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Effect of International Corporations' Social Responsibility on Employee Behavior considering Organizational Justice as a moderator: Conceptual Framework

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Abstract

The rising prominence of corporate social responsibility (CSR) in today's business environment and understanding its implications on employee behavior has become increasingly substantial for international corporations. While there is a growing body of literature on CSR and employee behavior, several gaps remain in literature. Although organizational justice has been identified as a key factor, research exploring its potential moderating effect, is scarce. Accordingly, this gap provides an avenue for proposing a conceptual framework that explains how CSR initiatives can shape employees' attitudes and behaviors focusing on the role of organizational justice as a moderating variable. This paper proposes a conceptual framework examining the relationship between international corporations' CSR initiatives and employee behavior while considering organizational justice as a moderator variable. This framework serves as a starting point for further exploration into the interconnectedness of CSR, employees' behavior, and organizational justice, inviting both scholarly inquiry and practical application within international corporations. To validate the proposed framework, empirical research could be conducted using quantitative methods, such as surveys targeting employees in various international corporations.

Keywords: Corporate social responsibility; employees' behaviour; organizational justice; moderator.

1. Introduction

The globalization of business activities has led to the emergence of international corporations that operate across various cultural and regulatory landscapes. In the rapidly evolving global landscape, the role of international corporations has extended beyond profit generation to encompass social responsibility. Companies are increasingly recognizing that their actions can have profound effects not only on stakeholders but also on employee behavior (EB) and organizational culture. International corporations operate in a complex environment, where the social implications of their business practices are scrutinized by both consumers and employees. The need for Corporate Social Responsibility (CSR) is not merely a moral choice but a strategic necessity that can influence an organization's reputation, brand loyalty, and overall success. In this context, CSR has evolved into a critical component of corporate strategy, influencing not only public perception but also internal dynamics within organizations. CSR reveals organizations' commitment to contribute to sustainable economic development while improving the quality of life of the employee and their families, and the whole society.

With the increasing globalization of business practices and the rise of stakeholders' awareness on corporations' actions, understanding the relationship between international corporations' social responsibility and employee behavior is crucial. This paper addresses the interplay between CSR initiatives and employee behavior within international corporations, highlighting organizational justice (OJ) as a fundamental role in the context. The concept of organizational justice plays a pivotal role in how these CSR initiatives are received. When

employees perceive that CSR efforts are genuine and equitable; they are more likely to exhibit positive behaviours. Research has shown that a corporation's CSR efforts can have a profound effect on employee behavior, influencing factors such as job satisfaction, commitment, and motivation. However, the impact of CSR initiatives may be moderated by perceptions of organizational justice, specifically, the fairness with which employees perceive their treatment in the workplace. The previous literature seems to focus on discussing the corporate social responsibility and factors influencing the CSR (Kalyar, Rafi & Kalyar, 2013) in different contexts and concepts.

Furthermore, the majority of the extant studies are in the developed contexts while rare studies are in developing contexts. Furthermore, limited studies tend to discuss the role of an organizational justice in the relationship between CSR and employees' behaviour. Additionally, most of studies focus on Western contexts, with insufficient research examining CSR impacts in different cultural settings, particularly in emerging economies. Therefore, this study argues and debates that organizational justice can act as a moderator and proposes a conceptual frame work to explain the relationships between the factors. The conceptual framework of this study delineates the interplay between the and employees' behaviour. This paper provides a foundation for better understanding the intricate relationship between CSR, organizational justice, and employees' behavior, highlighting the importance of ethical practices CSR and organizational justice in enhancing employee engagement and organizational effectiveness. The paper is divided into four sections. The first section of the paper introduces the CSR, employees' behaviour, and organizational justice while the second section is about research methodology. The subsequent part discusses the literature review and theoretical background. The fourth section discuss the conceptual framework and it ends with the fifth section which provides a short discussion, conclusion, and implications.

2. Research Methodology

This work uses a qualitative research design based on literature review, specifically academic journals in order to form and explain the relationship between variables. The research design and methodology are grounded on the existing literature. Accordingly, this paper follows a descriptive method to offer a clear understanding between the CSR, E, OJ, and EB.

3. Literature Review and Theoretical Background

While there is a growing body of literature on CSR and employee behavior, several gaps remain in literature. literature is shows that CSR has an effect on performance, reputations, employees' behavior, and organizational justice. This study scrutinizes the literature review to identify the interplay between international corporations' social responsibility (CSR) and employees' behavior, focusing on organizational justice as a moderator variable. The review synthesizes existing research to highlight how perceptions of CSR initiatives influence employee attitudes, motivation, and behaviors, while organizational justice mediates these relationships. It emphasizes the importance of understanding this dynamic in fostering a positive organizational culture and enhancing employee performance. Previous studies indicate that CSR initiatives

can lead to increased employee engagement and loyalty. Hence, employees who perceive their organization as socially responsible tend to exhibit higher levels of job satisfaction and commitment.

Several theoretical frameworks provide insights into how CSR influences employee behavior. Social Identity Theory suggests that employees derive part of their identity from their organization's reputation and values. When an international corporation engages in CSR, it enhances its corporate image, leading to stronger identification among employees and, subsequently, positive behavioural outcomes (Tajfel & Turner, 1979).

3.1 Corporate Social Responsibility (CSR)

The last few decades have seen significant interest in the concept of corporate social responsibility (CSR), particularly within the context of international corporations. CSR is defined as the commitment of businesses to contribute to sustainable economic development while improving the quality of life of the workforce, their families, the local community, and society at large. CSR encompasses a range of practices aimed at promoting social good and addressing environmental, social, and ethical concerns. The major dimensions of CSR include economic, legal, ethical, and philanthropic responsibilities (Carroll, 1991). International corporations are expected to not only pursue profit objectives but also engage in practices that promote environmental sustainability, social equity, and ethical governance (Smith, 2015). CSR is adopted by enterprises to contribute positively to societal goals, including environmental sustainability, ethical labor practices, and community involvement (Carroll, 1999).

It is generally divided into four dimensions: economic, legal, ethical, and philanthropic responsibilities. This segmentation aids in understanding how different aspects of CSR can affect stakeholder perceptions, including employees (McWilliams & Siegel, 2001). CSR can be defined as the self-regulating business model that helps a corporation be socially accountable to itself, its stakeholders, and the public. The range of CSR practices includes ethical sourcing, environmental sustainability, community engagement, and support for Labor rights. These initiatives can enhance corporate reputation and foster a more engaged workforce. For international corporations, CSR is not only a moral obligation but also a strategic necessity. A strong CSR reputation can lead to enhanced brand loyalty, increased customer satisfaction, and improved competitive advantage (Porter & Kramer, 2006). Moreover, it has been increasingly recognized that CSR initiatives can significantly affect employee behavior and attitudes (Brammer & Millington, 2005).

3.2 Employee Behavior

Employee behavior (EB) refers to the actions and attitudes that employees exhibit within the workplace, which can include job performance, organizational citizenship behavior (OCB), commitment, and retention rates (Robinson & Judge, 2013). Understanding these behaviors is essential for organizations aiming to optimize workforce performance and maintain a cohesive organizational culture. EB encompasses a broad spectrum of actions, including motivation, job satisfaction, organizational commitment, and performance. EB within organizations can reflect attitudes such as job satisfaction, organizational

commitment, and motivation.

Positive employee behavior is critical for organizational success, as engaged employees are more likely to be productive, loyal, and aligned with corporate goals (Robinson & Judge, 2013). Constructive employee behavior leads to increased productivity, better teamwork, and reduced turnover rates, all essential for the sustainability of an organization. Research indicates that employees are generally more motivated and engaged when they perceive their organization to be socially responsible. For example, studies have shown that employees whose organizations engage in CSR tend to demonstrate higher levels of job satisfaction and organizational commitment (Rupp et al., 2006). They are also more likely to participate in OCB, which contributes to team collaboration and overall organizational effectiveness.

3.3 Organizational Justice

Organizational justice (OJ) refers to employees' perceptions of fairness within their workplace. Employees' perceptions of fairness within an organization. OJ consists of three main dimensions: distributive justice, procedural justice, and interactional justice (Greenberg, 1990). Each type of justice plays a crucial role in how employees evaluate their treatment within the workplace and influences their subsequent behaviours.

1. **Distributive Justice:** This relates to the perceived fairness of outcomes, such as pay, benefits, and recognition. Distributive Justice: Employees' perceptions of fairness regarding the outcomes of CSR initiatives (e.g., community donations, environmental efforts) can enhance their satisfaction and commitment to the organization. The perceived fairness of CSR initiatives can significantly influence how employees respond:
2. **Procedural Justice:** This involves the fairness of the processes and methods used to make decisions within the organization. If employees believe that CSR initiatives are implemented through fair processes, they are more likely to perceive their workplace in a positive light and align their goals with the organization.
3. **Interactional Justice:** This focuses on the quality of the interpersonal treatment employees receive from authorities. The manner in which CSR initiatives are communicated and executed respectfully and transparently will affect employees' emotional responses and behaviours.

Research has consistently shown that higher levels of perceived organizational justice correlate with positive employee attitudes and behaviors (Colquitt et al., 2001). Perceptions of organizational justice influence employees' morale and performance, making it a critical factor in understanding the effects of CSR on employee behavior. Some studies show that organizational justice can serve as a critical intermediary variable in the relationship between CSR and employee behavior. When employees perceive CSR initiatives as fair and equitable, they are likely to develop positive attitudes towards their organization, which enhances their motivation and commitment (Colquitt et al., 2001). Organizations that demonstrate commitment to ethical practices and community welfare foster loyalty among employees, increase retention while reducing

turnover rates. Furthermore, positive perceptions of CSR initiatives can lead to increased motivation, higher productivity levels, and improved Performance among employees. Conversely, when CSR efforts are seen as insincere or poorly implemented, they may lead to feelings of injustice, which can negatively impact employee morale and behavior (Buchanan, 2010). Hence, enhanced engagement of employees is more likely to engage with companies that exhibit social responsibility, as they feel their work is meaningful and contributes to a greater good.

Studies show that employees in organizations with robust CSR programs report higher levels of job satisfaction and organizational commitment (Rupp et al., 2006). CSR initiatives can foster a sense of belonging and pride in the organization, which translates to better performance and lower turnover intentions. Typically, CSR can enhance intrinsic motivation among employees. According to a study by Bhattacharya et al. (2008), employees are more engaged when their organization's values align with their own, particularly when there is a focus on social responsibility. Employees who work for socially responsible organizations tend to exhibit behaviors such as organizational citizenship behaviors (OCB) and reduced instances of counterproductive work behavior (García de los Salmones et al., 2005). The perception that the organization cares for societal well-being translates to employees reciprocating through positive workplace behavior. Accordingly, this research suggests that organizational justice acts as a critical moderator in the relationship between CSR and employee behavior. For instance:

1. **Interaction Between CSR and Distributive Justice:** Employees who perceive high levels of distributive justice in addition to CSR initiatives are likely to experience even greater job satisfaction and organizational commitment (Cropanzano & Wright, 2001). When rewards are perceived as fair, CSR initiatives can further amplify positive outcomes.
2. **Role of Procedural Justice:** Procedural justice can also enhance the effectiveness of CSR initiatives. If employees feel that issues related to CSR are being handled fairly and transparently, their engagement with CSR efforts increases (Colquitt, 2001).
3. **Influence of Interactional Justice:** Employees who believe they are treated with respect and dignity regarding CSR practices are more likely to respond positively (Bies & Moag, 1986). The interpersonal aspects of organizational justice are essential in fostering an environment where CSR can thrive.

Research consistently supports the notion that effective CSR initiatives ultimately enhance employee behaviors like engagement, productivity, and loyalty (Turker, 2009). Employees who believe their organization engages in authentic CSR practices feel valued and recognized, fostering an environment conducive to OCB. On the other hand, CSR programs perceived as greenwashing or lacking genuine intent can yield negative perceptions of organizational justice, leading to diminished employee morale, increased turnover intentions, and lower job satisfaction (Weber, 2008). Thus, the authenticity of CSR efforts coupled with the influence of OJ is paramount. Based on the review of literature, theoretical discussion,

and proposed framework, several hypotheses can be derived:

- **H1:** CSR initiatives positively influence employee behavior in international corporations.
- **H2:** Organizational justice positively effects employee behavior.
- **H3:** Organizational justice moderates the relationship

between CSR initiatives and employee behavior, such that higher levels of perceived organizational justice amplify the positive effects of CSR initiatives on employee behavior.

4. Conceptual Framework



Figure (1): Conceptual Framework

Figure (1) is the conceptual framework which serves as a foundation for further investigation into the relationships between CSR, organizational justice, and employee behavior, underscoring the significance of ethical business practices in CSR in shaping positive workforce dynamics. The proposed conceptual framework illustrates the relationship between CSR initiatives and employee behavior, moderated by organizational justice. The conceptual framework illustrates the relationships as the following:

1. **CSR Initiatives:** International corporations engage in diverse CSR initiatives, including environmental sustainability programs, community development, and ethical Labor practices. Hence, employees' behaviors will be influenced by CSR initiatives which in turn increases job satisfaction, cooperative behaviors, organizational citizenship, and enhanced motivation.
2. **Organizational Justice** can directly and positively improve employee behavior which vary based on employees' perceptions of justice within the organization.
3. **Organizational Justice as a Moderator:** The effectiveness of CSR initiatives in shaping positive employee behavior may vary based on employees' perceptions of justice within the organization:
 - **Distributive Justice:** Employees who perceive that the rewards and resources are fairly distributed are more likely to respond positively to CSR initiatives.
 - **Procedural Justice:** When employees believe that the processes leading to CSR activities are fair and transparent, they are likely to experience higher job satisfaction and commitment.
 - **Interactional Justice:** Positive interpersonal treatment surrounding CSR initiatives may enhance employees' emotional connection to the organization, fostering loyalty and engagement.

5. Discussion and conclusion

As corporations continue to navigate the world of social responsibility, paying attention to employee perceptions of justice will be crucial to achieving sustainable organizational success. The intersection of CSR and organizational justice reveals complex dynamics that significantly impact employee behavior in international corporations. Fostering environments where employees feel that their organization is socially responsible and fair in its practices can lead to healthier workplace behaviours. Understanding the complexities of how CSR initiatives affect employee behavior necessitates a multifaceted approach. This paper proposed a conceptual framework exploring the intersection of CSR, employee behavior, and organizational justice within international corporations. The paper highlights the significant relationship between international corporations' social responsibility and employee behavior, with organizational justice acting as a vital moderator. By elucidating the mechanisms through which CSR influences employee behavior, organizations can better align their CSR initiatives with employee engagement strategies. While CSR initiatives can positively influence employee attitudes and behaviors, perceptions of fairness within the organization play a crucial role in determining the extent of these effects. Future research should focus on broadening the understanding of these dynamics by exploring additional variables and cultural contexts.

Future research should delve deeper into quantitative studies that measure the specific impacts of CSR initiatives on various employee behaviours across different cultures and industries. Additionally, longitudinal studies examining how changes in perceived CSR and organizational justice affect employee outcomes over time which would provide valuable insights into these complex relationships. Future research directions can be about adopting exploring the influence of additional moderating variables such as organizational culture, leadership styles, or individual differences. Researchers can also conduct cross-cultural studies to understand how CSR impacts on employee

behavior in different geographical contexts. Implementing longitudinal approaches to track changes in employee behavior as CSR initiatives evolve is possible research avenue in the future. Understanding these relationships more deeply can provide invaluable insights for HR policies and CSR strategies aimed at maximizing employee engagement and overall organizational efficacy.

Recognizing that organizational justice can moderate this relationship underscores the importance of creating a fair workplace environment that reinforces positive outcomes from CSR efforts. This paper invites international corporations to evaluate not just the CSR initiatives they undertake but also the ways in which they communicate and implement these practices to promote perceptions of justice among employees. Hence, international corporations should consider the following implications:

1. **Integrated CSR Strategies:** Companies should develop CSR strategies that consider employee perceptions and the importance of justice, ensuring that initiatives resonate with values held by employees.
2. **Emphasizing Fair Practices:** Management should commit to fair practices in the workplace to foster an environment where CSR initiatives can have their intended positive effects on employee behavior.
3. **Training and Communication:** Regular training programs and open communication regarding CSR initiatives and associated values can enhance employees' perceptions of organizational justice.

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