SOCIAL RESPONSIBILITY AND COMMITMENT IN MANAGEMENT INSTITUTES: MEDIATION BY ENGAGEMENT

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Abstract. Due to its major influence on individual's performance, engagement is increasingly becoming popular among practitioners. While its influence on performance has been well established, research on the influence of variables related to organizations on engagement is still in its nascent stage. Therefore, this study examines the mediating role of employee engagement in the corporate social responsibility (CSR) – organizational commitment relationship. Multiple regression results using responses from 150 academics working in Indian management institutes predominantly owned by business groups partially support the relationships hypothesized. The findings may encourage Indian management institutes owned by business groups to consider CSR in teaching and research as serious investment areas in order to have a more engaged and committed workforce.

Keywords: corporate social responsibility, employee engagement, India, management institute, multiple regression, organizational commitment.

JEL Classification: M120.

Introduction

The concept of employee engagement (EE) has received considerable attention of academics and practitioners in the last decade. While the initial need for research in EE was felt mainly in industries, a few research studies invigorate the need of extending the study of EE to the academia (e.g. Brexo, Boud 2009). Although, scholars have conducted EE studies on the academics working in higher education institutions (e.g. Ouweneel et al. 2012), little theory or empirical research accounts for the role of EE in linking corporate social responsibility (CSR) and organizational commitment (OC) especially in the context of Indian subcontinent wherein the engagement is at an alarmingly low level (Kohli, Grover 2013). This is reflected in the news that in the year 2013 itself, about 94 management institutes¹ applied for closure (Chhapia 2013). Therefore, the examination of its possible causes makes sense. One prominent cause could be that such institutes prioritize their own bottom lines over their social duties even though both the things can and should co-exist (Porter, Kramer 2002). Nevertheless, studies suggest that corporate social responsibility (CSR) can help in developing organizations which are not only profitable but also socially responsible.

Kahn (1990) first introduced the concept of engagement which due to its major implications for industries received widespread recognition in both, industry and academia. Recent research studies have successfully refined EE to the extent of measurability. For instance, the 12-item scale developed by Gallup and three-factor scale by Schaufeli et al. (2002) are often used to measure EE. According to Kahn (1990), engagement is a psychological state, in which, people attach themselves with their work roles. Employees are engaged if they can freely express themselves physically, cognitively and emotionally in their official roles. In order to test the nexus among CSR, EE and OC, in the context of Indian management...

¹ An Indian management institute for the purpose of this study is defined as an institute that offers at least one management program affiliated by The All India Council for Technical Education (AICTE).
institutes, the rest of the paper has been divided into four sections. The first section of the present study consists of understanding CSR, EE and OC, thereby describing each of these constructs individually and also their relationships with each other. The second section is ‘methods’ which describes the participants and the measures. The third section pertains to the results obtained and their analysis. The last section espouses discussion on findings and implications for future research.

1. Theory and hypotheses

1.1. Corporate social responsibility

Ever since the onset of industrialization in England, CSR has been a concept of interest for researchers. But its evolution is yet not over. Termed as social responsibility in the 1950s, CSR was understood as aligning policies, decisions and actions with societal values and expectations of the society (Bowen 1953). The literature on CSR further developed during the 1960s and Davis (1960) clarified that CSR is actions and decisions taken for reasons to some extent beyond a firm’s operational activity. 1970s was the decade that witnessed a surge for reasons to some extent beyond a firm’s operational activity. Johnson (1971) argued that a business cannot be done in isolation and businesses must therefore have an inherent duty to take care of parties that are directly or indirectly affected by decisions of firms. Businessmen following this path were regarded as “socially responsible entrepreneurs” or “socially responsible managers”.

Unlike Johnson, who focused on businessmen, Manne and Wallich (1972) set forth an eligibility criterion for doing in isolation and businesses must therefore have an inherent duty to take care of parties that are directly or indirectly affected by decisions of firms. Businessmen following this path were regarded as “socially responsible entrepreneurs” or “socially responsible managers”. Unlike Johnson, who focused on businessmen, Manne and Wallich (1972) set forth an eligibility criterion for an activity to qualify as CSR. According to them, it is a voluntary activity for which a firm incurs opportunity cost. Fitch (1976) subsequently defined CSR as a serious attempt to solve a social problem caused due to a corporation. Jones (1980) explained CSR as a voluntary duty of a corporation towards its stakeholders other than shareholders. In 1990s, Carroll (1994) introduced dimensions, namely: economic, legal, ethical and philanthropic to CSR and termed a pyramidal approach to it as “corporate citizenship”. For the sake of convenience and to address the two distinct but interrelated sections of academics, CSR hereinafter has been divided into CSR in teaching (CSRT) and CSR in research (CSRR). By CSRT here we mean a sense of helping the society by imparting knowledge without getting or expecting any monetary benefit in return. By CSRR we mean a sense of selfless involvement in research which is beneficial for the society. Teaching and research in the Indian management institutes (Indian institutes that are mainly or only offering management course(s)) combine to form the context of this study.

1.2. Employee engagement

The term, “engagement” was originally coined by Kahn (1990). According to it, engagement is the emotional, physical and cognitive attachment of an employee with its work. Due to its orientation towards practice, researchers have subsequently explored; Townsend et al. (2014) and tested the theory of engagement in the workplace. Schaufeli et al. (2002) for instance, found vigour, dedication, and absorption as important measures of engagement. Harter et al. (2002) developed the construct of engagement empirically by establishing burnout–antithesis link and testing satisfaction–engagement nexus respectively. Likewise, Saks (2006) proposed a multidimensional approach that explored various aspects of employee engagement construct holistically. However, researchers find engagement, a highly contextual construct (Wang et al. 2013) and hence, exploring the antecedents of engagement in different contexts is important. Moreover, review of multiple articles on the engagement–performance relationship by Shuck (2013) concludes that an engaged employee is a better performer and that is why the construct deserves more attention (Christian et al. 2011).

Prior studies also highlight the distinctive characteristics of EE from its peer concepts (Vigoda-Gadot et al. 2013). For example, job involvement is the extent to which individuals psychologically identify themselves with their jobs and find their personal goals aligned with that of their organization (Dimitriades 2007) whereas, EE is a broader concept and involves physical attachment with the job and organization as well. Similarly, organizational commitment has been conceptualized as the level of loyalty an organization’s employee possesses with its organization (Porter et al. 1974) but a loyal employee may not necessarily derive optimum performance from the employee. The definition of EE given by Schaufeli et al. (2002) addressed these issues and built a more measurable EE as a construct. According to them, EE is “a positive, fulfilling work related state of mind characterized by vigour, dedication and absorption” (93). So, EE, job involvement and organizational commitment are distinct yet interrelated constructs.

1.3. Organizational commitment

Researchers in the past have adopted a variety of approaches to define OC (Mowday et al. 1979). In terms of attitude, OC is when the “identity of the person (is linked) to the organization” (Sheldon 1971: 143). On the other hand, it was also defined as the degree of acceptance of organizational goals by an employee (Porter et al. 1974). However, Morrow (1983) recommended a more holistic and reliable definition of OC. Becker (1992) therefore restricted the
definition of OC to three sub-constructs namely (1) employee’s compliance driven by rewards and punishments, (2) identification which is nothing but a desire for affiliation, and (3) internalization which refers to the congruence of the individual values with that of the organization.

Institutes offering higher education in America were identified as businesses by researchers (e.g. Slaughter, Leslie 1997) and what they called “academic capitalism” (Rhoades, Slaughter 2004). Like America, many business groups have also started their own management institutes in India. For example, the Tata group operating a chain of Xavier management institutes, the Birla group with management institutes in multiple locations and the Singhania group operating J K Lakshmipat management schools are to name a few. Researchers have consistently criticized the activities of management institutes becoming similar to a business group. Ghoshal (2005) for instance, has warned management institutes for their increased inclination towards profit making. The Associated Chambers of Commerce and Industry of India (ASSOCHAM) finds the situation of Indian management institutes even worse. According to it, as many as 160 India management institutes are still struggling for their survival (ASSOCHAM 2013). The report also emphasized on shifting focus from the sole goal of profit making to attracting and retaining quality faculties. Given the high amount of emphasis placed by the Indian management institutes on profit, treating their activities as business activities therefore seems logical. Furthermore, a research by Patel et al. (2004) has highlighted the ways and means by which faculty of a management institute can discharge their social responsibility through research by focusing on practical social issues and teaching by educating students about the importance of CSR in creating a better organization.

1.4. Relationship of CSR and EE

According to The Business Communicator (2005) report, employee engagement is a social process by which people become personally implicated in strategy and change in their daily work. Hall (2005) argued that excluding people from social groups can be designed to make the manager seem incompetent. Moreover, social variables provide a meaningful theoretical basis for understanding and studying employee engagement (Saks 2006). Those who are involved in self-less voluntary social work do not expect anything in return are expected to continue with the organization irrespective of whether their actions are recognized or not. The happiness that they receive by doing such activities rejuvenates them physically, cognitively, and emotionally.

Xanthopoulou et al. (2009) tested reciprocal relationships between job resources and work engagement and found social aspect of job resources as an important antecedent of engagement. Moreover, one aspect of developing passion in the workplace is by providing a nurturing environment and a sense of community (Boverie, Kroth 2001) whereby individuals are attracted by the social affiliations and meaning that work provides (Hodson 2004). Since engagement means attachment of employees to their job roles, CSR provides them a sense of community so that employees can derive more meaning out of their job. Following hypotheses capture the social aspect of EE (Fig. 1):

Hypothesis 1a. Corporate social responsibility in teaching positively influences employee engagement.

Hypothesis 1b. Corporate social responsibility in research positively influences employee engagement.

1.5. Relationship of EE and OC

The organizational commitment definition given by Becker (1992) provides valuable insights for the psychological factors that constitute OC including internalization, identification, and compliance of employees with their organizations. Engaged employees feel proud in associating themselves with their organizations. They invest their energies at multiple levels such as cognitive, emotional, and physical because they think their work is significant and their efforts are valuable to their organizations. This investment of energies is possible because engaged employees are able to align their values with the organizational values and comply with the organizational said and unsaid norms.

Tested in the context of nursing, Cho et al. (2006) found that their model proposing work engagement affecting organizational commitment had significant correlations among the items of EE and OC. Hakanen et al. (2006) carried out a study on teachers and found that Job resources are related to organizational commitment through work engagement. Saks (2006) and Lockwood (2007) in their respective studies also found EE, a decedent of OC both empirically and conceptually. The hypothesis given below attempts to test the effect of EE on OC:

Hypothesis 2. Employee engagement positively influences organizational commitment.
1.6. Relationship of CSR and OC

Humans, being a social entity need to socialize for fulfilling their day-to-day requirements. Voluntary social work in teaching and research provides them opportunity to give back to that society, which has enabled them to earn their livelihood. These actions make them feel happy as they unload the guilt of being only at the receiving end. The organizations that encourage or allow their employees to involve in society-employee exchange related activities without any interruption make their employees develop a feeling of gratitude and commitment towards their organizations. Therefore, the employees who highly believe in giving back to the society tend to be more committed to their organizations.

There are plenty of studies that indicate that CSR significantly influences OC. For example, Turker (2009) applied social identity theory on different business professionals and discovered that CSR to social and non-social stakeholders, employees, and customers were the significant predictors of OC. Other previous studies, including Ali et al. (2010) and Boddy et al. (2010) also agree with the positive relationship between CSR and OC. Likewise, Al-Bdour et al. (2010) did a study in the banking sector of Jordan and found significant positive relationship between CSR and OC. Thus, it is also important to test the CSR–OC nexus in the present study with the help of below hypotheses:

Hypothesis 3a. Corporate social responsibility in teaching positively influences organizational commitment.

Hypothesis 3b. Corporate social responsibility in research positively influences organizational commitment.

1.7. EE as a mediator between CSR and OC

Review of literature in the previous sections explains the causal positive relationships among CSR, EE, and OC. In that, CSR would have a direct positive relationship with EE and OC. Also, EE would have a direct positive relationship with OC. Therefore, there is possibility that CSR would indirectly lead to OC through EE. It is expected that CSR in teaching and research enables employees to attach themselves not only with their work roles but also with their organizations.

Saks (2006) did a study on employees working in a variety of jobs and found that EE mediates the relationship between job characteristics and OC. A similar study was done by Hakonen et al. (2008) in the hospital industry that established the relationship mediating role of EE between job resources and OC. Since, CSR is one of the variables in job resources, the below hypotheses provide a means to capture the mediation impact of EE in the CSR–OC relationship.

Hypothesis 4a. Employee engagement mediates the relationship between corporate social responsibility in teaching and organizational commitment.

Hypothesis 4b. Employee engagement mediates the relationship between corporate social responsibility in research and organizational commitment.

2. Methodology

2.1. Sample and procedures

The participants included 150 academics working in various Indian Management institutes owned by business groups. For the purpose of data collection, an online questionnaire was generated and its link was posted on a Facebook group which had over one thousand Management institute teachers of India as its members. The respondents were requested to complete the questionnaire containing demographic and model specific questions. In this way, the questionnaire was filled up only by the respondents interested to respond. A note was also posted stating that only those respondents need to fill the questionnaires, who teach in institutes owned by a business group. Out of the total 150 respondents selected at random, 59.3% were male. 40.0% percent were Professors (Assistant Professor, Associate Professor and Professor), 27.3% were research scholars or teaching associates enrolled in the full time doctoral program and simultaneously teaching and the rest were Lecturers, visiting faculty and adjunct faculty. 72.2% of the respondents belonged to the private sector management institutes and the remaining belonged to the “others” category which includes semi-public management institutes (Table 1).

Since, the questionnaire contained questions about the institutes’ management, the respondents were assured of anonymity by not asking from them their or their organization’s name.

2.2. Measures

The constructs in the present research paper were measured using pre-tested and well-established scales. For example, CSR in teaching and research was measured using Turker’s 5-item summarized scale (Turker 2009). Minor changes in the scale were made to suit the current context. A sample item of CSR scale includes: “Being socially responsible is the most important thing an institute can do through research”. EE was measured on a 12-item Gallup scale (Gallup, 2006). A sample item of EE scale includes: “My supervisor or someone at work seems to care about me as a person”. The level of OC was calculated on a 6-item scale used by Rhoades et al. (2001). A sample item of OC scale includes: “I feel a strong sense of belonging to my organization”. All the scales had 5-point Likert scale with options ranging from strongly disagree to strongly agree. All the responses of respondents with at least 6 months of experience with
their current organization (a pre–requisite as per Gallup scale) were considered valid. Since, the data collection was carried out in the month of January which means that all the respondents would have at least six month experience as they must have joined their institutes during admissions that happen in June in India.

3. Results

With all the scales resulting in greater than 0.70 Cronbach’s alpha, the results obtained were quite reliable. All the correlations among the constructs were significant (p < .01). Most of the results were in line with what we expected. Two models were tested with the same data set. In the first model, CSR and CSRT were taken as independent variables and OC was taken as dependent variable without any mediator. However, on the introduction of EE as a mediator, we noticed a significant change in the R–square value from 0.465 to 0.851. It also means that a model which without EE could explain only 46.5% variation in OC can explain 84.8% variance in OC with the inclusion of EE as a mediator. Though, both CSRT (β = 0.59) and CSR (β = 0.17) were significant (p < .01), after EE was introduced, CSR became insignificant. Hence, EE fully mediates the CSR–OC relationship. As far as mediation by EE in the CSRT–OC relationship is concerned, the results did not indicate full mediation. However, due to the presence of significant regression coefficients in the CSRT–EE–OC nexus, tests of partial mediation were carried out. For testing partial mediation, Sobel test, Aroian test and Goodman test were conducted and their values obtained were 8.289, 8.280 and 8.298 respectively. All these values were significant (p < .01) and hence the presence of partial mediation by EE in the CSRT–OC relationship was confirmed. The aforementioned results indicate that compared to CSRT, CSR is perceived as a better determinant of OC when the CSR–OC relationship is mediated by EE.

Table 1 describes the general classification of the participants’ demographics in terms of their frequencies and percentages. The mean age of participants was about 43 years. EE and OC were found to be highly correlated with a correlation coefficient slightly greater than 0.90 (Table 2). Results also reveal that EE fully mediates only the CSR and OC relationship and partially mediates the CSR and OC relationship (Table 3). Except hypothesis 4a which is partially supported, all the other hypotheses, on account of their significant and positive path coefficients were fully supported. Also, in order to ensure that both, CSRT (t = 77.42) and CSR (t = 80.75) are sufficiently different from each other, one sample t–test was conducted and the results indicated significant difference between the two constructs (p < .01).

Table 1. Demographics and frequency table

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>89</td>
<td>59.3</td>
</tr>
<tr>
<td>Female</td>
<td>61</td>
<td>40.7</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Affiliation type</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>109</td>
<td>72.7</td>
</tr>
<tr>
<td>Others</td>
<td>41</td>
<td>27.3</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Designation</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof.</td>
<td>60</td>
<td>40.0</td>
</tr>
<tr>
<td>Teaching assistant/associate</td>
<td>41</td>
<td>27.3</td>
</tr>
<tr>
<td>Others</td>
<td>49</td>
<td>32.7</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 2. Descriptive statistics and correlations for key study variables

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>s.d.</th>
<th>CSRT</th>
<th>CSRR</th>
<th>EE</th>
<th>OC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>43.19</td>
<td>10.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSRT</td>
<td>4.08</td>
<td>0.64</td>
<td>(.72)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSRR</td>
<td>4.17</td>
<td>0.63</td>
<td>.40**</td>
<td>(.71)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td>4.03</td>
<td>0.56</td>
<td>.60**</td>
<td>.40**</td>
<td>(.76)</td>
<td></td>
</tr>
<tr>
<td>OC</td>
<td>3.98</td>
<td>0.71</td>
<td>.66**</td>
<td>.41**</td>
<td>.91**</td>
<td>(.75)</td>
</tr>
</tbody>
</table>

Note: Values in parenthesis on diagonal represent Coefficient alphas; * p < .01 (2–tailed).

Table 3. Measurement model

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Ad. R²</th>
<th>s.e.</th>
<th>ΔR²</th>
<th>ΔF</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.68</td>
<td>0.46</td>
<td>0.46</td>
<td>0.52</td>
<td>0.47</td>
<td>63.85</td>
<td>2</td>
<td>147</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>.92</td>
<td>0.85</td>
<td>0.85</td>
<td>0.28</td>
<td>0.39</td>
<td>378.98</td>
<td>1</td>
<td>146</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Note: n = 150; Model 1 Predictors: (Constant), CSRT, CSR; Model 2 Predictors: (Constant), CSRT, CSR, EE.
Conclusions and scope for future research

It is evident by now that there is a clear consensus in the research fraternity on the existence of causal relationships among CSR, EE and OC. Although past research had linked CSR with EE (e.g., Ferreira, de Oliveira 2014) but their scope were limited to industry only. This study, on the other hand found that in spite of CSR affecting EE positively, CSR in research contributes fully and CSR in teaching contributes partially to the EE and in-turn finally to OC. Another important contribution of this research lies in the finding that EE is an important variable that mediates the relationship between CSR and OC. As far as practical implications are concerned, the study would benefit the industry in three essential ways. Firstly, the results of the study, we argue, would encourage management of the institutes to pay due attention to CSR activities by setting goals that are beneficial for the society. Secondly, since an engaged and committed workforce enhances productivity, the management is expected to treat CSR as a long term investment in their academics. Thirdly, the results indicate that paying greater attention to CSR in research compared to CSR in teaching would possess a better engaged and committed workforce. For this purpose, the management will have to measure the performance of the academics for research and teaching separately in terms of CSR (Altbach, Levy 2005).

Our research, though explains CSR – EE – OC nexus, further work is advisable on testing this research in Indian subcontinent. It is because India inherits a variety of cultures that are akin to the culture of Pakistan, Bangladesh, Nepal, Bhutan, Maldives and Sri Lanka. Thus, the results of our study may logically replicable in these countries as well. While the research in the Indian subcontinent appears feasible with the current methodology, one must be careful in translating the questionnaire in the South Asian countries other than the Indian subcontinent countries. Additional care should be taken while replicating these results to a non-industry owned educational institute because otherwise the usage of the term CSR could be misleading. At this juncture, it would also be interesting and enlightening to know the cross-cultural issues in the results of a comparative study between two developing Asian countries with greater differences in their culture and practices like India vs China. We also urge future researches to address the issues arising out of the differences (if any) because of using other popular EE scales like Schaufeli and Bakker (2003) and May et al. (2004) instead of Gallup’s EE scale.

Although the findings of this study are in line with our expectations, our research like any other research in human resource development is also not free from limitations. Firstly, the nature of this study being cross-sectional leaves limited scope for establishing and inferring causal relationships among variables. Therefore, we recommend future studies to carry out longitudinal studies so that the degree of change in the responses could be captured. Secondly, the measures used in this study were self-reported which might have suffered from the issue of common method bias. However, the nature of the variables itself is investigation about oneself and so, the methods, including dyadic feedback and peer review should not discount the generalizability of this study. Moreover, this study was limited to the context of Indian management institutes that are owned by business groups, but future research can also comprehend other academic areas for the greater generalizability of the results.

In short, the objective of testing the mediating role of EE between the relationship of CSR and OC in the Indian management institutes’ context was realized in this paper. In particular, we draw two important conclusions from this paper. Firstly, CSR does positively and significantly impact OC through EE and which goes as per our expectation. Secondly and surprisingly, EE only partially mediates the CSRT–OC relationship. It means that engagement plays a vital role in enhancing workforce commitment for the institutes where emphasis is more on research than the institutes where emphasis is more on teaching.

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References


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