RELATIONSHIPS BETWEEN EMPLOYEES’ PERCEPTION OF CORPORATE SOCIAL RESPONSIBILITY, PERSONALITY, JOB SATISFACTION, AND ORGANIZATIONAL COMMITMENT

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ABSTRACT

Corporate social responsibility (CSR) is regarded as voluntary corporate commitment to exceed the explicit and implicit obligations imposed on a company by society's expectations of conventional corporate behaviour. However, very little attention had ever been paid to the impact of CSR strategies on employees and their particular work attitudes.

This study primarily involved a survey, comprised of a questionnaire concerning the perception of CSR, job satisfaction, personality, and organizational commitment. Questionnaire was used to collect data from employees of manufacturing companies in Taiwan.

The results of this research indicate that CSR contributes to increase job satisfaction and organizational commitment of employees. Companies should emphasize the CSR activities and confirm that employees know these actions and focus on ethics and culture of the organization with ethics codes, and CSR activity. The factors of CSR having significant influences on employees but also the factors with latent benefit should be laid great stress on. Besides, personality is a predictor of work outcomes and plays an important role in receiving information of CSR.

Keyword: Corporate Social Responsibility, Personality, Job Satisfaction, Organizational Commitment

1. INTRODUCTION

Corporate social responsibility (CSR) has been defined as activities that protect and improve both the welfare of society as a whole and the interest of the organization (Davis & Blomstrom, 1975). Other definitions have been put forward (Maignan & Ralston, 2002; Michael, 2003) but the general concept is consistent.

Around the globe, companies make social responsibility an essential part of their business strategies. While growing numbers of researchers have considered the positive impact of CSR on customers, very little attention has been given specifically to perspective of employees and the impact of CSR on employees. There are some studies about positive impact of CSR: increasing income of companies and making customers’ impression good. Outside the company, it is widely recognized that CSR can increase investor interest, customer purchases of products, and positive relationships with the government, but there are little studies about the effect inside the
enterprises.

For the last few years, there have been a great deal of work on external impact of CSR, but it is also important to understand the internal impact of CSR. However, the concept of CSR in Taiwan is still in its infancy. Will there be any positive influence on employees if companies take CSR? We investigated CSR effects from this point of view.

There is a lot of news about some enterprises holding charitable activities or supporting welfare foundations. In fact, CSR has been considered an efficient management strategy (Baron, 2003), and is a crucial factor in the enterprise's success. The practice of CSR is an investment in the company's future, so it must be planned specifically, supervised carefully, and evaluated regularly. From an outside perspective of companies, it is widely recognized that CSR can increase investor interest, the value of brand, customer purchases of products offered, and positive relationships with the government (McWilliams & Siegel, 2000; Trevino & Nelson, 2004). From an inside perspective of companies, a good reputation is necessary to attract, retain, and motivate quality employees.

In light of CSR, significant strands of research have investigated whether there are financial payoffs to increased social responsiveness (McWilliams & Siegel, 2001; Orlitzky et al., 2003), the influence of perceptions concerning corporate social responsiveness on customers (Romm, 1994; Smith, 1994), and the attractiveness of social performance to investors (Graves & Waddock, 1994; Johnson & Greening, 1999).

However, it has been suggested that employees’ perceptions of a company’s ethics, values, and social responsiveness play a significant role in shaping employees’ perceptions of the attractiveness of particular organizations (Greening & Turban, 2000). More and more enterprises treat CSR as a strategy. During the past two decades, business ethics became an important element for stakeholders to evaluate a firm’s integrity. Incidents like Rebar group and WorldCom have made stakeholders and investors focus on the importance of corporate business ethics.

Since ethical concept is been emphasized, the public supervises some of firms and hopes they can take the social responsibility. Many researchers found that if a company takes the social responsibility, the company will get benefit from what they do, because they make good impression on the society. Besides, corporate social responsibility and environment values may play a particularly significant role in the recruitment. Until recently, some researchers have started to investigate the impact of CSR on employees. However, few studies have examined the influence of CSR on employees.

A number of previous articles have addressed how social identity theory applies to the relationship between the reputation of work organizations and employees’ work attitudes (Maignan & Ferrell, 2001). Because studies have shown that organizational involvement in social causes generally enhances an organization’s reputation (Hess et al., 2002), it would seem likely that an organization’s commitment to social issues would lead to a positive organizational reputation and have a positive impact on employees’ work attitudes (Peterson, 2004). Some positive outcomes are related to work attitude, such as greater worker productivity, reduced absenteeism, and lower turnover rates (Meyer et al., 1989). A more committed workforce because ‘employees will be proud to identify with work organizations that have favorable reputation’ (Peterson, 2004, p.299). Peterson (2004) investigated the relationship between social performance and work attitudes, and used the organizational commitment as a measure of employees’ work attitudes. Few studies have investigated the impact of CSR strategies on internal stakeholders and in particular work attitudes (Peterson, 2004).

Although growing numbers of researchers have considered the positive potential of taking corporate social responsibility, very little attention has been given specially to employee perspectives. Nonetheless, such influence on employees seems to lack much empirical evidence. Until recently, the benefit of CSR for employees has been gradually emphasized. Even so, it’s an area that is under-researched and under-discussed. This study aimed to find out an empirical effect of CSR perception and personality on employees.

2. LITERATURE REVIEW

2.1 CSR and Job Satisfaction

Job satisfaction is associated with many important organizational variables and is usually a central consideration in business research that investigates employee-based phenomena (Spector, 1997). In particular, we believe that CSR should immediately enhance job satisfaction because demonstrated social responsiveness directly satisfies the employees’ social requirements of the firm.
CSR actions should also serve to strengthen the informal contract between employees and the firm by satisfying a company’s obligation to provide a desirable employment situation for its employees. Previous research also indicates that organizational ethics yields increased job satisfaction (e.g., Deshpande, 1996; Koh & Boo, 2001; Singhapakdi et al., 1996), and in the strong likelihood that a bridge exists between company ethics and CSR, suggests that social mindedness should also relate to such satisfaction. Shafer (2002, p. 263) noted that individuals who are pushed to behave in a questionable manner often experience “lower levels of organizational commitment and job satisfaction which are further associated with higher turnover intentions.”

The previous results also indicates that ethics codes, ethics training, and perceived CSR are positively associated with employee job satisfaction, which is consistent with past work suggesting that organizational ethics is related to an individual’s positive response to work and the organization (e.g., Koh & Boo, 2001; Valentine & Barnett, 2003).

Taken as a whole, Valentine and Fleischman (2008) purposed a finding contribute to the ethics literature by indicating that management should consider invigorating the ethical focus and culture of the organization with ethics codes, training, and CSR activity, which might prompt more positive beliefs about the firm, as well as the immediate work context and culture. Results of the current quantitative review indicate that employees’ perception of CSR displays appreciable correlations with job satisfaction.

Hypothesis 1
Employees’ perception of CSR has a significant influence on job satisfaction.

2.2 CSR and Organizational Commitment
Peterson (2004) verified a relationship between perceptions of corporate citizenship and organizational commitment. At the same time recent studies have shown positive relationships between corporate reputation and philanthropy and corporate involvement in social causes and reputation (Hess et al., 2002).

More importantly, current study investigated the possible moderating effects of employees’ attitudes regarding the social responsibility of businesses as well as examined the relationship between organizational commitment and each of the four measures of the corporate citizenship instrument separately. These issues may provide further evidence that social identity theory is a useful means of conceptualizing the relationship between corporate citizenship and organizational commitment.

Since social identity theory suggests that employees will be proud to identify with organizations that have a positive external reputation (Dutton et al., 1994; Maignan & Ferrell, 2001), a positive relationship is expected between organizational commitment and external corporate social responsibility.

According to social identity theory, workers may derive a positive sense of identity from association with a firm that is viewed as possessing valued characteristics. Conversely, a poor organizational image created by a negative reputation on corporate citizenship may have a detrimental impact on an employee’s self-concept, and consequently, may result in lower organizational commitment. Peterson’s results of the survey demonstrated that the relationship between corporate citizenship and organizational commitment was stronger among employees who believe highly in the importance of the social responsibility of business.

The results of the current study are consistent with the proposal that a company’s reputation on social issues influences workers’ attitudes. More specifically, this investigation demonstrated that favourable perceptions of corporate citizenship were associated with higher organizational commitment. Because organizational commitment is known to be related to a number of positive outcomes, including higher worker motivation, reduced absenteeism, and lower turnover rates, and existing literature on consumer preferences, investment decisions, and job selection, firms will get these benefits if they have a positive reputation on social issues. Results of the current quantitative review indicate that employees’ perception of CSR displays appreciable correlations with organizational commitment.

Hypothesis 2
Employees’ perception of CSR has a significant influence on organizational commitment.

2.3 Personality and Job Satisfaction
A number of recent studies have looked at personality trait correlates of job satisfaction (e.g., Connolly & Viswesvaran, 2000; Hart, 1999; Judge et al., 1999). Furnham, Petrides, Jackson, and Cotter (2002) investigated the extent to which personality traits can predict what work-related aspects employees perceive as important to their job satisfaction. According to this paper,
scholars pointed that there were also some evidence that personality affected job satisfaction. In particular, extraverts and neurotics are more and less likely to report job satisfaction respectively (Brief et al., 1995; Tokar & Subich, 1997).

Judge, Heller, and Mount (2002) studied the problem of Five-factor model of personality and job satisfaction. This study reports results of a meta-analysis linking traits from the 5-factor model of personality to overall job satisfaction, and suggests that the five-factor model is a fruitful basis for examining the dispositional source of job satisfaction. They found that the traits of Neuroticism, Extraversion, and Conscientiousness displayed moderate correlations with job satisfaction. In summary, results of the current quantitative review indicate that Five-factor model personality traits displays appreciable correlations with job satisfaction, moreover, this model is a fruitful basis to examine the dispositional source of job satisfaction.

Hypothesis 3
Employees' personality has a significant influence on job satisfaction.

2.4 Personality and Organizational Commitment

Organizational commitment, like job satisfaction, is a kind of working attitude. There have been many studies investigated relationships between an isolated facet of personality and organizational commitment. The Five-factor model of personality may include traits that provide a more in-depth understanding of commitment development. As such, the application of the Five-factor model may provide much needed integration in this literature. Erdheim, Wang, and Zickar (2006) researched the relationship between these constructs to better understand the dispositional basis of organizational commitment and applied the Five-factor model. Results indicated that Extraversion was significantly related to affective commitment, continuance commitment, and normative commitment. Theoretically, their results suggest that personality plays an important role in the development of organizational commitment, extending the validity of the personality-job attitudes linkage to organizational commitment. This extension has implications for the study of antecedents of other job attitudes (e.g., job involvement and job embeddedness) as they may have dispositional sources as well. The results also imply that the Five-factor model is a useful framework to explain the personal basis of organizational commitment.

Meta-analysis has indicated that employees with low levels of commitment are more likely to leave their organizations (Meyer et al., 2002). Given that organizational commitment is an important antecedent of turnover, the predictive effect of personality on organizational commitment may have important practical utility. Instead of only focusing on post-entry work experiences, organizations may also adopt selection procedures based on personality measures to evoke high levels of organizational commitment of their employees.

Furnham et al. (2002) suggested that personality played an important role in the development of organizational commitment, extending the validity of the personality-job attitudes linkage to organizational commitment. And their results also implied that the Five-factor model is a useful framework to explain the personal basis of organizational commitment (Furnham et al., 2002).

Hypothesis 4
Employees' personality has a significant influence on organizational commitment.

2.5 Job Satisfaction and Organizational Commitment

Job satisfaction is the degree to which people like their jobs (Spector, 1997). Both the theoretical and empirical work suggests that higher levels of satisfaction are associated with higher levels of commitment (e.g., Meyer et al., 2002; Curri van, 1999; Curry et al., 1986). Organizational commitment as an empirical construct is generally regarded as a psychological state characterizing an employee's relationship with the organization that has implications for the employee's decision to remain or leave the organization. Furthermore, this form of commitment reflects the employee's acceptance of the goals of the organization and willingness to engage in behaviour that are specified in the job description, as well as those that are considered to be beyond the job expectations. Earlier studies also suggest that the age of the respondent, length of employment in the organization and the seniority of the respondent will be positively related to affective commitment (Meyer et al., 2002). Employee satisfaction is a strong predictor of affective commitment (Matzler & Renzl, 2007). Research shows that affective commitment has the strongest positive correlation with job performance, organizational citizenship behaviour, and attendance, followed by normative commitment (Meyer et al., 2004).

Hypothesis 5
Employees' job satisfaction has a significant influence on organizational commitment.

2.6 Personality and CSR

The present research seeks to examine support for CSR more closely, therefore, in an effort to
determine personality traits that impact support for corporate social responsibility (Basil & Weber, 2006). Basil and Weber (2006, p.2) briefly stated that ‘support for corporate social responsibility efforts is treated as a prosocial behaviour in the present research because it represents support for a behaviour that helps others or society in general rather than simply helping oneself.’ Basil and Weber (2006) sought to differentiate underlying personality traits that impact support for CSR and normative views of CSR. In their research, they used prosocial behaviour as foundation, and made their research assess the importance of personality traits on response to CSR efforts. This is consistent with previous research demonstrating a correlation between prosocial behaviour and social values (Krebs, 1970). They found that individuals (customers) posing these traits were more likely to try products based on company’s CSR efforts. According to previous research, the personality is one of the factors, which may affect the attitude to CSR.

Hypothesis 6
Employees’ personality has a significant influence on employees’ perception of CSR.

3. METHODOLOGY AND ANALYSIS

3.1 Conceptual Framework
In the construction of conceptual framework, the independent variables are employees’ perception of corporate social responsibility and personality; the dependent variables are job satisfaction and organizational commitment. To this study, employees’ perceptions of CSR, personality, job satisfaction, and organizational commitment are what we could gain. Other relationships of the four variables in this study are acquired through the literature review. As a result, the conceptual framework is presented as figure 1. Hypothesis 1 to 6 were verified by regression analysis while SEM was used to test the model’s goodness of fit.

3.2 Data Collection
We focused on manufacturing industries and investigate employees of these organizations to let them know more about CSR. Based on the research objectives of this research, the samples are mainly aimed at the employees and managers in manufacturing industries. The pilot-test was executed before formal questionnaires were sent out to the participants. Malhotra (1993) pointed out that when Cronbach’s $\alpha$ is more than 0.6 the questionnaire achieves credible standards (Tang, 2002). After the pilot test of the modified questionnaire, we found that most creditable values of the factors were more than 0.6, even more than 0.7. Only the agreeableness factor was under 0.6, but other factors in the same dimension had good performance in reliability test. After deleting the item19 and 22, the creditable value increased to 0.668 and achieved the standard.

Because organizational commitment reflects employee perceptions, regardless of their accuracy (Peterson, 2004), each of the measures of CSR is based on employee perceptions of social performance rather than the objective measurement of CSR policy or commitment. The survey was administered to all employees of the organization and distributed through company mail. Part of the respondents received a hard-copy survey in the mail and others received an electronic-copy survey through Internet.

Over 500 questionnaires were delivered to companies, which are the top 1000 manufacturing companies in 2007 according CommonWealth magazine (website of CommonWealth, http://www.cw.com.tw). The investigation was done from February to April in 2008, and convenience sampling was used. 166 responses were received. After reducing the missing data, there were 161 valid questionnaires, indicating a 31% valid response rate.

It is found that 85 of respondents are male and other 74 are female. Most of them are 21 to 40
years old and work in the company less than 4 years. In addition, the majority of diploma received is either Bachelor or Master Degree. Only the means of neuroticism and normative commitment are under 3. Moreover, their standard deviations are bigger than other factors.

3.3 Measures
The questionnaire design includes four parts. Each part represents one of the four variables of this study. The items of each variable are partly cited by some scholars and rehashed adequately according to the purpose of this study. Each item was measured using 5-point Likert-type scales, with 1 representing “completely disagree” to 5 representing “completely agree”.

3.3.1 Corporate Social Responsibility
Because Carroll’s (1979, 1991) framework is one of the most widely accepted and used proposals to explain the construct (de los Salmones et al., 2005), the definition incorporates the notion of corporate social responsibility and adopts Carroll’s (1979) classification of economic, legal, ethical, and discretionary responsibilities. Employees’ perceptions of corporate social responsibility were assessed with a scale developed by Maignan and Ferrell (2000). Peterson (2004) also used this scale to measure the CSR perception of employees. This instrument provides a measure on each of the four CSR domains at the organizational level. There originally had 18 items represented four dimensions with regard to CSR: Economic responsibility, Legal responsibility, Ethical responsibility, and Discretionary responsibility.

3.3.2 Personality
Neuroticism, Extraversion, Openness to experience, Agreeableness, and Conscientiousness are known as the Five-factor personality traits in psychology. The Five-factor personality traits model (FFM) resulted from several decades of factor analytic research focusing on trait personality (Antonioni, 1998). The FFM has piqued the interest of many personality psychologists, and indeed the work of Costa and McCrae (1992) is one of the most noteworthy (Zhang, 2006).

The paper used the NEO-PI-R (NEO Personality Inventory-Revised) developed by Costa and McCrae (1992) to replace NEO-PI (NEO Personality Inventory), which could analysis personality more precisely (Judge & Bono, 2000). The reason why the study adopted this scale is because it is a simple model of the five factors which explain the complex personality traits and passed the test of different cultures evaluation. As we know that it has a certain heritage and constancy.

3.3.3 Job Satisfaction
Satisfaction can be defined as the discrepancy between actual accomplishment and expectation of reward (Kelly, 1980). Cano and Miller (1992) suggested using an instrument such as the Brayfield and Rothe (1951) “Job Satisfaction Index” to assess job satisfaction of agriculture teachers.

Overall job satisfaction, which is the main measure of general workers’ job satisfaction and can be used in various forms of organization, is suitable for this study to get the response of overall work attitude toward CSR. The Brayfield-Rothe Job Satisfaction Index (1951), as modified by Homburg and Stock (2004), was used to assess job satisfaction of the employees and it was consistent with our conceptualization of this construct. The Job Satisfaction Index contains 6 items related to job satisfaction.

3.3.4 Organizational Commitment
The most popular recently cited theory is the three-factor model developed by Meyer and Allen (1991). Employees with strong affective commitment stay with an organization because they are emotionally attached to the organization. Employees with strong continuance commitment stay with an organization are out of necessity and with strong normative commitment feel obliged to do so.

Japanese researcher Takao (1998) has proved another four-component model, including affective commitment, continuance commitment, normative commitment, and value commitment. Japan and China not only share the same geographical region, but also have a common cultural heritage forged over a long period of history. Therefore, it is likely that China shares some of the same organizational commitment characteristics as those identified in the Japanese studies mentioned above (Wang, 2004).
The items of organizational commitment in this study were measured by Wang (2004), which combined previous research about the measurement of organizational commitment and designed an organizational commitment questionnaire specifically for Chinese employees. Four dimensions of organizational commitment are included in the measurement of organizational commitment—affective commitment, continuance commitment, normative commitment, and value commitment. The total items of organizational commitment are 14.

3.3.5 Analysis
SEM (Structural Equation Modeling) could verify the goodness of fit of whole conceptual framework and let us know whether the framework is applicable. The software package Amos 5.0 was used to confirm the framework of this study. Regression analysis was used to explore the relationship between independent and dependent variables. First of all, the independent variables are employees’ perceptions of corporate social responsibility and personality while dependent variables are job satisfaction and organizational commitment. Therefore, we could test whether employees’ perceptions of corporate social responsibility and personality have significant influence on job satisfaction and organizational and other relationships between variables.

4. RESULTS

4.1 Demographic Data
To compare the difference between varied attributes of respondents, t-test and F-test were executed. From the test result of the personal data, it is evident that employees’ conception of CSR are different depending on age, marital status, and salary, especially the Ethical and Discretionary factor. The personality didn’t have obvious disparity according to these attributes. However, based on attribute classification, the respondents’ job satisfaction, and organizational commitment came in huge difference. Almost all the averages have obvious evidence to prove differently, except the gender attribute.

4.2 Structural Equation Model
SEM is a family of statistical models that seek to explain the relationships among variables. The study portrayed the model in a visual form, which is shown in figure 2. This visual portrayal of the relationships used specific conventions to present the constructs and measured variables as well as the relationship between them.

The dependence relationships between two constructs are depicted in table 1; straight arrows illustrate the impact of one construct on another construct. And the result of the parameter estimate is just like the path estimates in regression analysis. It is found that only the influence of personality on job satisfaction is not significant, other hypotheses are significant.

The model of the research was proposed based on theories and observation of reality. Although chi-square value is acceptable and p-value indicates that it could not reject the model, but it still need to inspect the model from many indices. Table 2 presents the indices and the values in this study to provide adequate evidences of model fit. All index values of the study are in the ideal range. Hence, the current result suggests the model proposed in this research is a good model.

Figure 2. The SEM model
Table 1 The result of path analysis

<table>
<thead>
<tr>
<th>Path</th>
<th>Parameter Estimate</th>
<th>Critical Value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR (\rightarrow) Job satisfaction</td>
<td>0.272</td>
<td>3.169</td>
<td>0.002</td>
</tr>
<tr>
<td>CSR (\rightarrow) OC</td>
<td>0.295</td>
<td>3.726</td>
<td>***</td>
</tr>
<tr>
<td>Personality (\rightarrow) Job satisfaction</td>
<td>0.420</td>
<td>4.660</td>
<td>***</td>
</tr>
<tr>
<td>Personality (\rightarrow) OC</td>
<td>0.136</td>
<td>1.768</td>
<td>0.078</td>
</tr>
<tr>
<td>Job satisfaction (\rightarrow) OC</td>
<td>0.648</td>
<td>7.683</td>
<td>***</td>
</tr>
<tr>
<td>Personality (\rightarrow) CSR</td>
<td>0.423</td>
<td>3.837</td>
<td>***</td>
</tr>
</tbody>
</table>

*** p<0.001

Table 2 Suitable of the model

<table>
<thead>
<tr>
<th>Index</th>
<th>Ideal value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\chi^2)</td>
<td>76.626</td>
<td></td>
</tr>
<tr>
<td>(\chi^2/\text{DF})</td>
<td>&lt;3</td>
<td>1.179</td>
</tr>
<tr>
<td>GFI</td>
<td>&gt;0.9</td>
<td>0.988</td>
</tr>
<tr>
<td>AGFI</td>
<td>&gt;0.8</td>
<td>0.888</td>
</tr>
<tr>
<td>TLI</td>
<td>&gt;0.9</td>
<td>0.983</td>
</tr>
<tr>
<td>NFI</td>
<td>&gt;0.9</td>
<td>0.927</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt;0.9</td>
<td>0.931</td>
</tr>
<tr>
<td>RMR</td>
<td>&lt;0.05</td>
<td>0.024</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt;0.08</td>
<td>0.035</td>
</tr>
</tbody>
</table>

Now, the following step is to confirm the reliability and validity of the SEM model. The rule of thumb for either construct reliability estimate is that 0.7 or higher suggests good reliability, and the summary of construct reliability is demonstrated in table 3. High construct reliability indicates that internal consistency exists, meaning that the measures all consistently represent the same latent construct.

Variance extracted (VE) of 0.5 or higher is a good rule of thumb suggesting adequate convergence. A VE of less than 0.5 indicates that on average, more error remains in the items than variance explained by latent factor structure imposed on the measure. As shown in table 4, all VE of dimensions are more than 0.5 except personality. Despite the fact that the performance of VE of personality is not as high as other dimensions, it is close to 0.5. Hence, the validity of this dimension is still acceptable.

Table 3 Summary of construct reliability (SEM)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>0.85</td>
</tr>
<tr>
<td>Personality</td>
<td>0.82</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>0.90</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>0.78</td>
</tr>
</tbody>
</table>

Table 4 Summary of variance extracted (SEM)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>0.589</td>
</tr>
<tr>
<td>Personality</td>
<td>0.492</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>0.900</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>0.502</td>
</tr>
</tbody>
</table>

4.3 Regression Analysis

4.3.1 Employees’ Perception of CSR on Job Satisfaction

As shown in table 5, the job satisfaction is regressed on four factors of CSR (P<0.01 and R\(^2\)_adj=0.248). According to F-value and p-value, the regression equation indicates that CSR has significant influence on job satisfaction, especially the legal responsibility (β=0.218, P<0.05). The only reliable predictor in this equation was legal responsibility.

Table 5 The result of regression test (CSR on job satisfaction)

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Factor</th>
<th>Job satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>Economic</td>
<td>0.147</td>
</tr>
<tr>
<td></td>
<td>Legal</td>
<td>0.218*</td>
</tr>
<tr>
<td></td>
<td>Ethical</td>
<td>0.174</td>
</tr>
<tr>
<td></td>
<td>Discretionary</td>
<td>0.089</td>
</tr>
<tr>
<td>R(^2)</td>
<td></td>
<td>0.267</td>
</tr>
<tr>
<td>Adj-R(^2)</td>
<td></td>
<td>0.248</td>
</tr>
<tr>
<td>F-value</td>
<td></td>
<td>14.178***</td>
</tr>
<tr>
<td>D-W value</td>
<td></td>
<td>1.716</td>
</tr>
</tbody>
</table>

*p<0.05, **p<0.01, ***p<0.001
4.3.2 Employees’ Perception of CSR on Organizational Commitment

Table 6 illustrate that the influence of CSR on organizational commitment is significant, and the impacts of CSR on factors of organizational commitment are significant except normative commitment. For the regression of organizational commitment with the CSR composite, P<0.001 and R^2_adj =0.267. Economic responsibility (β=0.163, P<0.05), Ethical responsibility (β=0.217, P<0.05), and Discretionary responsibility (β=0.197, P<0.05) are significant positive predictors in this equation too.

And for the regression of each factor of organizational commitment with the CSR composite, Economic responsibility (β=0.175, P<0.05) and ethical responsibility (β=0.250, P<0.05) have a positive impact on affective commitment (P<0.001, R^2_adj =0.225). Economic responsibility (β=0.175, P<0.05) and Discretionary responsibility (β=0.252, P<0.05) have positive impact on continuance commitment (P<0.001, R^2_adj =0.250). Discretionary responsibility affects value commitment significantly (P<0.001, R^2_adj =0.225).

### Table 6  The result of regression test (CSR on OC)

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Factor</th>
<th>Affective commitment</th>
<th>Continuance commitment</th>
<th>Normative commitment</th>
<th>Value commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>0.163*</td>
<td>0.175*</td>
<td>0.175*</td>
<td>0.071</td>
<td>0.085</td>
</tr>
<tr>
<td>Legal</td>
<td>0.078</td>
<td>0.039</td>
<td>0.030</td>
<td>0.049</td>
<td>0.128</td>
</tr>
<tr>
<td>Ethical</td>
<td>0.217*</td>
<td>0.250*</td>
<td>0.179</td>
<td>0.121</td>
<td>0.120</td>
</tr>
<tr>
<td>Discretionary</td>
<td>0.197*</td>
<td>0.137</td>
<td>0.252***</td>
<td>0.045</td>
<td>0.195*</td>
</tr>
<tr>
<td>R^2</td>
<td>0.285</td>
<td>0.244</td>
<td>0.269</td>
<td>0.056</td>
<td>0.188</td>
</tr>
<tr>
<td>Adj-R^2</td>
<td>0.267</td>
<td>0.225</td>
<td>0.250</td>
<td>0.031</td>
<td>0.168</td>
</tr>
<tr>
<td>F-value</td>
<td>15.543***</td>
<td>12.602***</td>
<td>14.361***</td>
<td>2.293</td>
<td>9.052***</td>
</tr>
<tr>
<td>D-W value</td>
<td>1.770</td>
<td>1.742</td>
<td>1.733</td>
<td>1.680</td>
<td>1.920</td>
</tr>
</tbody>
</table>

*p<0.05, **p<0.01, ***p<0.001

4.3.3 Personality on Job Satisfaction

Personality has a significant influence on job satisfaction. As shown in table 7, the job satisfaction is regressed on five factors of personality (P<0.01, R^2_adj =0.192). We can find that Neuroticism (β=-0.226, P<0.05) has negative and significant influence on job satisfaction. For the regression with the personality composite, Neuroticism is significant negative predictors in this equation.

### Table 7 The result of regression test (personality on job satisfaction)

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Factor</th>
<th>Job satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personality</td>
<td>Neuroticism</td>
<td>-0.226*</td>
</tr>
<tr>
<td></td>
<td>Extroversion</td>
<td>0.128</td>
</tr>
<tr>
<td></td>
<td>Openness</td>
<td>0.058</td>
</tr>
<tr>
<td></td>
<td>Agreeableness</td>
<td>0.036</td>
</tr>
<tr>
<td></td>
<td>Conscientiousness</td>
<td>0.189</td>
</tr>
<tr>
<td>R^2</td>
<td>0.218</td>
<td></td>
</tr>
<tr>
<td>Adj-R^2</td>
<td>0.192</td>
<td></td>
</tr>
<tr>
<td>F-value</td>
<td>8.623***</td>
<td></td>
</tr>
<tr>
<td>D-W value</td>
<td>1.612</td>
<td></td>
</tr>
</tbody>
</table>

*p<0.05, **p<0.01, ***p<0.001
4.3.4 Personality on Organizational Commitment

Table 8 showed that the impact of personality on organizational commitment is significant, and the impacts of personality on factors of organizational commitment are significant except normative commitment. As shown in Table 8, the regression of organizational commitment with the personality composite, $P<0.001$ and $R^2_{\text{adj}}=0.120$, Extroversion ($\beta=0.206$, $P<0.05$) is a significant positive predictor in this equation.

Besides, for the regression of each factor of organizational commitment with the personality composite, Extroversion ($\beta=0.311$, $P<0.01$) has a positive impact on affective commitment ($P<0.001$, $R^2_{\text{adj}}=0.140$). Extroversion ($\beta=0.220$, $P<0.05$) has a positive impact on continuance commitment ($P<0.001$, $R^2_{\text{adj}}=0.122$). Neuroticism ($\beta=-0.184$, $P<0.05$) and Conscientiousness ($\beta=0.292$, $P<0.01$) affect value commitment significantly ($P<0.001$, $R^2_{\text{adj}}=0.289$).

Personality is also influential in organizational commitment, except normative commitment. Extroversion commitment affects affective and continuance commitment significantly. Also, there are significant evidences to say that neuroticism and conscientiousness have impact on value commitment.

### Table 8 The result of regression test (personality on OC)

<table>
<thead>
<tr>
<th>Personality on Organizational Commitment</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent variable</td>
<td>Factor</td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Personality</td>
<td>Neuroticism</td>
</tr>
<tr>
<td></td>
<td>Extroversion</td>
</tr>
<tr>
<td></td>
<td>Openness</td>
</tr>
<tr>
<td></td>
<td>Agreeableness</td>
</tr>
<tr>
<td></td>
<td>Conscientiousness</td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
</tr>
<tr>
<td>Adj-$R^2$</td>
<td></td>
</tr>
<tr>
<td>F-value</td>
<td></td>
</tr>
<tr>
<td>D-W value</td>
<td></td>
</tr>
</tbody>
</table>

* $p<0.05$, ** $p<0.01$, *** $p<0.001$

4.3.5 Job Satisfaction on Organizational Commitment

As the table 9 shows, the job satisfaction can explain over 50% variance in organizational commitment. For the regression, $P<0.001$, $R^2_{\text{adj}}=0.555$, job satisfaction ($\beta=0.747$, $P<0.001$) is a significant positive predictor in this equation. The result in Table 9 exhibits job satisfaction has a positive and significant influence on factors of organizational commitment. Affective commitment ($\beta=0.686$, $P<0.001$) is under the biggest influence from job satisfaction ($P<0.001$, $R^2_{\text{adj}}=0.467$). And the followings are Continuance commitment ($\beta=0.564$, $P<0.001$), Value commitment ($\beta=0.560$, $P<0.001$), and Normative commitment ($\beta=0.493$, $P<0.00$

### Table 9 The result of regression test (job satisfaction on factors of OC)

<table>
<thead>
<tr>
<th>Job satisfaction on Organizational Commitment</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent variable</td>
<td>Factors</td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
</tr>
<tr>
<td>Adj-$R^2$</td>
<td></td>
</tr>
<tr>
<td>F-value</td>
<td></td>
</tr>
<tr>
<td>D-W value</td>
<td></td>
</tr>
</tbody>
</table>

* $p<0.05$, ** $p<0.01$, *** $p<0.001$

4.3.6 Personality on CSR

Table 10 not only illustrates the significant impact of personality on CSR table but also shows
influence of personality on each factor of CSR is significant. For the regression of CSR with the personality composites in table 10, $P<0.001$ and $R^2_{adj} = 0.182$, Extroversion ($\beta = 0.240$, $P<0.05$) and Agreeableness ($\beta = 0.231$, $P<0.05$) are significant positive predictors in this equation.

And for the regression of each factor of CSR with the personality composite, Extroversion ($\beta = 0.251$, $P<0.05$) has a positive impact on Economic responsibility ($P<0.001$, $R^2_{adj} = 0.107$). Agreeableness ($\beta = 0.233$, $P<0.05$) has a positive impact on Legal responsibility ($P<0.001$, $R^2_{adj} = 0.121$). What is more, Agreeableness ($\beta = 0.295$, $P<0.01$) has a positive impact on Discretionary responsibility ($P<0.001$, $R^2_{adj} = 0.127$). Even though personality has a significant influence on Ethical responsibility ($P<0.001$, $R^2_{adj} = 0.116$), no factor has significant impact on Ethical responsibility.

According to the result, it is evident that personality has positive impact on employees’ perception of CSR. Agreeableness is more influential in Legal and Discretionary responsibility than other factors. Extroversion has significant impact on Economic responsibility.

Table 10 The result of regression test (personality on factors of CSR)

<table>
<thead>
<tr>
<th>Personality</th>
<th>Factor</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Independent variable</td>
<td>CSR</td>
</tr>
<tr>
<td>Neuroticism</td>
<td>-0.109</td>
<td>0.009</td>
</tr>
<tr>
<td>Extroversion</td>
<td>0.240*</td>
<td>0.251*</td>
</tr>
<tr>
<td>Openness</td>
<td>0.040</td>
<td>0.046</td>
</tr>
<tr>
<td>Agreeableness</td>
<td>0.231*</td>
<td>0.079</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>-0.038</td>
<td>0.063</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$R^2$</th>
<th>0.207</th>
<th>0.134</th>
<th>0.148</th>
<th>0.143</th>
<th>0.154</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj-$R^2$</td>
<td>0.182</td>
<td>0.107</td>
<td>0.121</td>
<td>0.116</td>
<td>0.127</td>
</tr>
<tr>
<td>F-value</td>
<td>8.098***</td>
<td>4.815***</td>
<td>5.403***</td>
<td>5.194***</td>
<td>5.635***</td>
</tr>
<tr>
<td>D-W value</td>
<td>1.690</td>
<td>1.544</td>
<td>1.893</td>
<td>1.728</td>
<td>1.774</td>
</tr>
</tbody>
</table>

*p<0.05, **p<0.01, ***p<0.001

5. DISCUSSION AND CONCLUSION

SEM could verify the goodness of fit of whole conceptual framework and let us know whether the framework is applicable. The software package Amos was used to confirm the framework of this study. Based on the result of SEM model, it appears that the goodness of fit of whole conceptual framework is applicable.

Most of results for the variables are consistent with earlier studies. After the analysis of demographic data, this research demonstrates that employees’ perception of CSR is different depending on age, marital status, and salary. Individuals higher in these traits are more likely to get higher response to CSR. Previous study noted that older individuals and women were more likely to support companies based on their charitable works (e.g., Edmundson, 1986; Jones & Posnett, 1991). Compared with these findings, we can find that gender is not significant in this study. Organizational commitment levels increase with age and salary, and there is significant evidence that tenure with the firm is an important determinant of commitment. Men and women display equivalent levels of commitment. Some attributes could be predictors of CSR perceptions, job satisfaction, and organizational commitment, e.g., salary and age.

According to the previous results and the summary of hypotheses, it is found that CSR has impact not only on customers, but also on employees. There are some discussions about the relationships and influence between dimensions.

5.1 The Relationship between Employees’ Perception of CSR and Job Satisfaction

According to the results of regression analysis and SEM model, it is found that CSR has impact on job satisfaction. Legal responsibility is the most influential factor in job satisfaction. Previous research indicates that organizational ethics yields increased job satisfaction (e.g., Deshpande, 1996; Koh & Boo, 2001; Singhapakdi et al., 1996). Since a bridge exists between company ethics and CSR, and suggests that social mindedness should also relate to such satisfaction (Valentine & Fleischman, 2008). As a consequence, which is also proven from the results of this research, employees perceived high CSR are also relatively satisfied with their work. In addition, Legal responsibility is the most powerful factor. CSR activities strengthen the
informal contract between employees and the firm by satisfying a company’s obligation to provide a desirable employment situation for its employees. These findings indicate job satisfaction linkages by perceived CSR.

5.2 The Relationship between Employees’ Perception of CSR and Organizational Commitment

Organizational commitment is related to a number of positive outcomes, like higher worker motivation and lower turnover rates (Peterson, 2004). The empirical results in this study show that employees’ perceptions of corporate social responsibility have a significant influence on organizational commitment. Besides, the results also suggest that Discretionary responsibility provides an indirect benefit to employees and supports the conceptual framework. It is consistent with the previous research that a company’s reputation on social issues influences workers’ attitudes. Because employees assume that if their company is ethical, the company will also treat them in an ethical manner. On the contrary, companies that are not perceived as ethical might not treat their employees ethically; for this reason, it results in a low level of organizational commitment. The contribution of CSR to organizational commitment is at least as great as job satisfaction.

5.3 The Relationship between Personality and Job Satisfaction

Several studies have shown that personality affects job satisfaction, especially Extraversion and Neuroticism are more and less likely to report job satisfaction (Brief et al., 1995; Tokar & Subich, 1997). The other three of the Big Five personality factors have received less attention and their influences on job satisfaction are unclear (Tokar, Fisher, & Subich, 1998).

Consistent with previous findings, the result of regression of job satisfaction with personality in this research shows that the Big Five are predictors of composite, accounting for about 20% in job satisfaction. Neuroticism seemed to be the most powerful factor. It is found that Neuroticism strongly correlates with negative emotions; Neuroticism is expected to lower job satisfaction because of essentially negative nature.

In addition, Conscientiousness was a consistent positive predictor of job satisfaction (Judge et al., 1999). Salgado (1997) noted that Conscientiousness was probably the best trait predictor of work-related behavior. The results from the regression of job satisfaction with personality in this study show that despite the fact that Extroversion and Conscientiousness is not statistically significant, the beta values of these two factors are bigger than the left two factors. The empirical results in this research reveal consistent outcome.

5.4 The Relationship between Personality and Organizational Commitment

According to the result of regression, personality has a significant impact on organizational commitment. However, the path estimate in SEM model is not significant. The followings are discussions about four factors of organizational commitment.

Affective commitment refers to an employees’ positive emotional reaction to the organization, and positive emotional is at the core of Extraversion (Watson & Clark, 1997). Base on the preceding logic, it is reasonable to suggest that people high in Extraversion would experience higher affective commitment. In truth, there are studies found significant correlations between them. Compared with the result in this research, the findings are consistent with pervious studies.

Continuance commitment refers to employees’ perceptions of the costs associated with leaving an organization. Previous researchers noted that people with high Extraversion perceive more job alternatives. Because extraverts tend to be more socially active, they may develop more social contacts than introverts. However, the results in this study show that employees high in Extraversion probably have heightened levels of continuance commitment in this study. Compared with the previous research, there is a difference between previous research and the findings of this study. As a matter of fact, employees with high Extraversion will get more chances of promotion than introverts. Hence, the costs of leaving firms have increased, which result in the significant impact of Extraversion on continuance commitment.

Normative commitment represents an employee’s beliefs about the mutual obligations between him or her and the organization (Meyer et al., 2002). Therefore, individual will feel indebted to his or her organization and want to reciprocate his or her organization’s initiatives. Back to our results, it is found that personality has significant impact on normative commitment, but none of the factors of personality is significant.

It is found that Conscientiousness is more powerful than other factors in the regression of value commitment, followed by Neuroticism. Value commitment refers to an employee’s feelings of value in accordance with the organization. People with high Conscientiousness are strict with
themselves. Therefore, the realization of individual goals through hard work for the company should be recognized. In their efforts to enhance value commitment, simultaneous realization of company goals and individual goals can be linked. In addition, Neuroticism is negative emotion, but value commitment is positive emotional action to organizations. It is reasonable to note Neuroticism has a negative impact on value commitment.

5.5 The Relationship between Job Satisfaction and Organizational Commitment

Redfern et al. (2002) noted a strong positive relationship between job satisfaction and organizational commitment. His finding supported the study, which revealed a positive correlation between job satisfaction and organizational commitment (Ingersoll et al., 2002). Also, there is a positive relationship between job satisfaction and organizational commitment in this research. According to previous research and the results in this study, these studies are not only consistent in reporting a positive correlation between job satisfaction and organizational commitment, but also show strong correlation. The findings indicate that the employees who are more satisfied with their jobs are also more committed to the organizations they work. The present study supports the literature and broadens its application to employees.

5.6 The Relationship between Personality and Employees’ Perception of CSR

Based on the results of regression analysis and SEM model, we can find that personality and each factor of personality have significant impacts on employees’ perception of CSR. The beta values of regression analysis indicate that Agreeableness has powerful influence on Legal responsibility and Discretionary responsibility. Fernandes and Randall (1992) found that ethical attitudes were moderated to some degree by several measures of social desirability. And social desirability’s effects on self-reports have been seen in ethics research (Burton & Hegarty, 1999). Agreeableness is concerned with individual differences in the motivation to maintain positive relations with others. Besides, people scoring high on the extraversion scale tend to be sociable and assertive, and they prefer to work with other people. Therefore, Agreeableness and Extroversion are related to social desirability, and they are consistent with the results of this research.

5.7 Limitations

The study is subject to some possible limitations. First, we adopted the 1000 top manufacturing companies of Taiwan in 2007 provided by CommonWealth Magazine. But the size of firms may affect the results. We only chose large enterprises and neglected the small and medium ones. Besides, due to limited time and funding, participants in this research are obtained from convenience sampling. Therefore the results are potentially subject to bias. Secondly, there are some differences between manufacturing industries and other industries. This research tried to find the effects of CSR and personality on employees of manufacturing industry first. There may be difference between these industries. Thirdly, there are a lot of dimensions which that may affect the dependent variables in this research. We only took CSR and personality into consideration. Therefore, some of the determining factors were neglected.

5.8 Managerial Implication

The results indicate that perceived CSR plays an important role in organizational commitment and job satisfaction. Since the results have significant implications for the implementation of CSR strategies, the first suggestion is that companies should emphasize the CSR activities and make sure that employees know these actions.

The framework of this study with the concept of social identity theory was supported by the evidence. The empirical results suggest that employees’ perceptions of CSR have a significant impact on job satisfaction and organizational commitment. CSR activity may bring more benefit and effectiveness by effectively communicating their good corporate social responsibility and citizenship with employees.

These findings indicate that management should consider focusing on ethics and culture of the organization with ethics codes, and CSR activity, which might raise more positive trust in the firm. These results are also important in the light of the factors of CSR; some factors of CSR are advantages to employees, like economic responsibility and legal responsibility. However, Discretionary responsibility gives indirect benefit to employees. It is interesting that Discretionary responsibility is also positive to work outcomes. Hence, the relationship between factors of CSR and commitment suggests that not only the factors have apparent influences on employees but the factors with latent benefit should also be stress on. Each factor of CSR has advantage to enterprises.
The second suggestion is that personality is a predictor of work outcomes and plays an important role in receiving information of CSR. This study linked personality with CSR perception, job satisfaction and organizational commitment, and it is shown that individual differences account for a proportion of variation. The results of this research suggest that employees with high level of Extroversion, Agreeableness, and Conscientiousness would feel more satisfied with their work and be willing to make commitment. Besides, job satisfaction is a strong predictor of organizational commitment. Combining the advantages of personality and CSR, better attitude for employees could be promoted.

5.9 Suggestions for Future Research

Finally, there are some suggestions for future research. The results suggest that the response to CSR and organizational commitment vary with salary and age of the individuals. Hence, the future work could take these factors into consideration or treat them as independent variables. This study only concentrated on manufacturing industries and large scale enterprises in Taiwan. Future research could extend the investigation to different industries, countries, and size of enterprises to obtain the generality of our findings. Besides, the future research could also address on how social work and corporate social responsibility influence other stakeholders or other measures of employee response to their work, such as turnover and productivity.

REFERENCES


