



**INFLUENCE OF ORGANIZATIONAL IDENTIFICATION ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES AND
EMPLOYEE COMMITMENT TO FIRMS LISTED AT NAIROBI STOCK EXCHANGE IN KENYA**

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ABSTRACT

This study looked at the influence of organizational identification on Corporate Social Responsibility activities and employee commitment. Descriptive survey and correlation designs were used. The researcher used both open and closed questions, document analysis and interviews to collect data. The target population was 53,203 employees and simple random, stratified and purposive sampling was used to sample 381 employees. Data was analyzed using descriptive statistics. The Statistical package for Social Sciences was used. Multiple linear regression models were used to determine whether mediating variable significantly influenced Employee Commitment. The findings indicated that organizational identification partially mediated the relationship between internal corporate social responsibility and employee commitment; organizational identification completely mediated the relationship between external corporate social responsibility and employee commitment. The study recommended that managers should create programmes that will embed Corporate Social Responsibility culture into their firms in order to improve employee commitment. The study concluded that employees in companies listed in Nairobi Stock Exchange should participate in CSR activities in order to enhance their commitment.

Key Words: *Organizational Identification, Corporate Social Responsibility, Employee Commitment*

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INTRODUCTION

The study sought to establish the role of mediating effect of organizational identification on the relationship between corporate social responsibility activities and employees' commitment to firms listed in Nairobi stock exchange. The negative consequences of globalization such as rising social inequalities, soaring disparities in income, emergence of global environmental problems and the outsourcing of increasingly skilled operations to developing countries have led to demands for protection against the anarchy of unregulated market forces (Levy & Kaplan, 2007) and for companies to take responsibility for their impact on society (Moon & Vogel, 2008). These calls for responsible business practices and corporate contributions are normally framed in terms of corporate social responsibility.

The concept of corporate social responsibility has evolved considerably since it first emerged in the 1950's (Caroll, 1999). The World Business Council on Sustainable development (WBSCD, 2002) defines Corporate social Responsibility as a concept that embraces the integration of social and environmental values within a company's core business operations and engagement with stakeholders to improve the well-being of society. According to ISO 26000:13 corporate social responsibility refers to the activities of an organization aimed at contributing to a sustainable society and environment as well as maintaining the organizations continued existence by minimizing negative impacts and maximizing positive impacts on society and environment through proactive stakeholders' communication and engagement throughout the organization's sphere of influence.

Employee commitment is regarded as a psychological state characterizing an employee's relationship with the organization that has implications for the employees' decision to remain or leave the organization (Tzai-cheng *et al*, 2007). Duygu, (2011) defines it as the psychological identification that an

individual feels towards his or her employing organization while Meyer and Allen (1997), argued that commitment reflects an employee's relations with an organization and has implications for the decision of maintaining membership.

Relatively little is known about CSR in Asian countries (Mano & Shamika, 2007). In a survey of CSR, Chapple and Moon (2005) found that Malaysia was the weakest in terms of CSR performance with Thailand being relatively strong on external aspects such as child labour and ethics and Hong Kong being generally better on such internal aspects such as non-discrimination and equal opportunities. The most common corporate understanding of CSR in Taiwan was still based on charitable deeds and donations rather than developing strategies of engaging with different stakeholders (Chin Hung, 2011).

The Journal of Corporate citizenship on CSR in Africa (2005) concluded that academic institutions and researchers focusing on corporate citizenship in Africa remained few and underdeveloped (Visser, 2005). Therefore the need for focused CSR research in developing countries was critical particularly with the concern that current approaches to CSR with their origin in developed countries may not sufficiently relate or respond to the context and circumstances encountered in developing economies (Hamann, 2006). CSR activities in Ghana are spearheaded by large scale multi-national companies. The multi-faceted problems of the country-low capita income, weak currency, capital flight, low productivity, low savings makes it impossible for indigenous companies most of which are engaged in the retail and in the production of primary commodities to undertake social actions (Kwesi & Kwesi, 2010).

In Kenya, a survey by Muthuri and Victoria, (2011) indicated that the integration of corporate social responsibility principles into core business practices ranged from very centralized to very decentralized in most companies. They found out that corporate social responsibility as a concept was given less

attention by companies operating solely within Kenyan than those with headquarters in other countries. This may be reflective of the developing country context where the concept is still new to the business agenda. Their findings indicated that most of the community initiatives such as employee voluntary were one-off events rather than long-term partnership projects strongly linked to the core competencies of the company.

Statement of the Problem

Businesses have recognized that their future profitability and license to operate depend on their willingness to assume responsibility for social and environmental consequences of their global footprint. But as civil society's awareness of the need for CSR increases, and as regulators, and auditors, place increasing pressures on companies and as institutional shareholders become more pressing in their demands for adequate risk management, companies must ensure they put in place social reporting and key performance indicators that will convince the world that they are fulfilling their responsibilities to society (Peterson, 2004).

Companies will fail to convince stakeholders of which one is the employee, that they are serious about CSR unless they can demonstrate that their policies consistently achieve the desired social, environmental and ethical outcomes. It is the employee who is responsible for implementing ethical corporate behavior and hence their loyalty and commitment is imperative for CSR to succeed. Esteban *et al*, (2010), postulate that CSR is complex and multifaceted and hence will be influenced by both the corporate contextual factors like organizational identification and by employee perceptions, hence employee commitment.

The way employees respond to CSR programmes is dependent on first, how they relate to the organization that is, how they derive their own identity from being members of that organization and

the degree they can commit to the organization's goals and values. Secondly, their responses to CSR programs depend on their views or perception of justice and fairness. Thirdly, they view CSR depending on how the top management champion CSR activities. Employees can feel proud to belong to and work for a company that is acknowledged for its positive contribution to society (Turban, 1997). Socially responsible firms tend to gain positive public reputation and employees would rather work for a good citizen that contributes to the welfare of society than for a poor citizen that cares only about itself (Fombrun, 1990).

A study by Pirato & Jencati 2008 indicated that despite the considerable research in the area of CSR, literature arising out of it is limited in an important respect i.e. impact of CSR initiatives on the internal stakeholders – the employees. Aguilera *et al* (2007) endorsed this view that employees as a unity of analysis have received limited attention in past CSR literature and despite wide potential relevance of CSR initiatives for employees' attitudes and behaviours, organizational behavior and HRM researchers have under investigated CSR in this area. Becker–Olsen *et al* (2006) expressed similar views that employees' attitudes about organizations depend in part on those organizations activities engaged in CSR initiatives. In addition research on the relationship between CSR and employee commitment has been carried out in developed economies (De Roeck *et al*; 2014) though CSR is more important in developing countries. Hence this study will answer the call of researchers such as Campbell (2006) who pointed out that there is an imperative need for conducting researchers in developing countries such as Kenya on the relationship between CSR activities and employees' attitude and behavior. Therefore the study sought to establish the role of organizational identification on Corporate Social Responsibility activities and employee commitment to firms listed at Nairobi Stock Exchange in Kenya.

Objective of the study

The study intended to determine the influence of organizational identification on corporate social responsibility activities and employee commitment to firms listed at Nairobi Stock exchange, Kenya.

The research hypotheses were;

H0₁: The strength of the relationship between internal corporate social responsibility activities and employee commitment is mediated by organizational identification in firms listed in the Nairobi Stock exchange

H0₂: The strength of the relationship between external corporate social responsibility activities and employee commitment is mediated by organizational identification in firms listed in the Nairobi Stock exchange

LITERATURE REVIEW

Resource Based Theory of the Firm

A theoretical perspective which seems to be helpful in analyzing the contribution of corporate social responsibility to organizational commitment of employees is the Resource-based view of the firm (Dooreward, 2000). The Resource based view of the firm grew out of Edith Penrose's (1959) book *The theory of the growth of the firm*. She recognized that firms had resources or capabilities that were unique to them, depending on, among other things the origins of the firm and the paths firms had taken in their growth (Falkenberg, 2012). The Resource based perspective suggest that firms generate sustainable competitive advantage by effectively controlling and manipulating their resources and or capabilities that are valuable, rare, cannot be perfectly imitated and for which no perfect substitute is available. Human resource activities including that which improve employee attitudes on workplace quality are seen as fulfilling these four characteristics (Ballou, 2003, Fulmer 2003, Wright, 2001). A resource is valuable if it enables the firm to respond to environmental threats and opportunities, to exploit opportunities

and neutralize threats. A rare resource is one that is controlled by only a small number of competing firms while inimitability is when a resource is not able to be obtained or developed by firms not possessing it. The firms' policies and procedures should be organized to support the exploitation of its valuable, rare and costly to imitate resources. When a resource or capability is valuable, rare and non-imitable it leads to a firm's strategic advantage, if it is organizable, then strategic advantage can be sustainable (Barley, 1991).

Resource based theory suggest that sustained competitive advantage is based on the attraction, accumulation and retention of resources that are difficult to substitute and hard to imitate (Hart 1995, Prahalad; 1990) and the retention of workers is seen as central to the maintenance of a firm' specific advantages (Lado, 1994; Pfeffer, 1994). Roberts and Dowling (2002) believe that CSR activities can lead to high quality intangible assets such as reputation, which can be linked to sustained superior performance in line with the resource based view (Barney, 1991). In effect CSR can have positive effects on employees' motivation and morale as well as on their commitment and loyalty to the firm (Branco, 2006). Socially responsible employment practices such as fair wages, clean and safe working environment, training opportunities, health and education benefits for workers and their families, provision of childcare facilities, flexible work hours and job sharing can bring direct benefits to a firm by increased morale and productivity while reducing absenteeism and staff turnover thus saving for recruitment and training of new employees (Branco, 2006).

CSR activities that result in developing a good reputation for a firm are often hard to imitate. Reputation is an accepted and valued intangible asset (Vilanova, 2009). For reputation to be hard to imitate implies that it is not based on a single CSR activity but a program of activities often based in the values of the firm. Firms that have a good reputation for their

CSR activities have leveraged that resource and thus can expect to achieve sustainable competitive advantage. Firms need to recognize that the inimitability as well as the leveraging of CSR activities needed for leading sustainable competitive advantage may be related to reputations built on a program of CSR activities (Falkenberg, 2012). From a Resource Based Theory, corporate social responsibility is seen as providing internal or external benefits or both. In effect, investing in social responsible activities and disclosure has important consequences on the creation or depletion of fundamental intangible resources namely those associated with employees. Firms with good social responsibility reputation may improve relations with external actors and attract better employees or increase current employee's motivation, morale, commitment and loyalty to the firm.

Firms need to evaluate their CSR activities to find out if they add value (Porter, 2006) if they do not, they can lead to strategic disadvantage because the resource used can be better placed elsewhere. The essential test that should guide CSR is not whether a cause is worthy but whether it presents an opportunity to create shared value that is a meaningful benefit for society that is also valuable to the business (Porter, 2006). Firms must evaluate their CSR activities in terms of the value these activities create, both for the firm and the society. If no value is created, then CSR activities will not lead to higher performance but can lead to lower performance. This research applied the Resource based theory to establish the mediating effect of organizational identification on the role of internal and external corporate social responsibility activities on employees' commitment to firms listed in the Nairobi stock exchange.



Independent variable

Mediating Variable

Dependent Variable

Figure 1: Conceptual Framework

Corporate Social Responsibility and Organizational Identification

Organizational identification can be defined as the degree to which organizational members perceive that an organization shares their defining attributes (Ashforth & Mael, 1989; Pratt, 1998). A survey even suggested that MBA's were willing to forgo financial benefits in order to work for a corporation with a good reputation for CSR (Montgomery & Ramus, 2003). CSR can therefore, be seen as a useful marketing tool for attracting the most qualified employees and is an important component of corporate reputation (Fombrun & Sharley, 1990).

According to Collier and Esteban (2007) employees can evaluate attractiveness of the company's identity

and form identification in two ways: (a) Self-evaluation in which employees' identify themselves with a company if they perceive that its attributes are attractive and (b) Reflected evaluation in which employees' believe that outsiders have a positive perception of their company, therefore they are able to feel proud in their affiliation with their company and in turn intensify their identification with the company. Many companies have realized that in order to stay competitive they must manage the identification their employees' have with the company (Cardador & Pratt, 2006).

Researchers have found that the degree to which employees' identify with a company is based on others admiration of the company (Bartels, 2007;

Larson, 2008). Corporate identity entails a reputation more so when companies develop their identity and communicate it to employees' these companies acquire a good reputation (Dowling 2004).

Organizational membership is an important dimension of an individual's identity (Duygu, 2009) and according to social identity theory; employees obtain a positive sense of identity when associated with a firm that invests in CSR. According to Social identification theory, social identification corresponds to the psychological process through which individuals classify themselves into various social groups of reference (nation, organization, political or religious affiliations) in order to reinforce their self-esteem and overall self-concept (Hogg & Terry, 2001).

Corporate social responsibility affects organizational identification because it can influence the amount of value similarity or dissimilarity people perceive between themselves and the organization. Activities that demonstrate commitment to specific values such as philanthropy, support for particular causes, environmental stewardship and efforts to promote diversity within the company are likely to have the greatest impact on employees' who share those values (Baumann & Skitka, 2012). Employees who feel that they belong to an organization internalize responsibility for its success and are willing to work hard to achieve the organization's goals. Therefore CSR that satisfies belonging needs should be positively associated with performance and organizational citizenship behavior (Podsakoff & Mackenzie, 2006).

Stawiski et al (2010) proposed that in order to yield maximum benefits of CSR, employees should be involved in decision making regarding which actions should be undertaken relating to environment, community, employees themselves and the likewise. The more employees are influenced by CSR actions, the higher will be their commitment and consequently it will enhance their productivity.

Moreover, CSR itself is having positive effects on organizational performance by building positive reputation of the corporations with other stakeholders including customers, investors, suppliers, government, which results in favorable decisions by these stakeholders in respect of corporation.

Carmeli *et al* (2007) demonstrated that perception of CSR positively influence organizational identification which in turn impacts job performance. Rodrigo and Arenas (2008), Jones (2010), Roeck & Delobbe (2012), Clavas & Godwin (2012) suggested that CSR had a positive influence on organizational identification.

The study of corporate identity has attracted increasing interest from scholars and practitioners due to its potential strategic value for companies (Melawan, 2006). In addition CSR initiatives enhance the employees' commitment to the organization (Brammer, 2007; Peterson, 2004) and their identification with the company (Collier & Esteban, 2007; Rodrigo & Arenas, 2008). Although a few quantitative studies have begun to demonstrate that the CSR initiatives of a firm also generate employee-company identification (Berger, 2006) little is known about the role of CSR initiatives on employee company identification. Moreover, with a few exceptions (Bhattacharya, 2008) the relationship between employee-company identification and commitment to the firm has not been emphasized in a CSR context.

Recent studies have shown evidence of positive relationships between corporate involvement in social causes and reputation and company image (Hess *et al*; 2002, Sen & Bhattacharya, 2001). In addition, many companies show an eagerness to display their CSR policies and initiatives with a view to enhance their corporate image (Maignan & Ralston, 2002). In addition, many companies readily perceive the accruing benefits of being seen as socially responsible and attach importance to reporting their

CSR activities even using different media channels to communicate their activities to stakeholders (Sweeney & Coughlan, 2008). Organizational image promotes the identification of employees with their organization (Smidts & Van Riel, 2001) as an employee is likely to develop a strong bonding to his/her organization that holds a favorable prestige (reputation).

Since social identity theory indicates that employees will be proud to identify with organization with a positive reputation (Maignan & Ferell, 2001), a positive relationship between organizational identification and CSR may therefore be posited. A powerful tool like CSR not only enhances the brand image and reputation of the business but also leads to improvement in sales and customer loyalty and increased ability to attract and retain employees' (Suparn & Arti, 2009). Hence the research hypothesized that:

H0₁: The strength of the relationship between internal corporate social responsibility activities and employee commitment is mediated by organizational identification in firms listed in the Nairobi Stock exchange.

H0₂: The strength of the relationship between external corporate social responsibility activities and employee commitment is mediated by organizational

identification in firms listed in the Nairobi Stock exchange.

METHODOLOGY

The researcher adopted both the use of the qualitative approach and quantitative methods. Data was mainly acquired through descriptive survey. The population of this research consisted of sixty two companies listed in the Nairobi Exchange with internal Corporate Social Responsibilities activities. The research employed three types of research tools: interviews, questionnaires and documentary evidence. Primary data was conducted using questionnaire while secondary data collection technique was interview method. The researcher used regression analysis to analyze the data as a number of empirical studies on corporate social activities' and its effect on employee commitment (Aguilera, Rupp, Ganathi & William, 2006; Peterson, 2004; Brammer, 2007; Duygu, 2009; Valentine & Fleishman, 2008) used it to analyze their data.

FINDINGS AND DISCUSSION

Organizational identification

Factor analysis was done on all items of the organizational identification and all had factor loading 0.8 or above as such none was eliminated shown in Table 1.

Table 1: Factor analysis results for organizational identification

Component Matrix^a

Statement	Component 1
I experience a strong sense of belonging to my company	0.948
I tell my friends that this is a great company to be involved with	0.927
I am part of my company and I feel a sense of ownership for this company rather than just being a member	0.922
I feel strong ties with my company	0.919
I believe that my company is maintaining a good reputation	0.912
I intend to allocate more resources to the relationship with my company in the future	0.906
My attachment to this company is primarily based on the similarity of my values and those of this company	0.9
I am committed to my company	0.855

Descriptive statistics on organizational identification

The study established that (16.1%) of the employees strongly agreed that they were committed to their company, 48.0% agreed. 1.5% were neutral, 30.4% disagreed and 4.0% strongly disagreed. Aroosa *et al* (2014) observed that companies which engaged in CSR activities improved their own image and reputation in the society. The results of the study indicated that (21.0%) of respondents strongly disagreed that they intended to allocate more resources to their relationship with their company in the future, 31.6 per cent disagreed, 0.9 % were neutral, 29.5 % agreed and 17.0 % strongly agreed. Corporate philanthropy is not just limited to monetary donations made by corporations. The findings of the study showed that (9.1%) of the respondents strongly disagreed that they felt strong ties with their company, 31.6% disagreed, 2.4% were neutral, 31.6% agreed and 25.2% strongly agreed. Companies that support volunteerism and engage in philanthropy may facilitate employees' participation in their community and provide a way that employees can feel like they are part of the efforts to help others around the world. These types of activities may bring a completely different type of meaning to the workplace that would not be possible through profit maximization alone (Aguinis & Glavas, 2012).

The results of the study showed that (19.1%) of the respondents strongly agreed that they experienced a strong sense of belonging to their company, 35.9% agreed, 0.0% were neutral, 20.7% disagreed and 24.3% strongly disagreed. The study established that (18.8%) of the respondents strongly disagreed that they were part of their company and felt a sense of ownership for their company rather than just being members, 27.7% disagreed, 2.1% were neutral, 28.9% agreed and 22.5% strongly agreed. Kim *et al* (2010) found that employee participation in CSR leads to employee company identification which is positively related to employee commitment.

The study established that (24.0%) of the respondents strongly agreed that their attachment to the company was priority based on the similarity of their values and those of their company, 24.3% agreed, 0.0 % were neutral, 29.8% disagreed while 21.9% strongly disagreed. People feel that they belong to a group when they share important beliefs and values with group members and the group as a whole (Hogg & Terry, 2000). CSR affects organizational identification because it influences the amount of value similarity or dissimilarity people perceive between themselves and the organization. Activities that demonstrate commitment to specific values such as philanthropic, support for particular causes, environmental stewardship and efforts to promote diversity within the company, are likely to have the greatest impact on employees who share those values (Bauman *et al* 2011).

The study found out that (31%) of the respondents strongly agreed that they told their friends their company was great to be involved with, 29.5 % agreed, 2.7 % were neutral and 22.8% disagreed while 14.0% strongly disagreed. Peoples need for positive distinctiveness is satisfied when they believe that their group compare favorably with others along important dimensions. Corporate social responsibility activities contribute to positive distinctiveness in the eyes of employees when they increase the prestige of the organization and help it to stand out relative to others (Ellemers *et al* 2011). Consistent with this idea, organizational prestige is associated with increased attractiveness of organizations during recruitment (Turban & Cable, 2003) and turnover and turnover intentions. Therefore, CSR activities that are highly visible to external stakeholders should be particularly effective at increasing prestige and enhancing employees' social identity.

On maintenance of good reputation by their companies, (25.5%) of the respondents strongly agreed 30.7% agreed, 1.2% were neutral, 26.4% disagreed while 16.1% strongly disagreed. Most

companies perceived to have a high-level of CSR activities have an increased ability to attract and retain employees, and to maintain employee morale. This in turn leads to reduced recruitment, training costs and turnover (Peterson,2004).Therefore

corporate social responsibility may enable a company to maintain a positive image with its employees and lead to improved company reputation (Nagib *et al*, 2012).

Table 2: Descriptive analysis of Organizational identification

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am committed to my company	4.00%	30.40%	1.50%	48.00%	16.10%
I intend to allocate more resources to the relationship with my company in the future	21.00%	31.60%	0.90%	29.50%	17.00%
I feel strong ties with my company	9.10%	31.60%	2.40%	31.60%	25.20%
I experience a strong sense of belonging to my company	24.30%	20.70%	0.00%	35.90%	19.10%
I am part of my company and I feel a sense of ownership for this company rather than just being a member	18.80%	27.70%	2.10%	28.90%	22.50%
My attachment to this company is primarily based on the similarity of my values and those of this company	21.90%	29.80%	0.00%	24.30%	24.00%
I tell my friends that this is a great company to be involved with	14.00%	31.00%	2.70%	29.50%	22.80%
I believe that my company is maintaining a good reputation	16.10%	26.40%	1.20%	30.70%	25.50%

The mean for organizational identification was three (3) which meant that on average employees in companies listed in Nairobi stock exchange identified with their firms.

Organizational identification mediating internal corporate social responsibility against employee commitment

The following steps were used to test mediating effect of organizational identification on internal CSR and External CSR against employee commitment.

Note that Z = Organizational identification.

- Test if X predicts Y
 - $Y=B_1+cX+ e$
- Test if X predicts Z
 - $Y=B_2+aX+ e$
- Test if X still predicts Y when Z was in the model

$$Y=B_3+Cx+bZ+ e$$

The researcher adopted the following three rules of mediation from Hsueh-ShengWu (2011)

- a) Z completely mediates the X-Y relation if all the three conditions are met
 - X predicts Y
 - X predicts Z
 - X no longer predicts Y, but Z does when both X and Z are used to predict Y.
- b) Z partially mediates the X-Y relation if all three conditions are met:
 - X predicts Y
 - X predicts Z
 - Both X and Z predict Y, but X have a smaller regression coefficient when both X and Z are used to predict Y than when only X is used.

- c) Z does not mediate the X-Y relation if any of:
- X does not predict Z
 - Z does not predict Y
 - The regression coefficient of X remains the same before and after Z is used to predict Y.

Y (Employee commitment) = a + b X (Internal CSR)
 Y (Employee commitment) = -4.390 + 1.628X (Internal CSR)
 Since P-Value for the coefficient of X is less than 0.05, it is clear that X (Internal CSR) predicts Y (Employee commitment).

In order to test if X (Internal CSR) predicts Y (Employee commitment) the following regression equation was used:

Table 3: Correlation between organizational identification and employee commitment

Parameter Estimates							
Equation	Pearson Correlation	R Square	F	df1	df2	Constant	b1
Linear	.734	.539	382.001	1	327	-4.390	1.628
Sig.	.000			.000		.007	.000

Table 4: Correlation between organizational identification and internal corporate social responsibility

Parameter Estimates							
Equation	Pearson Correlation	R Square	F	df1	df2	Constant	b1
Linear	.659	.435	251.445	1	327	-9.921	.667
Sig.	.000			.000		.000	.000

In order to test if X (Internal CSR) predicts Z (Organizational identification) the following regression equation was used:
 Z (Org. identification) = a + bX

Z (Org identification) = 9.921 + 0.667X
 Since P-value for the coefficient of X (Internal CSR) was less than 0.05, it is clear that X (Internal CSR) predicts Z (Organizational identification)

Table 5: Model Summary for organizational identification and internal corporate social responsibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917 ^a	.841	.840	5.1391714

A Nova results below indicate that the regression model predicts the outcome variable significantly well. This indicates the statistical significance of the regression model that was applied. An F statistic of

861.562 indicated that the model was significant and that overall, the model applied can statistically significantly predict the outcome variable.

Table 6: ANOVA for organizational identification and internal CSR

ANOVA^b

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	45509.563	2	22754.782	861.562	.000 ^a
	Residual	8610.013	326	26.411		
	Total	54119.576	328			

In order to test if X (Internal CSR) still predicts Y (Employee commitment) when Z (Organizational identification) is in the model the regression equation is presented as follows:

$$Y (\text{Employee commitment}) = a + b X + c Z$$

$$Y (\text{Employee commitment}) = -2.922 + 0.559X (\text{Internal CSR}) + 1.579Z (\text{Organizational identification}).$$

X (Internal CSR) still predicts Y (Employee commitment) when Z ((Organizational identification) is in the model.

Table 7: Coefficient of organizational identification and employee commitment
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1 (Constant)	-2.922	.949		-3.079	.002
Internal Corporate Social Responsibility	.559	.065	.252	8.578	.000
Organizational Identification	1.579	.063	.731	24.881	.000

Therefore organizational identification partially mediates the relationship between internal corporate social responsibility and employee commitment. This study contradicted the study by Osveh *et al* (2015) which indicated that organizational identification mediates the relationship between internal CSR and employee engagement and the mediation effect was statistically significant.

Organizational identification mediating external corporate social responsibility against employee commitment

In order to test if X (External CSR) predicts Y (Employee commitment) the regression equation was presented as follows:

$$Y (\text{Employee commitment}) = a + b X (\text{External CSR})$$

$$Y = 22.670 + .224X (\text{External CSR})$$

Since p-value for the coefficient of X (External CSR) is less than 0.05, it is clear that X (External CSR) predicts Y (Employee commitment).

Table 8: Correlation between organizational identification and external corporate social responsibility

Equation	Pearson Correlation	R Square	Parameter Estimates				
			F	df1	df2	Constant	b1
Estimate	.125	.016	5.157	1	327	22.670	.224
Sig.	.024			.024		.000	.024

In order to test if X (External CSR) predicts Z (Organizational identification) the regression equation is presented as follows:

$$Z (\text{Organizational identification}) = a + b x (\text{External CSR})$$

$$Z (\text{Organizational identification}) = 9.953 + .121X (\text{External CSR})$$

Since P-Value for the coefficient of X (External CSR) is less than 0.05, it is clear that X (External CSR) predicts Y (Employee commitment)

Table 9: Regression analysis between organizational identification and external corporate social responsibility

Equation	Pearson Correlation	R Square	Parameter Estimates				
			F	df1	df2	Constant	b1
Estimate	.145	.021	7.065	1	327	9.953	.121
Sig.	.030			.008		.000	.008

In order to test if X (External CSR) still predicts Y (Employee commitment) when Z (Organizational identification) is in the model the regression equation is presented as follows:
 $Y (\text{Employee commitment}) = a + bX (\text{External CSR}) + CZ (\text{Organizational identification})$

$Y (\text{Employee commitment}) = 3.362 + - 0.011(\text{External CSR}) + 1.940 (\text{Organizational identification})$
 X (External CSR) still predicts Y (Employee commitment) when Z (Organizational identification) is in the model

Table 10: Model summary for organizational identification and external corporate social responsibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.897 ^a	.805	.804	5.6891542

Table 11: ANOVA for organizational identification and external CSR

ANOVA^b

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	43568.105	2	21784.053	673.044	.000 ^a
	Residual	10551.471	326	32.366		
	Total	54119.576	328			

Table 12: Coefficient determination of organizational identification and external corporate social responsibility

Model		Unstandardized		Standardized		T	Sig.
		Coefficients		Coefficients			
		B	Std. Error	Beta			
1	(Constant)	3.362	0.849			3.961	0
	External Corporate Social Responsibility	-0.011	0.045	-0.006		-0.243	0.808
	Organizational Identification	1.94	0.053	0.898		36.334	0

Therefore organizational identification completely mediates the relationship between external corporate social responsibility and employee commitment. This findings agreed with the study by Rodrigo and Arenas 2008), Jones (2010), Roeck and Delobbe (2012) and Glavas (2012) which suggested that External CSR had a positive influence on

organizational identification. The findings of the study agreed with the study by Osveh *et al* (2015) which showed that organizational identification mediates the relationship between external CSR and employee engagement and the mediation effect was statistically significant.

CONCLUSION AND RECOMMENDATIONS

The study established that organizational identification completely mediates the relationship between external corporate social responsibility and employee commitment. The findings agreed with those by MIAO LI (2012) that organizational identification plays intermediary role between the relationship of corporate social responsibility and employee commitment.

The study found out that corporate social responsibility activities have positive influence on employees' commitment. Other researches such as Ahmed (2010) found out that practicing social activities especially those which are presented to the employees as one of the most important stakeholders positively affect the employees' commitment. The results of this study supports the usefulness of the institutional theory and indicates that undertaking

social activities could be positively returned to the firms in terms of employee commitment.

The study covered the mediating role of organizational identification CSR on employee commitment to firms' listed in Nairobi stock exchange. Future studies may extend the research to one particular sector of the companies listed in Nairobi Stock exchange to obtain the generality of the findings. Second for purposes of causality, it would be interesting to replicate this study in a longitudinal design so that it could be determined if employees' participation in CSR activities on employee commitment can be sustained. Lastly future research may consider the mediating effect of Organizational culture on employees' participation in CSR activities and employee commitment. This is because Organizational culture determines the level to which participation is encouraged and practiced.

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