

RESEARCH ARTICLE

ORGANIZATIONAL JUSTICE MEDIATION EFFECT IN THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND EMPLOYEE BEHAVIOR: A CONCEPTUAL FRAMEWORK FOR INTERNATIONAL CORPORATIONS

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Abstract: Corporate social responsibility (CSR) has gained prominence as a pivotal factor in shaping organizational identity and stakeholder relations. Concurrently, the behavior of employees in a corporate setting is fundamentally influenced by how they perceive their organization's ethical practices. While considerable research has highlighted the benefits of CSR initiatives on organizational performance and employee satisfaction, the mechanisms through which these benefits are realized remain underexplored. Literature review shows the intricate relationships between corporate social responsibility, organizational justice, and employee behavior. By exploring organizational justice as a critical variable, this paper aims to clarify how CSR initiatives can lead to improved employee behavior, including job satisfaction, commitment, and performance. This paper posits that organizational justice acts as a mediator in the relationship between CSR and employee behavior which implicitly impact employees' engagement and behaviour. Accordingly, this paper proposes a conceptual framework that underscores the role of organizational justice as a mediator in the relationship between CSR and employees' behavior. The paper provides a foundational understanding of the intricate dynamics between CSR, organizational justice, and employee behavior, offering implications to top management and a pathway for future exploration and practical application in organizational settings. Further empirical research is needed to validate the proposed relationships and deepen the understanding of how organizations can link CSR initiatives for enhanced employees' behaviour through fairness in the workplace.

Keywords: *Corporate social responsibility; organizational justice; employees' behaviour; mediating effect, international corporations.*

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INTRODUCTION

In an increasingly competitive and socially conscious marketplace, organizations are compelled to adopt Corporate social responsibility (CSR) practices that reflect ethical behavior and contribute positively to society. CSR encompasses various initiatives aimed at environmental stewardship, community engagement, and ethical labor practices.

In an era where the ethical implications of business practices are under intense scrutiny, international companies are

increasingly investing in Corporate Social Responsibility initiatives. CSR is broadly defined as the voluntary activities undertaken by firms to assess and take responsibility for their effects on environmental and social well-being.

This emerging focus on CSR is not only a response to stakeholder pressures but also serves to enhance the organization's image and employee loyalty (Aquino & Reed, 2002; Turban & Greening, 1997).

CSR remains a widely discussed concept due to the ongoing debate about whether it is a voluntary or mandatory obligation for companies (Kim, 2022). Furthermore, there is a diverse range of entities that companies must address under CSR, with one of the most important being social responsibility towards employees (Kim, 2022). This responsibility serves as the foundation for establishing an external (outside the organization) framework for CSR. The presence of CSR towards employees can significantly impact employees' behavior (EB) from various dimensions (Farooq, Farooq & Jasimuddin, 2014).

Despite the recognized benefits of CSR, understanding how these initiatives translate into positive EB remains a pivotal area of inquiry. Additionally, the effectiveness of CSR actions on employees' behavior remains a complex area of study and seems to be influenced by a variety of factors. The work environment, for instance, which includes physical factors such as office space, lighting, and noise, as well as social factors like coworker cooperation and competition, greatly impacts EB. Hence, a comfortable and collaborative work environment encourages productivity and improves performance (Patel, Pettitt & Wilson, 2012).

Furthermore, organizational justice (OJ) which is defined as the perceived fairness in organizational practices plays a crucial role in this dynamic. This paper explores how organizational justice mediates the relationship between CSR and employee outcomes. The concept of organizational justice or perceived fairness in organizational practices has emerged as a potential mediator in this relationship as there are different research papers discuss its direct effect on employees' action and also the organizational justice is influenced by CSR practices. Furthermore, the extant literature shows that organizational justice can act as a moderator on such relationship.

This paper, hence, aims at proposing a framework that can explain the relationships between the factors CSR and OJ and to elucidate how organizational justice can bridge the gap between CSR efforts and employee behavior, contributing to a more profound understanding of human resource dynamics.

This paper provides a foundation for better understanding the complex relationships between CSR, organizational justice, and employees' behavior, highlighting the importance of ethical practices of CSR and organizational justice in enhancing employees' behaviour. 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 sections discuss the conceptual framework and it ends with the fifth section which provides a short discussion and conclusion, implication, and future research.

RESEARCH METHODOLOGY

This work adopts a qualitative research design based on literature review, specifically research papers for the purpose of illustrating the interaction among organizational factors to improve employees' behaviour. Both the design of research and methodology are based on the existing literature. Accordingly, this paper follows a communicative method that provides better understanding to the associations between CSR and employees' behaviour through the OJ.

LITERATURE REVIEW AND THEORETICAL BACKGROUND

Corporate Social Responsibility (CSR): The term "social responsibility" continues to generate significant debate regarding its concept and scope. This term has evolved from being viewed as corporate charity based on voluntary work to becoming a mandatory commitment regulated by some laws and organizations. Social responsibility is not limited to what companies offer to society or the external public (Lantos, 2001). It also obligates companies to fulfill internal commitments to their employees by providing a range of activities and services that positively impact their job performance.

CSR represents a business model that helps companies be socially accountable - to themselves, their stakeholders, and the public. It can enhance brand reputation, employee morale, and customer loyalty while

also addressing societal issues (Taghian, D'Souza & Polonsky, 2015). CSR encompasses a wide range of activities, including environmental sustainability, community engagement, ethical labor practices, and more. Research indicates that positive CSR practices correlate with favourable employee attitudes and behaviors. Research suggests that CSR impacts employee behavior positively by fostering a sense of pride and affiliation with the organization (Bhattacharya *et. al.*, 2008; Turban & Greening, 1997). Employees often internalize the organization's values, leading to increased motivation, engagement, and loyalty (Boğan & Dedeoğlu, 2022).

Employees Behavior (EB): In today's dynamic economic environment, organizations need highly skilled employees who can meet behavioural standards that drive productivity and encourage creativity and task completion (Dess & Picken, 2000). Many believe that employee behavior can be influenced by creating a peaceful work environment within the organization and promoting behavioural values among employees. Behavior is reflected in how an employee responds to CRS (Boğan & Dedeoğlu, 2022), their job, task, and responsibility, and this response can be either positive or negative depending (Brammer, He & Mellahi, 2015).

On how the employee perceives their interests and the company's goals. Given the importance of understanding and appreciating employee behavior, several theories and studies have emerged and been conducted that focus on explaining employee behavior and deconstructing its components to shift it toward positivity.

Employee behavior encompasses the various actions and attitudes exhibited by individuals within an organization. Key facets of employee behavior include job satisfaction, organizational commitment, and overall productivity. Understanding the drivers of these behaviors is essential for effective management. Employee behavior can be categorized into various dimensions, including organizational citizenship behavior (OCB), job satisfaction, and retention rates (Tsai & Wu, 2010). Studies have shown a positive correlation between CSR initiatives and OCB, suggesting that employees are more likely to exhibit discretionary behaviors

when they perceive their organization as socially responsible.

Employees' behavior in organizations generally and international companies specifically is a complex, multifaceted domain (Tsui, Zhang, Wang, Xin & Wu, 2006) influenced by various factors ranging from culture and leadership to incentive systems. In fact, this behavior evolves into a unique mix of principles and practices shaped by both local and global environments. In international companies, numerous cultures, languages, customs, and norms coexist, influencing interactions and transactions within the company. Employees learn to navigate this diversity, and sometimes cross-cultural communication becomes complicated and challenging.

Leadership plays a crucial role in shaping employee behavior, as leadership style can significantly impact employee engagement, productivity, and job satisfaction (Al-Kasasbeh, 2024). Thus, successful leaders in international companies, for instance, need the ability to work in multicultural environments and to understand and guide employee behavior in these contexts.

Therefore, leaders in the originations need to have fair procedures in order to influence the employees' performance and behaviour. Moreover, international companies provide a complex system of incentives, ranging from salaries and benefits to vacation policies and promotions.

These incentives play an important role in motivating employees and maintaining high performance. In today's business world, employee behavior in international companies is a vital area of research and study. How individuals and groups interact within a multinational organization can shape the company's overall performance and public image.

Organizational Justice (OJ): Organizational justice is categorized into three main types: distributive justice that is explained as a perceived fairness of outcome distributions, procedural justice which is a perceived fairness of processes, and interactional justice which is about a perceived fairness in interpersonal interactions.

Existing research underscores that high levels of perceived organizational justice foster trust, loyalty, and positive behavioural outcomes among employees (Greenberg, 1990; Usmani & Jamal, 2013). Employees' behavior is, sometimes, driven by organizational culture (Tsai, 2011), which refers to the guiding principles and values governing business conduct.

In strong organizational cultures, expected behavior is clear and defined, leading to a high level of consistency among employees. However, in weak or changing cultures, employee behavior may be less predictable and consistent. Organized behavior aligned with company goals and values, often results in better performance and more effective business outcomes (Hoogervorst, van der Flier & Koopman, 2004).

On the other hand, disorganized behavior that contradicts these goals can lead to negative results (Sayeh & Fatima, 2020). However, it's essential to recognize that employee behavior is not static. It is constantly evolving and influenced by various factors, including the work environment, personal circumstances, and organizational culture. Effective leadership, motivation, and proper recognition can play a significant role in shaping employee behavior.

Different theories describe and explain the proposed relationship discussed in this paper. For instance, Stakeholder Theory and Equity Theory explain such relationships. Stakeholder Theory posits that organizations have obligations to various stakeholders, including employees as a key stakeholder. Additionally, Equity Theory emphasizes fairness and the balance between inputs and outcomes, aligning well with the concepts of organizational justice.

Among the most notable of these theories is the Theory of Reasoned Action (TRA) and the Theory of Planned Behavior (TPB). This paper adopts Theory of Planned Behavior in explaining the relationships. TRA provides a more detailed breakdown of behavioural components, which include attitudes, subjective norms, and perceived behavioural control. One of the most significant challenges facing international companies is cultural diversity and the variety of nationalities among their employees, which creates difficulties in managing employee

behavior and directing it towards positivity. This challenge is more pronounced in international companies than in others.

Previous literature, such as that by Simbine and Tokamoshaba (2020) and Valdino et al. (2021), emphasizes the role of leadership or management in dealing with challenges of handling employee behavior and the difficulty of addressing negative behaviors that can negatively impact both the employee's and the organization's performance. At the same time, it stresses the constant need to monitor such behaviors. It is clear that leadership needs to have link or a bridge that connects CSR with employees' behaviour.

Organizational justice can act a link between the two factors as it conveys top management vision and policy towards achieving the goals of the organization. As there is equal opportunities and fair procedures in the environment, employees tend to comply to policies and act toward the goals of the company.

Empirical studies have begun to examine this mediating relationship. For instance, Rupp et al., (2013) suggest that perceptions of CSR enhance organizational justice, leading to improved employee performance. Similarly, Kim et al., (2019) indicate that CSR initiatives positively affect employees' perceptions of procedural justice, which subsequently enhances their organizational commitment and job satisfaction.

Research indicates that perceived fairness significantly influences job satisfaction, commitment, and ultimately performance (Colquitt et al., 2001). Employees who perceive high levels of organizational justice are more likely to engage in positive workplace behaviors and exhibit lower turnover intentions (Ambrose et. al., 2007).

The mediating role of Organizational Justice can be also understood through the lens of Social Exchange Theory (SET), which posits that positive organizational practices (like CSR) foster favourable employee perceptions and behaviors (Blau, 1964). CSR initiatives can enhance perceptions of fairness among employees, which in turn influences their behavioural outcomes. According to the discussed theories and extant literature, this paper posits the following;

First Hypothesis: There is a statistically significant effect between corporate social responsibility and employee behavior in international corporations.

Second Hypothesis: There is a statistically significant effect between corporate social responsibility and organizational justice in international corporations.

Third Hypothesis: There is a statistically significant effect between organizational justice and employee behavior in international corporations.

Fourth Hypothesis: There is a statistically significant mediating effect of organizational justice on the relationship between corporate social responsibility and employee behavior in international corporations.

CONCEPTUAL FRAMEWORK

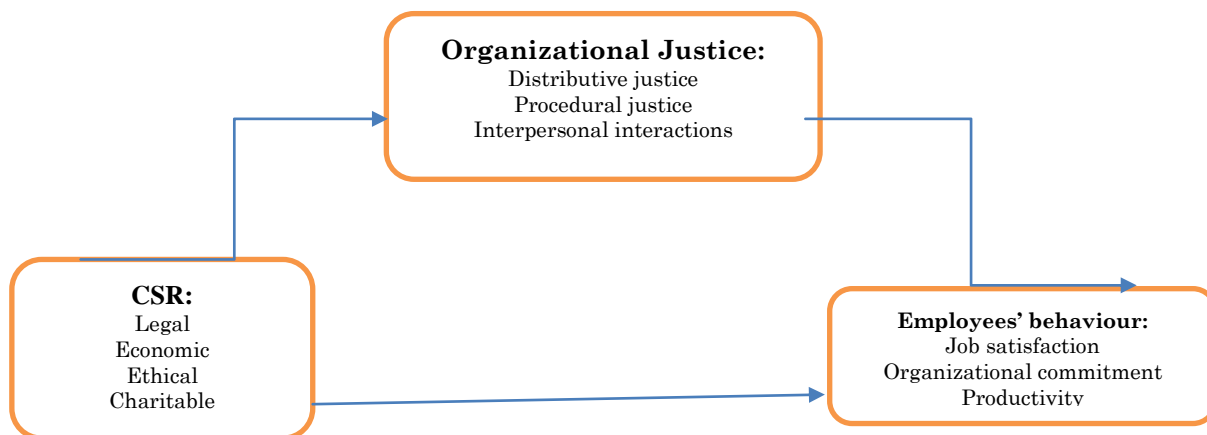


Fig.1: Conceptual framework

The conceptual framework posits the following relationships in Figure 1. As it undoubtedly shows that CSR initiatives positively influence employee behavior by fostering a sense of pride and belonging, leading to enhanced job satisfaction and commitment. Additionally, effective CSR efforts and practices contribute to perceptions of fairness within the organization which makes employees to become aware of the organization's commitment to ethical practices, enhancing perceptions of distributive and procedural justice.

When employees perceive fairness in their organization, they are more likely to exhibit positive behaviors, such as increased job satisfaction, organizational citizenship behaviors, and reduced turnover intention. While CSR influences employee behavior directly, its effect is amplified through the lens of perceived justice. Thus, OJ mediates the relationship between CSR and employee behavior.

CONCLUSION

As CSR continues to evolve as a central business practice, understanding its interplay with human resource dynamics will be crucial for achieving sustainable organizational success. The interplay between CSR, organizational justice, and employee behavior reveals significant insights for modern and international organizations striving for ethical excellence. The conceptual framework of this study underscores the importance of CSR not merely as a business imperative but as a catalyst for positive employees' behavior through the lens of organizational justice.

By fostering perceptions of fairness in the environment, CSR initiatives can be translated into action and can enhance employees' engagement, commitment, and overall performance. This study, accordingly, highlights the significant role of organizational justice as a mediator in the relationship between corporate social responsibility and employee behavior.

This paper provides implications for top management and leadership as

understanding the mediating role of organizational justice. Management, for instance, can influence employees' behaviour by focusing on equitable practices and transparent communication regarding CSR initiatives and practices. Hence, organizations can foster a more committed and productive workforce. By fostering an environment labelled with organizational justice, companies can leverage their CSR efforts to enhance employee engagement and performance. CSR Initiatives can increase employees' involvement in CSR activities which happens through the perceived justice.

Organizations should transparently communicate their CSR initiatives to improve perceptions of fairness. Also, engaging or involving employees in CSR decision-making can enhance their sense of justice and belonging. Moreover, international organizations need to provide training on organizational ethics which can shape employee perceptions of justice.

Despite the contribution of this paper, there are some limitations. Hence, future research should aim at validating the present framework and expand on the nuances of these relationships across different industries and cultural contexts. Key variables could be operationalized through established scales measuring CSR, organizational justice, and employees' behavior. Furthermore, longitudinal studies can be conducted to establish the provide empirical evidence to the established relationships between CSR, employee behavior, and organizational justice.

While this study and the extant literature suggest positive impact of CSR on employee outcomes mediated by perceptions of fairness, there remains a need for future research to explore variations in these dynamics across different cultural contexts, industries, and organizational sizes. Finally, the impact of different types of CSR initiatives on various dimensions of organizational justice and employees' behaviour needs to be examined.

Besides the longitudinal studies to examine the long-term effects of CSR initiatives on employee behavior through the lens of organizational justice, qualitative and mixed methods should be conducted to offer deeper insights about the relationships.

Additionally, cross-cultural studies that investigate how perceptions of CSR and justice may vary across different cultural contexts are encouraged.

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