI2</td>
<td>Through our CSR programme, my firm participates in the search for renewable energy sources</td>
<td>0.18</td>
<td>0.47</td>
<td>0.35</td>
<td>3.21</td>
<td>0.89</td>
</tr>
<tr>
<td>ENVI3</td>
<td>Through our CSR programme, my firm fights pollution and waste</td>
<td>0.15</td>
<td>0.34</td>
<td>0.51</td>
<td>3.47</td>
<td>0.90</td>
</tr>
<tr>
<td>ENVI4</td>
<td>Through our CSR programme, my firm promotes awareness about the dangers of climate change</td>
<td>0.29</td>
<td>0.36</td>
<td>0.35</td>
<td>3.12</td>
<td>1.03</td>
</tr>
<tr>
<td>ENVI5</td>
<td>Through our CSR programme, my firm fights against the degeneration of biodiversity</td>
<td>0.14</td>
<td>0.44</td>
<td>0.42</td>
<td>3.35</td>
<td>0.97</td>
</tr>
<tr>
<td>ENVI6</td>
<td>Through our CSR programme, my firm engages in active dialogue with the firm's stakeholders on environmental management issues</td>
<td>0.13</td>
<td>0.41</td>
<td>0.46</td>
<td>3.43</td>
<td>0.92</td>
</tr>
</tbody>
</table>

**AVERAGE MEAN SCORE =3.35**

### 4.8 CHAPTER SUMMARY

This chapter provided the descriptive statistical results of the study. The data analysed were presented in tables and based on the calculation of means, standard deviations and percentage responses to the individual questionnaire statements.

According to these results, all the seven study variables seem to have generally yielded positive results. The empirical results have also indicated which areas respondents were not satisfied with aspects about CSR and business success.

In the next chapter, the managerial implications of the empirical findings will be discussed and recommendations on the strategies that can be adopted by the South African firms to enhance the CSR influence on employee engagement and engagement will be discussed.
CHAPTER 5

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

In the final chapter, the conclusions of the research study are drawn and discussed in relation to the hypotheses formulated for this study. The empirical results and descriptive statistics pertaining to each variable in the hypothesised model are summarised as reported in Chapters 3 and 4. Recommendations are made in terms of the managerial implications emerging from this study with regard to the influence of the perceived CSR (economic, social and environmental) benefits on the perceived employee commitment and engagement in business firms. The last section discusses the limitations of the study leading to recommendations for future studies.

5.2 MANAGERIAL IMPLICATIONS BASED ON HYPOTHESED RELATIONSHIPS

This study investigated the relationships between both internal and external CSR practices, on the one hand, and employee engagement (EE) and organisational commitment, on the other hand. The investigation into the CSR practices involved the assessment of the participants' perceptions about the economic, social and environmental benefits of CSR, while employee commitment encompassed the participants' affective, normative and continuance commitment towards their firms.

5.2.1 The relationships between perceived economic benefit of CSR and the perceived organisational commitment

Based on regression analysis, the evidence presented below was found regarding the relationships between the economic benefits of CSR and the three dimensions of commitment, namely the affective, continuance and normative commitments. Overall, the perceived economic benefits of CSR turned out to be the key
determinant of affective commitment. According to the empirical results shown in Table 3.4, regarding the influence of the perceived economic benefit of CSR on the perceived organisational commitment (as measured by affective commitment), the results \( r = 0.34, \ p < 0.05 \) indicated that there was a significantly positive relationship between the perceived economic benefit of CSR and affective commitment towards the firm.

This therefore suggests that if firms enhance the economic benefits of CSR, affective commitment of employees towards their firms will be stronger. In other words if firms invest more in the development and well-being of their workers and managers; show that CSR has a positive influence on salary and wages of managers and workers; show that CSR has a positive influence on economic and community activities of the town in which they operate; show that CSR has a positive influence on government programmes that are run in their towns; and show that their CSR activities are recognised by their communities, the affective commitment of employees to their firms will be strengthened. This evidence supports a key point that was highlighted in Chapter 1, which suggests that one of the benefits associated with a business’s participation in CSR programmes is that it influences an employee’s affective connection (Nanderam, 2010).

The empirical results regarding the influence of economic benefits of CSR on continuance commitment, outlined in Table 3.5, concluded that the economic benefit of CSR is not significantly related to continuance commitment towards the firm. This means that engaging in all or some of the economic related CSR practices highlighted above will not strengthen the employee continuance commitment towards the firm. In order words, the economic benefits of CSR will not positively influence an employee’s fear of what might happen if they quit their job without having another one lined up, their perceptions on how hard it would be to leave the organisation, their perception on how much would be disrupted in their lives should they decide they wanted to leave the organisation, employees perceptions on how much it would cost them to leave the organisation at a given point in time, whether they decide to stay because it is necessary as much as they desire to, their perceptions on weighing the options they have to consider leaving the firm, their perceptions on whether or not they consider the scarcity of available alternatives as
one of the serious consequences for leaving the organisation and how much of a personal sacrifice they perceive it would be to leave the organisation and on whether another organisation may or may not match the overall benefits they have in the organisation.

It is therefore necessary that firms take cognisance of this conclusion in their decision making processes in order to ensure that the objectives they set as well as their intended outcomes for linking economic CSR programmes to employees are not focused on achieving continuance commitment. Firms can alternatively consider using the economic benefits of CSR as part of their value proposition that could further enhance effective commitment as indicated above. According to the SHRM (2006) study, leading companies are realizing that CSR can be vested in the company’s employee brand and can be part of the value proposition for working at a given firm.

The results outlined in Table in 3.6 showed that the perceived economic benefit of CSR is not significantly related to normative commitment towards the firm. This means that enhancing the economic benefits of CSR will not positively influence employees’ perceptions on employee retention, their beliefs about loyalty issues, their perceptions on whether jumping from organisation to organisation is ethical or not, employees’ sense of moral obligation to remain with the organisation, how they perceive job offers outside the organisation and whether they want to be perceived as a ‘company man’ or ‘company woman’. As much as the descriptive analysis showed that employees are very conscious of the economic benefits of CSR, it will not be effective for firms to expect their economic investments and thus the benefits of CSR to directly contribute positively towards their staff retention.

5.2.2 The relationships between perceived social benefit of CSR and the perceived organisational commitment

Based on regression analysis, the evidence presented below was found regarding the relationships between the social benefits of CSR and the three dimensions of commitment, namely affective, continuance and normative commitment. Overall, the
social benefits of CSR were not found to be significantly related to any of the three dimensions of commitment.

The Table 3.7 outlined the empirical results based on the influence of the perceived social benefit of CSR on the perceived organisational commitment (as measured by affective commitment). From these results, it was concluded that the social benefit of CSR is not significantly related to affective commitment towards the firm.

Firms should therefore take note that treating customers with respect, respecting consumer rights (safe products, fair standards of advertising and trade, providing full and unambiguous information, etcetera), providing good customer service, investing in the quality of work life of employees, ensuring just treatment and equal opportunities for all employees, sponsoring sports and/or cultural events in the employee’s communities and making donations to charitable organisations in the employees’ communities, will not strengthen the employees’ emotional attachment to the firm.

From this evidence, it can be learned that as much as the analysis of the descriptive statistics revealed evidence that employees relate more to the social benefits of CSR than they do to the economic and environmental benefits, firms cannot rely on the CSR social benefits to effectively strengthen an employee’s emotional affective attachment to the firm.

Table 3.8 displayed empirical results on the influence of the perceived social benefit of CSR on the perceived organisational commitment (as measured by continuance commitment). Overall, the results concluded that the social benefit of CSR is not related to the continuance commitment towards the firm. In other words enhancing the socially related CSR practices highlighted above will not positively influence an employee’s fear of what might happen if they quit their job without having another one lined up, their perceptions on how hard it would be to leave the organisation, their perception on how much would be disrupted in their lives should they decide they wanted to leave the organisation, employees’ perceptions on how much it would cost them to leave the organisation at a given point in time, whether they decide to stay because it is necessary as much as they desire to, their perceptions on
weighing the options they have to consider leaving the firm, their perceptions on whether or not they consider the scarcity of available alternatives as one of the serious consequences for leaving the organisation, how much of a personal sacrifice they perceive it would be to leave the organisation and whether another organisation may or may not match the overall benefits they have in the organisation. Firms should therefore note that the social benefits of CSR cannot be utilised single handendly as a mechanism for proposition of value to employees with an objective to convince them it is in their best interest to stay with the organisation.

Table 3.9 provided empirical results on the influence of the perceived social benefit of CSR on the perceived organisational commitment (as measured by normative commitment). The results revealed that the social benefit of CSR is not significantly related to normative commitment towards the firm. This means that engaging in some or all the socially related CSR practices mentioned above will not positively influence employees’ perceptions of employee retention, their beliefs about loyalty issues, their perceptions on whether jumping from organisation to organisation is ethical or not, employees’ sense of moral obligation to remain with the organisation, how they perceive job offers outside the organisation and whether they want to be perceived as a ‘company man’ or ‘company woman’. According to Allen and Meyer’s (1991) study, employee’s sense of obligation to remain with the organisation develops from internalization of norms through socialization and receipt of benefits that create a need to reciprocate.

The evidence presented above therefore relates to the social identity theory principles discussed in Chapter 2, which suggests that individuals tend to reinforce their self-esteem and bolster their self-image by identifying with groups and organisations recognized for their social engagement and responsibility (Gond et al., 2010). In other words despite the insignificant relationship between the CSR social benefits and normative commitment, firms can still maximise the CSR social benefits if their intended objective is to enhance employee’s identification with the organisation rather than that of trying to foster a sense of obligation to remain with the organisation.
5.2.3 The relationships between perceived environmental benefits of CSR and the perceived organisational commitment

Based on regression analysis, the evidence presented below was found regarding the relationships between the environmental benefits of CSR and the three dimensions of commitment, namely affective, continuance and normative commitment. The perceived environmental benefits of CSR turned out to be the key determinant of both the continuance and normative commitments.

The empirical results based on the influence of the perceived environmental benefit of CSR on the perceived organisational commitment (as measured by affective commitment) outlined in Table 3.10 concluded that the environmental benefits of CSR are not significantly related to affective commitment towards the firm. In other words enhancing environmental practices like fighting against the overuse of natural resources (water, electricity, soil, etcetera), participating in the search for renewable energy sources, fighting pollution, waste and degeneration of biodiversity, promoting awareness about the dangers of climate change, and engaging in active dialogues with the firm’s stakeholders on environmental management issues will not help strengthen employee’s emotional attachment to the firm. In other words, a firm’s investment into these kinds of activities should be based on other objectives than strengthening employees’ connection to the firm.

The empirical results presented in Table 3.11 on the influence of the perceived environmental benefit of CSR on the perceived organisational commitment (as measured by continuance commitment) found that the perceived environmental benefit of CSR is positively related ($r = 0.31, p < 0.01$) to continuance commitment towards the firm. This means that organisations can use the environmental benefits of CSR to effectively enhance the continuance commitment of their employees thus ensuring a greater retention of staff. In other words, the environmental benefits of CSR will positively influence the employees’ fear of what might happen if they quit their job without having another one lined up, their perceptions on how hard it would be to leave the organisation, their perceptions on how much would be disrupted in their lives should they decide they wanted to leave the organisation, employees’ perceptions on how much it would cost them to leave the organisation at a given
point in time, whether they decide to stay because it is necessary as much as they desire to, their perceptions on weighing the options they have to consider leaving the firm, their perceptions on whether or not they consider the scarcity of available alternatives as one of the serious consequences of leaving the organisation and how much of a personal sacrifice they perceive it would be to leave the organisation and whether another organisation may or may not match the overall benefits they have in the organisation. With all that said, according to the literature reviewed in Chapter 2, strong economic performance and good social and environmental performance are not mutually exclusive; firms with social citizenship records and a real commitment to corporate responsibility are arguably more sustainable, better managed and, therefore, better long-term investments (Ed Motorola, 2004). This highlights that the value of the environmental aspects of CSR is as good as the other two CS pillars that should be central in a firm’s strategy for sustainability.

The empirical results in Table 3.12 are based on the relationship test on the influence of the perceived environmental impact of CSR and the perceived organisational commitment (as measured by normative commitment). The results revealed that the environmental benefit of CSR is positively related ($r = 0.25, p < 0.05$) to affective commitment towards the firm. This means that engaging in some or all the environmentally related CSR practices mentioned above will positively influence employees’ perceptions of employee retention, their beliefs about loyalty issues, their perceptions of whether jumping from organisation to organisation is ethical or not, employees’ sense of moral obligation to remain with the organisation, how they perceive job offers outside the organisation and whether they want to be perceived as a ‘company man’ or ‘company woman’. Previous studies discussed in Chapter 1, seem to have one thing in common and that is that they pointed to an existing shift in traditional management practices that forces employers to consider value propositions that transcend extrinsic rewards like base salary as the primary factor that could motivate employees, to modern management practices that equally acknowledge the value of intrinsic rewards (Buckingham and Coffman, 1999; Fenwick and Bierema, 2008, cited in Nanderam, 2010). The above conclusion therefore lends itself as an opportunity for firms that are still lagging behind in terms of popularising their value propositions with intrinsic rewards to utilize the
environmental related practices as one of the tools to secure the normative commitment of their employees.

5.2.4 The relationships between perceived economic benefit of CSR and the perceived effectiveness of employee engagement

Based on regression analysis, the evidence presented below was found regarding the relationships between the economic benefits of CSR and the effectiveness of employee engagement.

The empirical results outlined in Table 3.13 on the influence of the perceived economic benefit of CSR on the perceived effectiveness of employee engagement led to the conclusion that the perceived economic benefit of CSR is not significantly related to employee engagement in the firm. This means that investing more in the development and well-being of workers and managers; showing that CSR has a positive influence on salary and wages of managers and workers; showing that CSR has a positive influence on economic and community activities of the town in which they operate; showing that CSR has a positive influence on government programmes that are run in employees’ towns; as well as showing that CSR activities are recognised by communities in which firms operate, will not improve the employee’s engagement levels in the firm.

5.2.5 The relationships between perceived social benefit of CSR and the perceived effectiveness of employee engagement

Based on regression analysis, the evidence presented below was found regarding the tested relationships between the social benefits of CSR and employee engagement. The perceived social benefits of CSR turned out to be the key determinant of employee engagement.

The empirical results presented in Table 3.13 on the influence of the perceived social benefit of CSR on the perceived effectiveness of employee engagement led to a conclusion that perceived social benefit of CSR is positively related ($r = 0.50, p < 0.001$) to employee engagement. In other words social benefits of CSR will positively
influence employee perceptions of what is expected of them at work, about the materials and equipment essential to perform their duties effectively, identify what they need to do what they do best every day, recognition or praise they receive for good work, care and support they get from the organisation, sense of their development at work, and opportunities they are given to learn and grow, their engagement levels will be significantly improved.

Chapter 2 highlighted a few studies that have investigated the relationship between CSR and employee engagement, all of which found a positive relationship thus supporting the above finding and evidence (Towers Perrin, 2007/8; ISR, 2006; Aon Consulting and Orenda Connections, 2005; The Conference Board, 2005; Blessing White, 2003). These studies set out to measure employee engagement at the organisational level and connect it to business outcomes and, in summary, they have shown that employee engagement may lead to a number of positive business outcomes, including, among others, decreased absenteeism and turnover, increased customer satisfaction and loyalty, increased productivity and increased revenue growth. The above literature presents compelling evidence that an important opportunity rests with CSR’s potential to influence employee engagement and, consequently, the positive business outcomes that go along with an engaged workforce (Gross, 2010).

5.2.6 The relationships between perceived environmental benefit of CSR and the perceived effectiveness of employee engagement

The empirical results presented in Table 3.13 on the influence of the perceived social benefit of CSR on the perceived effectiveness of employee engagement led to the conclusion that the environmental benefit of CSR is not significantly related to employee engagement in the firm. In other words this means that engaging in the environmentally related CSR practices outlined in the above discussion will not increase or heighten the employee’s levels of engagement to the firm.

As highlighted in Chapter 2, amongst its other objectives, this study sought to investigate whether there is an existing relationship between organisational commitment and a business engagement in sustainable CSR activities. The use of
the three-component commitment model has been proven to be practically appropriate for this study as it is focused on exploring the degree to which socially responsible corporate actions may result in a stronger alignment of value between employee and employer.

As much as the evidence above has proven some of the tested relationships to be insignificant, the value brought by the descriptive analysis discussed in the next section cannot be overlooked.

5.3 **MANAGERIAL IMPLICATIONS: DESCRIPTIVE STATISTICS**

Based on the analysis of the descriptive statistics which measured mean scores and standard deviations for all the study’s seven variables, the following evidence was gathered and presented in tables in Chapter 4:

5.3.1 **General perceptions about the economic benefits of CSR**

Table 4.5 presented empirical evidence on the respondents’ perception of the CSR economic benefits in their firms. The overall mean score achieved was 3.58, which is reasonably high and therefore suggested that the perceptions of the respondents with regard to the economic benefits of CSR were very positive and reasonably above the average. The empirical results revealed that three statements generated relatively high scores, something which firms need to take note of, as these could well be the key indicators of the areas that are likely to engage employees’ attention. These statements were investing more in the development of workers (mean= 3.59), demonstrating that CSR has a positive influence on the economic activities of the towns where they operate (mean= 3.63), as well as investing more in the well-being of their managers (mean=3.68). In other words to make sure that the CSR economic activities can enhance the effectiveness of affective commitment as proven, firms will need to strengthen the above practices.
5.3.2 General perceptions about the social benefits of CSR

Table 4.6 presented mean scores on the respondents’ perception of the social benefits of CSR in their firms. The average mean score was calculated to be 3.65 which is significantly above average and the analysis then concluded that this overall mean score indicated that the respondents have a very strong and positive perception about CSR social benefits in their firms and over and above the other CSR benefits, economic benefits (mean=3.41) and environmental benefits (mean=3.35).

The results also highlighted three critical areas to be noted by firms that want to capture the attention of their employees through their CSR social practices, namely demonstrating that they make donations to charitable organisations in the communities where they exist (mean=3.85); showing that they respect consumer rights, safe products, fair standards of advertising and trade, providing full and unambiguous information, etcetera (mean=3.80), and sponsoring sports and/or cultural events in the communities where they operate (mean= 3.66). To ensure that the CSR social practices can effectively influence employee engagement as proven, the above social practices should be prioritised.

5.3.3 General perceptions about the environmental benefits of CSR

Table 4.7 depicted the responses on the respondents’ perception of the environmental benefits of CSR in their firms. The average mean score of 3.35 is greater than 3.0 and indicates that the respondents gave a significantly positive rating to the perceived environmental benefits of CSR in their firms. However the response given to the following statements is of concern as more respondents neither agreed nor disagreed, “Through our CSR programme, my firm promotes awareness about the dangers of climate change” (29%), “Through our CSR programme, my firm participates in the search for renewable energy sources” (18%).

In order for the environmental CSR benefits to enhance the continuance and normative commitments as proven, firms should work harder at communicating their strategies explicitly as well as filtering information down to all levels, regarding what
environmental activities their firm are engaged in as well as the rationale behind them in choosing those specific activities. This will in turn ensure that employees have a good understanding of what these activities are and how they impact on the organisation.

5.3.4 General perceptions about the prevailing affective commitment among employees

Table 4.1 depicted the average mean scores in terms of the prevailing affective commitment in the employing firms of the respondents. The overall mean score of was 3.33, the highest compared with the overall mean scores of the other two dimensions of commitment. This is a very good indicator that most of the respondents have a strong emotional attachment and sense of identification with their organisations. Firms therefore need to work on improving the employee perceptions of the prevailing commitments on all three dimensions of commitment, with a particular focus on maintaining this positive result as far as the affective commitment is concerned. The empirical results revealed that the following three affective commitment statements generated the highest mean scores, namely “I enjoy discussing my organisation with people outside it” (mean = 3.71), “this organisation has a great deal of personal meaning for me” (mean = 3.60) and “I feel like ‘part of the family’ at my organisation” (mean = 3.51).

5.3.5 General perceptions about the prevailing continuance commitment among employees

Table 4.2 depicted the prevailing continuance commitment among respondents towards their employing firms. The overall mean score for continuance commitment is 3.15, which is just above the average. It is to be noted that more respondents disagreed with the following statement more than with any other, “I am not afraid of what might happen if I quit my job without having another one lined up” (68%). This therefore appears to be the one key statement between whether people decide to stay with the organisation or leave.
5.3.6 General perceptions about the prevailing normative commitment among employees

Table 4.3 outlined the prevailing normative commitment among respondents towards their employing firms. The overall mean score for normative commitment was 3.30 and the analysis concluded that the respondents expressed a significantly strong normative commitment towards their firms. According to the results, two statements received a significantly favourable rating, namely “I do not believe that a person must always be loyal to his or her organisation” (mean= 4.08) and “I think that people these days move from company to company too often” (mean=3.89). Of interest to note was also the high number of respondents disagreeing with the following statement “things were better in the days when people stayed with one organisation for most of their careers” (mean=2.64). The evidence presented above is consistent with and possibly confirms the argument made by the Daffodil International University (2008), that environmental concern and sustainable development constitute a key pillar of corporate social responsibility.

5.3.7 General perceptions about the prevailing employee engagement levels in the firm

Table 4.4 outlined the prevailing engagement levels among respondents towards their employing firms. The overall mean score for employee engagement is 3.58, which led to the conclusion indicating that high engagement levels prevail amongst the respondents towards their firms. This means that if firms ensured that their employees know what is expected of them at work, are provided with the materials and equipment essential to perform their duties effectively, are given the opportunity to do what they do best every day, receive recognition or praise for good work, are shown care and support, are encouraged to develop at work, and are given opportunities to learn and grow, their engagement levels will be significantly improved.
5.4 LIMITATIONS OF THE STUDY AND RECOMMENDATIONS FOR FUTURE RESEARCH

Like all research studies, this study had some limitations and recommendations are therefore made for future researchers. The study’s limitations included the following:

- The sample size: the study initially targeted a sample 150, however only 91 respondents eventually participated in the study. This relatively small sample may not be representative enough of the population and results cannot be generalised to all industries. Replicating the study on a bigger sample could strengthen the results of the present study.

- Self-constructed instruments were used to measure the perceived economic, social and environmental benefits of CSR. Although these instruments produced acceptable reliability properties in this study, it is possible that improved instruments could produce improved results. Such instruments should be pursued in future studies.

5.5 CHAPTER SUMMARY

The primary purpose of this study was to assess the effectiveness of CSR in a business by investigating its influence on employee engagement and organisational commitment. In order to achieve this objective, the study investigated the relationships between each one of the independent variables, i.e. perceived CSR economic, social and environmental benefits, on the one hand, and the influence these variables have on the dependent variables, i.e. employee engagement and organisational commitment.

The empirical results revealed both significant and insignificant relationships between the study variables. Economic benefits were proven to have a significant influence on the affective commitment; the social CSR benefits did not have a significantly positive relationship with any of the three dimensions of commitment but rather on employee engagement, while the environmental benefits of CSR were
proven to have a significant influence on both the continuance and normative commitments.

The empirical results pertaining to the descriptive statistics led to the emergence of important themes that should inform the firm's decisions on their engagement with CSR. The first one is that the study proved that employees are more inclined to recognise the CSR social benefits than the other CSR benefits, economic benefits and environmental benefits. Secondly, that affective commitment or the degree to which employees feel emotionally attached to their firm is perceived more strongly than continuance and normative commitments. Descriptive statistics also highlighted the need for firms to prioritise and maximise the social benefits of CSR if they want to increase the levels of engagement amongst their employees.

In terms of CSR influence on organisational commitment, it can therefore be concluded that the economic and environmental benefits impact organisational commitment albeit different commitment types. Social CSR benefits play a critical role in employee engagement, but not in organisational commitment. By enhancing economic and environmental benefits of CSR firms will improve the organisational commitment of their employees. By reinforcing social CSR benefits, firms will be able to increase positive attitudes towards engagement activities. Finally, the study has shown that CSR is an important activity in firms, thus confirming its utility as a tool that can be used for the effectiveness of both organisational commitment and employee engagement. In other words, firms that fail to identify the potential opportunities that exist in synchronising their CSR strategies with the broader human capital development strategies will come second to their competitors that have integrated them.
LIST OF SOURCES


European Commission. 2011. A renewed strategy for corporate responsibility. Communication from the commission to the European parliament, the Council, the European economic and social committee and the committee of the regions


Dear Respondent

I am studying towards my MBA (Masters in Business Administration) degree at the Nelson Mandela Metropolitan University Business School. I am conducting research on factors that influence corporate social responsibility in South African firms. I believe that my study will make an important contribution to improving this aspect of businesses.

You are part of our selected sample of respondents whose views we seek on the above-mentioned matter. We would therefore appreciate it if you could answer a few questions. It should not take more than fifteen minutes of your time and we want to thank you in advance for your co-operation.

There are no correct or incorrect answers. Please answer the questions as accurately as possible. For each statement, tick the number which best describes your experience or perception. For example, if you strongly agree with the statement, tick the number 5. If you strongly disagree with the statement, tick the number 1. **Tick only one answer for each statement and answer all questions please. We guarantee your complete confidentiality and anonymity. Please note also that your participation in this study is entirely voluntary and that you have the right to withdraw from the study at any stage. Your participation in the study therefore indicates verbal consent.**

Thank you very much.
Miss Nomnikelo Kondlo

To verify the authenticity of the study, please contact Prof CA Arnolds at 041-5043825 and cecil.arnolds@nmmu.ac.za.
ANNEXURE 2: THE MEASURING INSTRUMENTS

**Perceived economic impact of CSR**

As a result of our CSR programme, my firm invests more in the development of its workers
As a result of our CSR programme, my firm invests more in the development of its managers
As a result of our CSR programme, my firm invests more in the well-being of its workers
As a result of our CSR programme, my firm invests more in the well-being of its managers
I believe that our CSR programme has a positive influence on the wages that workers receive
I believe that our CSR programme has a positive influence on the salaries that managers receive
I believe that our CSR programme has a positive influence on the economic activities of our town
I believe that our CSR programme has a positive influence on the government programmes that are run in our town
I believe that our CSR programme has a positive influence on community activities where I live
As a result of our CSR programme, my firm has gained the trust of my community

**Perceived social impact of CSR**

As a result of our CSR programme, my firm treats its customers with respect
As a result of our CSR programme, my firm respects consumer rights (safe products, fair standards of advertising and trade, providing full and unambiguous information, etcetera)
As a result of our CSR programme, my firm provides good customer service
As a result of our CSR programme, my firm invests in the quality of work life of its employees
As a result of our CSR programme, my firm ensures just treatment and equal opportunities for all its employees
Through our CSR programme, my firm provides additional vocational training programmes for our community
Through our CSR programme, my firm sponsors sports and/or cultural events in my community
Through our CSR programme, my firm makes donations to charitable organisations in my community

**Perceived environmental impact of CSR**

Through our CSR programme, my firm fights against the overuse of natural resources (water, electricity, soil, etcetera)
Through our CSR programme, my firm participates in the search for renewable energy sources
Through our CSR programme, my firm fights pollution and waste
Through our CSR programme, my firm promotes awareness about the dangers of climate change
Through our CSR programme, my firm fights against the degeneration of biodiversity
Through our CSR programme, my firm engages in active dialogue with the firm’s stakeholders on environmental management issues

**Organisational Commitment**

Commitment Scale Items (from Allen & Meyer, 1993):

**Affective Commitment scale items**

I would be very happy to spend the rest of my career with this organization
I enjoy discussing my organization with people outside it
I really feel as if this organization's problems are my own
I think that I could easily become as attached to another organization as I am to this one
I do not feel like 'part of the family' at my organization
I do not feel 'emotionally attached' to this organization
This organization has a great deal of personal meaning for me
I do not feel a strong sense of belonging to my organization

Continuance Commitment scale items

I am not afraid of what might happen if I quit my job without having another one lined up
It would be very hard for me to leave my organization right now, even if I wanted to
Too much in my life would be disrupted if I decided I wanted to leave my organization now
It wouldn't be too costly for me to leave my organization now
Right now, staying with my organization is a matter of necessity as much as desire
I feel that I have too few options to consider leaving this organization
One of the few serious consequences of leaving this organization would be the scarcity of available alternatives
One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice, another organization may not match the overall benefits I have here

Normative Commitment scale items

I think that people these days move from company to company too often.
I do not believe that a person must always be loyal to his or her organization
Jumping from organization to organization does not seem at all unethical to me
One of the major reasons I continue to work for this organization is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain
If I got another offer for a better job elsewhere I would not feel it was right to leave my organization
I was taught to believe in the value of remaining loyal to one organization
Things were better in the days when people stayed with one organization for most of their careers
I do not think that wanting to be a 'company man' or 'company woman' is sensible anymore
Employee Engagement

Engagement Scale Items (from the Gallup Q12 Meta-Analysis, 1998)

I know what is expected of me at work
I have the materials and equipment I need to do my work right
At work, I have the opportunity to do what I do best every day
In the past seven days, I have received recognition or praise for good work
My supervisor, or someone at work, seems to care about me as a person
There someone at work who encourages my development
At work, my opinions seem to count.
The mission/purpose of my organization makes me feel like my work is important
My co-workers are committed to doing quality work
I have a close friend at work
In the past six months, I have talked with someone about my progress
At work, I have the opportunities to learn and grow
ETHICS CLEARANCE FOR TREATISES/DISSERTATIONS/THESSES

Please type or complete in black ink

FACULTY: Business and Economic Sciences

SCHOOL/DEPARTMENT: Business School

I, (surname and initials of supervisor) ANZILO C. A

the supervisor for (surname and initials of candidate) KONDOLO N

_________ (student number) 210 243 937

a candidate for the degree of MASTERS IN BUSINESS ADMINISTRATION


The influence of CSR on the engagement and organizational commitment of employees

considered the following ethics criteria (please tick the appropriate block):

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<td>1. Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?</td>
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<td>2. Is the study based on a research population defined as 'vulnerable' in terms of age, physical characteristics and/or disease status?</td>
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<td>2.1 Are subjects/participants/respondents of your study:</td>
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<td>(d) The elderly/persons over the age of 60?</td>
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<td>3. Does the data that will be collected require consent of an institutional authority for this study? (An institutional authority refers to an organisation that is established by government to protect vulnerable people)</td>
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<td>3.1 Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)?</td>
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<td>4. Will the participant's privacy, anonymity and confidentiality be disclosed/revealed?</td>
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<td>(c) Does not guarantee the confidentiality of the participant and the data?</td>
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<td>(d) Will be distributed electronically (e.g. online via email/web link)?</td>
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Please note that if ANY of the questions above have been answered in the affirmative (YES) the student will need to complete the full ethics clearance form (REC-H application) and submit it with the relevant documentation to the Faculty Ethics Co-ordinator.

and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.

SUPERVISOR(S)  
13/8/2013  
DATE

HEAD OF DEPARTMENT  
14/8/2013  
DATE

STUDENT(S)  
13 August 2013  
DATE

Please ensure that the research methodology section from the proposal is attached to this form.