

Corporate social responsibility and firms' financial performance: a multi-level serial analysis underpinning social identity theory

Faisal Mahmood, Faisal Qadeer, Maria Saleem, Heesup Han & Antonio Ariza-Montes

To cite this article: Faisal Mahmood, Faisal Qadeer, Maria Saleem, Heesup Han & Antonio Ariza-Montes (2021) Corporate social responsibility and firms' financial performance: a multi-level serial analysis underpinning social identity theory, Economic Research-Ekonomska Istraživanja, 34:1, 2447-2468, DOI: [10.1080/1331677X.2020.1865181](https://doi.org/10.1080/1331677X.2020.1865181)

To link to this article: <https://doi.org/10.1080/1331677X.2020.1865181>



© 2021 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group.



Published online: 09 Feb 2021.



[Submit your article to this journal](#)



Article views: 6352



[View related articles](#)



[View Crossmark data](#)



Citing articles: 11 [View citing articles](#)

Corporate social responsibility and firms' financial performance: a multi-level serial analysis underpinning social identity theory

Faisal Mahmood^a, Faisal Qadeer^a, Maria Saleem^a, Heesup Han^b and Antonio Ariza-Montes^c 

^aLahore Business School, The University of Lahore, Lahore, Pakistan; ^bCollege of Hospitality and Tourism Management, Sejong University, Seoul, Korea; ^cSocial Matters Research Group, Universidad Loyola Andaluca, Cordoba, Spain

ABSTRACT

This research aims to investigate how firms' Corporate Social Responsibility (CSR) perception and disclosure derive accounting, market, and perception-based Firms' Financial Performance (FFP) through the serial mediation of individual-level organizational identification (OID) and employees' innovative job performance (EIJP). Philosophically, this research comes under the beliefs or worldview of postpositivism and employed a quantitative research design. And thus, the approach to theory development is deductive. Multi-method, multi-source and multilevel data with temporal breaks are collected from 60 manufacturing firms listed on the Pakistan Stock Exchange (PSE). Primary data are collected by following the survey strategy and by conducting multiple surveys. While the secondary data are collected from the annual and sustainability reports published by selected firms on their official websites. This research found the serial mediation of OID and employees' innovative job performance on the CSR-FFP relationship. Our results will assist the management of the firms to understand the strategic implications of their CSR initiatives. In particular, this research contributed to understand why CSR is viewed to have strategic importance for the firms and how social identity theory (SIT) might be utilized in such endeavors.

ARTICLE HISTORY

Received 10 October 2020
Accepted 14 December 2020

KEYWORDS

Corporate social responsibility; firms' financial performance; organizational identification; employees' innovative job performance; corporate culture - diversity - social responsibility; firm performance: size; diversification; and scope

JEL CODES

M1; M14; M21; G32

1. Introduction

Corporate Social Responsibility (CSR) is considered a progressively indispensable research area for scholars in management; it has also become an essential part of higher education (Ruiz-Lozano & Nieto, 2016; Wigmore-Alvarez et al., 2020). The existing literature examines CSR's concept in various aspects to found the effect of firms' CSR activities. For example, on employees' behaviors (Mahmood et al., 2020a; Wang et al.,

CONTACT Faisal Mahmood  faisalch62@gmail.com

© 2021 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group.

This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

2017), human resources management (Herrera & de las Heras-Rosas, 2020), customer satisfaction (Saeidi et al., 2015), firm reputation (Wang & Berens, 2015), or creative and financial performance (Abdullah et al., 2017; Javeed & Lefen, 2019). Ali et al. (2020) noticed that various studies investigate CSR's effect on firms' financial performance in numerous aspects but remarked the inconsistent and unclear results. On the one hand, some researches highlighted that CSR initiatives provide more benefits than the cost incurred. Besides, there is a positive effect of firms' CSR exertions on (Wang et al., 2016). On the contrary, other scholars noted the negative impact of CSR on financial performance and suggested that organizations should avoid the cost of CSR engagement. Some researchers found no or neutral effect (Gallardo-Vázquez et al., 2019).

Although CSR's concept has been examined in manifold and levels, this study notes that existing literature did not create any bridge to align micro and macro-level debate of CSR and its outcomes and *overlooked* various multi-level factors. Thus, this research intends to effectively contribute to this relationship by devising a multi-level framework. This study is a multi-level, multi-method, multi-source, and employs time-lag design *to* thoroughly and significantly advance the field. Few multi-level studies did make exertions to find a theoretical framework or mechanisms to explain firm-level CSR's effect on employees' outcomes or individual level CSR perceptions on firm-level outcomes. However, the existing multi-level research remained *deficient* in devising a mechanism that empirically estimates firm-level CSR's impact on individual-level outcomes, eventually translating into firms' financial performance. This research also spotted the *confusion* in the existing literature on CSR and financial performance indicators. Both constructs' indicators are distinctively taken by different studies such as CSR perception, CSR disclosure, market, and accounting-based financial performance, leading to *competing explanations*. Likewise, this research also noted that to date, no study had employed the theoretical lens of social identity theory that is usually regarded as a micro-level theory to explain the firm-level relationship.

Accordingly, drawing on social identity theory, this research considers the role of organizational identification and employees' innovative job performance at an individual level to explain the indirect effect of CSR on firms' financial performance. Social identity theory enlightens that employees who identify with the organization tend to align their goals with the organization (Zappalà et al., 2019). The concepts like prestige, respect, and organizational identification are its' principal constructs (Fuller et al., 2009). Organizational identification is a sense of oneness with the organization. When organizations engage in CSR activities, employees give importance to their organizational membership, and their perception of oneness with the organization increases as they feel superior and respectful (Turker, 2009). Existing research noted that organizational identification derives various positive attitudes and behaviors at the workplace (Lee et al., 2015). Therefore, an organization's CSR practices enhance the employees' perception of oneness with the organization, which derives various work-related positive outcomes like employees' innovative job performance. Which is the intentional work to create, improve, work role, and creative ideas at the workplace to benefit the organization or a group. It is also documented that employees with more robust organizational identification feel safe in their job, show better work determination (Grant & Berry, 2011), and expected to support employee creativeness (Brammer et al., 2015).

Employees' innovative job performance derives firms' financial performance as employees improve their firms' status to which they identify to enhance their self-image and put creative efforts in their jobs, such as developing new products, services, and solutions. Firms' are continuously required to bring innovations in products, services, and inner progressions to achieve superior financial performance, and innovative activities of the organizations integrally connect to organizational performance (Martinez-Conesa et al., 2017). Therefore, innovative employees' are essential for organizational performance as these are valuable, rare in skill, and in accumulation, improve financial performance.

Precisely, this study will investigate a crucial research question of *how CSR affects firms' financial performance*. This broader research question covers the subsequent questions about the study variables: a) How CSR perception and CSR disclosure affect the perception, market, and accounting-based financial performance? b) How organizational identification and employees' innovative job performance mediate the above effect? Specifically, the objectives of this research are to offer inclusive insights for both academicians and practitioners. Theoretically, this research underpins social identity theory between two firm-level variables via two individual-level variables, rarely considered in CSR research. Besides, the present research contributes to the existing literature by examining CSR disclosure's effect on organizational identification. Most of the current studies have examined the impact of perceived CSR on organizational identification, and little evidence is available on the impact of CSR disclosure. This study also provides numerous insights for practitioners; it reveals CSR's strategic importance while devising organizational policies concerning CSR initiatives.

2. Literature and hypotheses development

2.1. Social identity theory

Social identity theory is an affluent theoretical viewpoint assimilating the psychology of self with group psychology. It also has considerable practical significance and has been employed to examine essential organizational issues (Scheepers & Ellemers, 2019). Experimenting on group formation established that people favor the individuals of their own-group than the other-group members (Tajfel, 1970). Further, Tajfel and Turner (1979) explained that individuals categorize themselves and others in several social classifications like their institute affiliation, age, gender, and religion. The key idea of social identity theory is how individuals identify with a specific social group decides their tendency to behave regarding their group membership (Ellemers et al., 1999). Existing research underpins the social identity theory to explain employee-organization processes. Such as understanding the employees' behaviors (Jones et al., 2019; Scheepers & Ellemers, 2019; Wang et al., 2017); testing the mechanism through which perceived CSR is linked with employees' pro-environmental behaviors (Cheema et al., 2020); establishing the effect of perceived CSR to minimize the negative employee behavior with the mediation of organizational identification (Mahmood et al., 2020a), and testing the positive impact of perceived CSR on employee creative performance (Abdullah et al., 2017; Brammer et al., 2015).

2.2. CSR and organizational identification in the framework of social identity theory

Aguinis (2011) referred to CSR as the “context-specific organizational actions and policies that consider stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance.” Organizations’ perceived CSR practices increase employees’ sense of oneness because they consider their membership valuable and identify themselves with a socially responsible organization (Cheema et al., 2020). *Perceived CSR* is “the perception stakeholders of an organization hold of the impact of a company’s strategies and operating practices on the well-being of all its key stakeholders and the natural environment” (Glavas & Godwin, 2013). Social identity theory is an appropriate and dominant framework to explain CSR’s effect on organizational identification (De Roeck et al., 2016) because employees assess their self-esteem by depending on the social position of the organization they belong to. Furthermore, if employees recognize that their organization has values, procedures, and characteristics that are distinct and striking in contrast to other organizations, they would strongly identify with those organizations (Dutton et al., 1994).

Mael and Ashforth (1992) define *organizational identification* as “the perception of oneness with the organization and considers the organization’s achievement and losses as one’s own.” CSR intends to enhance employees’ organizational identification as they believe that organization is implementing processes and practices that are valuable for numerous stakeholders such as employees, the environment, society, and their need for self-esteem is satisfied (El Akremi et al., 2018). CSR also matters as employees identify with and are concerned with the organizations that make investments in good procedures for the environment and society (Van Dick et al., 2020).

Employees working in organizations that actively engaged in CSR practices show more organizational identification (Shin et al., 2016). Firms’ CSR activities and organizational identification are positively related because when firms’ CSR activities targeting internal stakeholders tend to create employees’ feelings of self-respect and help employees identify with their firms (Allen et al., 2017). CSR can substantially determine the organizational identification as it consists of activities which are perceived by employees positively and promises that organization respect, value, and care for them (Zulfiqar et al., 2019). Organizational CSR activities derive organizational identification of employees as their need for self-concept is satisfied, consistent with social identity theory (Glavas, 2016). CSR directly increases the organizational identification of employees (Kim et al., 2010). In a similar vein, Im et al. (2016) highlight that organizations’ CSR practices positively influence workplace attitudes and behaviors like organizational identification. Furthermore, environmentally and socially responsible organizations are more appealing to employees, and they like to identify with such organizations (Cheema et al., 2020).

CSR disclosure is “the information provided in a company’s annual report relating to its activities, programs, and application of resources deemed to affect both the public in general and particular stakeholder groups. These disclosures extend beyond traditional financial accounting information and typically include details pertaining to the environment, energy usage, employees, products, community services, and fair business practices” (Chan et al., 2014, p. 64; Ernst & Ernst, 1978). Existing research

noted the positive effects of firms' CSR disclosures on their employees' attitudes and behaviors, for example, employee retention (Chan et al., 2014), motivation (Balakrishnan et al., 2011), and satisfaction (Moser & Martin, 2012). Firms' CSR disclosures positively influence the employees' behaviors, and they tend to transfer more resources to their firms (Moser & Martin, 2012). Therefore, we argue that employers' CSR information communicated through the annual report will improve their organizations' image, enhancing employees' perception of oneness. In other words, organizational identifications among employees of organizations with high CSR disclosures are likely to more than organizations with low CSR disclosure. All in all, the arguments presented in the above paragraphs lead to the following hypothesis:

Hypothesis 1: *There is a positive relationship between perceived CSR and organizational identification (H_{1a}), CSR disclosure and organizational identification (H_{1b}).*

2.3. Organizational identification and employees' innovative job performance

There has been ample research to examine the relationship of organizational identification with various organizational outcomes. It is well-established now that employees' perception of oneness with the organization plays an essential role in determining organizational behaviors (Teresi et al., 2019). Organizational identification is critical to understanding employees' relationships with the organization, as organizational identification affects numerous positive employee outcomes (Shen & Benson, 2016; Wang et al., 2017). Similarly, organizational identification is likely to derive positive employee outcomes at the workplace because organizational identification inspires to establish long-term associations with the organization they belong and identify (Shin et al., 2016).

Scott and Bruce (1994) defined *employees' innovative job performance* as "intentional generation, promotion and realization of new ideas within a work role, workgroup, or organization to benefit role performance, a group or an organization." Organizational identification is strongly associated with employees' positive attitudes and behaviors and can increase their performance (Brammer et al., 2015). For instance, employees mostly display helpful attitudes and behaviors for the organization they strongly identify with (Ashforth & Mael, 1989). They act to achieve organizational goals (Van Dick et al., 2008) and devote extra energies. Furthermore, employees with stronger organizational identification feel safe in their job, show more cognitive openness, better work determination (Grant & Berry, 2011), and expected to support employee creativeness (Brammer et al., 2015). Employees tend to engage in activities that support their organization, like innovative job performance, when they have positive perceptions about their organization (Giorgi et al., 2020). Identification is essential to motivate employees to give their best energies to enhance the social group's status and to identify themselves.

Thus, employees who identify with their organization are probably be inspired to exhibit creative behaviors based on their membership with a distinctive group through which they increase their self-concept (Carmeli et al., 2007). Organizational identification built a consistent link with the organization, but also their need for self-respect is also contented. Thus inspiring them to better their work-related

positive behaviors, like employees' innovative job performance. Accordingly, this research hypothesizes that:

Hypothesis 2: There is a positive relationship between organizational identification and employees' innovative job performance.

2.4. Mediation of organizational identification between CSR and employees' innovative job performance

Shin et al. (2016) explained that employees' working in organizations actively engaged in CSR practices show more level of perception of oneness with the organization. CSR plays an essential role in determining employee behaviors (Farrukh et al., 2020). Positive attitudes and behaviors are likely to be shown by employees with strong organizational identification. Organizational identification offers several outcomes to explain the employee-organization relationship as it results in various positive employee outcomes; for example, job performance (Van Dick et al., 2020). Following social identity theory, existing research discussed numerous outcomes of CSR and organizational identification relationships in employees like the intention to stay, loyalty, commitment, helping workplace behavior, and in-role job performance (Wang et al., 2017).

Employees establish a long-term and healthy relationship with the organization as their perception of oneness with the organization develops. They are generally inclined to show positive behaviors and attitudes at work in an organization (De Roeck et al., 2014). Organizational involvement in CSR practices leads to increased employee perception of oneness, and CSR participation and association are related to organizational identification that derives commitment (Kim et al., 2010). Furthermore, as Carmeli et al. (2007) noted, organizational identification and employees' creative behavior at work are positively related.

Employees feel safe and show more rational openness that ultimately enhances creativity at work, and thus organizational identification and employees' creative efforts are positively linked (Brammer et al., 2015). Shen and Benson (2016) noted the positive effect of organizational identification on employees' workplace behaviors. Thus employee perception of oneness is high if their organization is socially responsible. They value the organizations' CSR practices, which in turn derives various positive workplace behaviors of employees, such as innovative job performance, because they want to enhance the organization's status with which they identify themselves. Accordingly, this research hypothesizes that:

Hypothesis 3: Organizational identification mediates the relationship between perceived CSR and employees' innovative job performance (H_{3a}), CSR disclosure, and employees' innovative job performance (H_{3b}).

2.5. Employees' innovative job performance and firms' financial performance

Firms' financial performance is the degree to which financial aims have been achieved over a period (Xie et al., 2017). This research considers multiple indicators of

financial performance, which include perceived, market, and accounting-based indicators. The *perceived* financial performance is the finance managers' view on their firm's financial performance compared to the leading competitor. In contrast, the other two indicators present the actual financial performance reported in the annual reports. *Market-based* indicators such as TobinQ are the firm's market value relative to its assets replacement cost. *Accounting-based*, like return on equity, is the net income ratio available to common stockholders (Brigham & Houston, 2013).

Investigating the relationship between innovative behaviors and financial performance is an essential concern for organizational and strategic scholars (Hogan & Coote, 2014). Innovativeness is considered a rich source for organizational performance because the organizations engaged in innovative behaviors like developing novel ideas, products, and services are more likely to derive positive performance. Martinez-Conesa et al. (2017) clarified that organizations need continuous innovations in products, services, and inner progressions to achieve superior firm performance. They suggest that innovative activities of the organizations are integral to organizational performance.

Anderson et al. (2014) documented that innovative employees have become progressively essential predictors of firms' performance and long-term existence. Employees' performance is considered valuable, unique and has been discussed to be an important determinant of firm performance, and it became essential for the organizations to have creative employees (Van Esch et al., 2018). The difference in individuals affects the organization's value as organizations with talented employees will have superior performance than less talented employees (Ployhart et al., 2014). In today's globalized and competitive markets, it becomes imperative for organizations to have innovative or creative employees as these employees are essential for the firms' to achieve superior financial performance (Hogan & Coote, 2014).

Employees' innovative job performance is positively linked with the three indicators (i.e., perceived, market, and accounting-based) financial performance. Martinez-Conesa et al. (2017) noticed that employees' innovative job performance derives perceived firms' financial performance because employees improve the organization's status to which they identify to enhance their self-image and put creative efforts in their jobs such as the development of new products, services, and solutions. Moreover, employees' creation of new ideas, the search for novel working methods/techniques, the transformation of innovative ideas into applications enhances firms' financial performance by increasing market share, sales growth, return on equity, and profit margins. Thus, in such circumstances, managers perceive superior financial performance in contrast to competitors.

Likewise, when accumulated at the firm level, employees' innovative job performance can increase the market and accounting-based financial performance by increasing market share and return on equity. In the same vein, the existing literature also noticed that employees' innovative job performance affects the organizational value by affecting the market and financial position and is necessary for better organizational performance (Rubera & Kirca, 2012; Shanker et al., 2017). Therefore, the present research hypothesizes that:

Hypothesis 4: *There is a positive relationship between employees' innovative job performance and perceived (H_{4a}), market-based (H_{4b}), and accounting-based firms' financial performance (H_{4c}).*

2.6. Serial mediation of organizational identification and employees’ innovative job performance between CSR and firms’ financial performance

CSR activities of an organization increase their employees’ sense of oneness with the organization because they view their organizational membership as valuable and identify them with a socially responsible organization (Cheema et al., 2020; Van Dick et al., 2020). Employees perception of oneness with the organization not only develop an ongoing relationship with the organization but also satisfy their desire for the self-respect that encourage them to enhance their job related positive behaviors such as employee innovative behaviors (Brammer et al., 2015; Shin et al., 2016; Teresi et al., 2019). Furthermore, these individual-level employees’ innovative job performance in accumulation derives firms’ financial performance (Hogan & Coote, 2014), because employees put creative efforts in their jobs to increase their self-respect by enhancing the status of the organization they identify, such as by developing new ideas, products, and solutions (Martinez-Conesa et al., 2017). Hence, this individual innovative job performance in accumulation translates into accounting and market-based financial performance (Rubera & Kirca, 2012; Shanker et al., 2017). Therefore, drawing on social identity theory, we can suggest that organizational identification and employees’ innovative job performance sequentially mediate the relationship of firm-level CSR-firms’ financial performance. Accordingly, this research put forward the following hypothesizes:

Hypothesis 5: *Organizational identification and employees’ innovative job performance sequentially mediates the relationship between perceived CSR and perceived (H_{5a}), market-based (H_{5b}) and accounting-based financial performance (H_{5c}), CSR disclosure and perceived (H_{5d}), market-based (H_{5e}) and accounting-based financial performance (H_{5f}).*

The hypothesized model in Figure 1 illustrates how firms’ CSR activities derive firms’ financial performance.

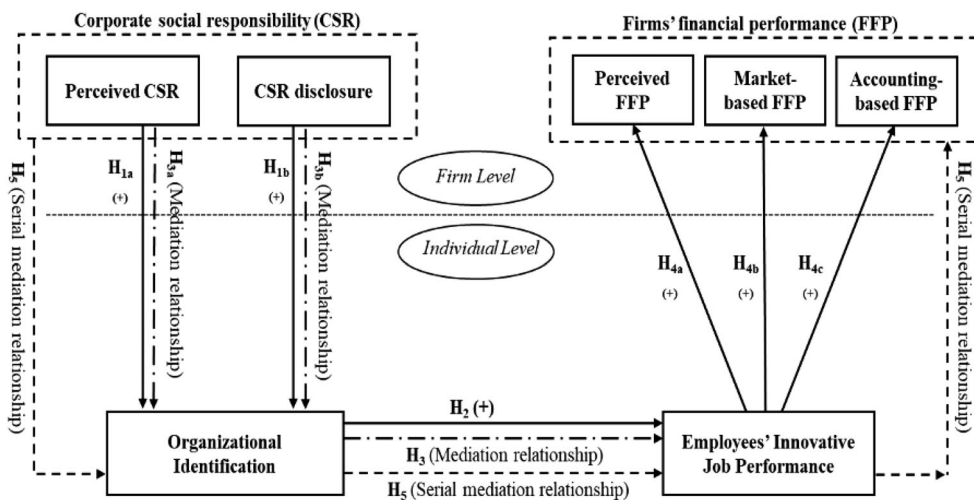


Figure 1. Hypothesized model underpinning social identity theory. Source: Self-formulated.

3. Research methodology

3.1. Data collection and the sample

The sampling process consists of two stages: in the first stage, we selected 89 manufacturing firms listed on the Pakistan Stock Exchange. These firms actively participate in CSR activities and also disclose their CSR initiatives on their official websites. In the second stage, we communicated with the selected firms' top management to collect primary data and, after reminders, finally got approval from 60 firms. We assured the top management of maintaining privacy, anonymity, and research ethics in the data collection process. After that, the researchers personally visited these firms. With the human resource department's help, we identified 350 top managers, 250 finance managers, 225 work units (i.e., groups/teams/departments; mean size = 7) and have a unique supervisor/leader/manager.

This research employed time-lagged designed to collect data, which is a desirable research design in CSR research (John et al., 2019). In survey research, one-time data or same source data collection for independent and dependent variables may cause measurement context effect or method bias (Podsakoff et al., 2003). Thus, to evade such biases, the data is collected in two waves by conducting *four self-report surveys* at two points about six weeks apart. *At Time 1*, three surveys were conducted. The *top managers' survey* distributed 300 questionnaires among randomly selected top managers to measure perceived CSR and received back 123 questionnaires (response rate = 41%). The *finance managers' survey* distributed questionnaires among 200 randomly selected finance managers to measure perceived firms' financial performance, and we received back 131 questionnaires (response rate = 66%). The *employees' survey* distributed 1080 questionnaires among randomly selected six employees per 180 randomly selected work units to rate their organizational identification. In this survey, we received back 543 questionnaires (response rate = 50%). *At Time 2*, we conducted the *middle managers' survey* that distributed 180 questionnaires among the middle managers/supervisors to rate their subordinates' innovative job performance and received back 106 questionnaires (response rate = 59%). After screening for incomplete questionnaires, our final useable dataset, complete in every facet, consisted of 120 top managers, 120 finance managers, 96 middle managers, and 480 employees' surveys.

3.2. Measures

Perceived CSR is measured by employing Maignan and Ferrell (2001) twenty-nine items scale (1 = strongly disagree to 5 = strongly agree). The sample measurement items are "We closely monitor employees' productivity," "Internal policies prevent discrimination in employees' compensation and promotion." The Cronbach alpha was 0.92. *CSR disclosure* was measured by taking the selected firms' annual reports and developing the CSR disclosure index. This index includes twenty items, and a dichotomous process is employed where a firm takes the value of one if an item is disclosed and zero if it is not revealed. The CSR disclosure index's development is

consistent with the existing literature (Khan et al. (2013). The Cronbach alpha was 0.71.

Organizational identification is measured by using six items scale (1 = strongly disagree to 5 = strongly agree) developed by Mael and Ashforth (1992). The sample items include: “When someone criticizes my organization, it feels like a personal insult” or “When someone praises my organization, it feels like a personal compliment.” The Cronbach alpha was 0.77. *Employees’ innovative job performance* is measured by using the nine items scale (1 = never to 5 = every time) by Janssen (2000), including three items for idea generation, three items for idea promotion, and three items for idea realization. The sample items are: “Creating new ideas for difficult issues,” “Acquiring an approval for innovative ideas.” The Cronbach alpha of this scale was 0.77.

Perceived financial performance is assessed by adopting Saeidi et al. (2015) seven-item scale (1 = much worse to 5 = much better). The respondents have to share their views on their firm’s financial performance compared to the leading competitor in the last three years. The sample items include: “our firm has performed worse/better than the major competitors in the industry regarding growth in sales,” “our firm has performed worse/better than the major competitors in the industry regarding return on investment.” The Cronbach alpha was 0.76. *Market-based financial performance* is measured by taking data from the annual report and using Tobin’s Q, the firm’s market value relative to its assets replacement cost. *Accounting-based financial performance* is measured by taking data from the annual report and utilizing return on equity, which is the ratio of net income available to common stockholders to common equity and represents the rate of return to common shareholders’ investments (Brigham & Houston, 2013). The control variables of this research include firm size, age, leverage, research and development (R&D), industry, and employee gender, age, company tenure, and tenure with the current supervisor.

4. Data analysis and results

Table 1 reports the scales’ reliabilities and validities and the descriptive statistics of the study variables. We did not find any issue of reliability and validity. For instance, Cronbach Alpha values for all the study variables are above the threshold level of 0.70. Further, the composite reliability (CR) for all the variables was also more than 0.70, which ensured the reliability of constructs. As far as validity is concerned, it was

Table 1. Reliability, validity and descriptive statistics.

Variable	Items	Alpha	CR	AVE	MSV	Mean	SD
Perceived CSR	29	0.915	0.930	0.710	0.391	4.224	0.611
CSR Disclosure	20	0.772	0.790	0.530	0.240	0.713	0.423
OID	6	0.769	0.945	0.697	0.330	4.363	0.366
EIJP	9	0.769	0.880	0.623	0.297	4.360	0.440
Perceived FP	7	0.755	0.870	0.588	0.197	4.309	0.423
Return on Equity						26.218	43.906
Tobin Q						1.894	1.795

Notes: CR = Composite Reliability; AVE = Average Variance Extracted; MSV = Maximum Shared Variance, SD = Standard Deviation, OID = Organizational Identification, EIJP = Employees’ Innovative Job Performance. Source: Self-Calculated.

Table 2. Inferential statistics.

Variable	1	2	3	4	5	6	7
1. Perceived CSR	1						
2. CSR Disclosure	0.08	1					
3. OID	0.07	0.04	1				
4. EIJP	0.57*	0.12	0.27**	1			
5. Perceived FFP	0.15	0.34**	0.14	0.10**	1		
6. ROE	0.24**	-0.14	0.08	0.22*	-0.35	1	
7. Tobin Q	0.17	-0.09	-0.04	0.14	0.07	0.28**	1

Notes: OID = Organizational Identification, EIJP = Employees' Innovative Job Performance, FFP = Firms' Financial Performance, ROE = Return on Equity,.

* $p < 0.05$,

** $p < 0.001$.

Source: Self-Calculated.

estimated through average variance extracted (AVE) and maximum shared variance (MSV).

Hair et al. (2013) recommended that to confirm convergent validity, AVE must be above 0.50. And further, the value MSV must be below the AVE to establish discriminant validity. Thus, we found the AVE value for all the constructs was above 0.50, and MSV values were also less than the AVE. Therefore, our data confirmed the reliability and validity of all the variables. Table 2 reported the bivariate correlation among the study variables. The correlation analysis indicated the moderate correlation among the variables, and thus, there was no issue of multi-collinearity.

Table 3 specifies the summary of direct effects, including firm-level effects, firm to individual-level, group to individual-level, individual to individual-level, and finally, individual to firm-level. The results indicated that perceived CSR has a statistically significant positive effect on perceived firms' financial performance (0.49, $p < 0.01$). Thus, with a one-unit increase in perceived CSR, firms' perceived financial performance increases by 0.49 units. Similarly, CSR disclosures also have a statistically significant direct positive effect on perceived financial performance (1.75, $p < 0.01$) with a one-unit increase in CSR disclosure, firms' perceived financial performance increases by 1.75 units. Therefore, it can be established that both CSR perception and disclosure have a significant and positive effect on perceived financial performance. But the results suggested that CSR disclosure derived higher perceived financial performance than CSR perception.

Further, it can be noted (in Table 3) that perceived CSR has a statistically significant positive effect on market-based (1.02, $p < 0.01$) and accounting-based financial performance (41.25, $p < 0.01$). In contrast, CSR disclosure has a statistically insignificant effect on market-based and accounting-based financial performance. This research primarily intends to test the indirect effect of perceived CSR and CSR disclosure on perceived, market, and accounting-based financial performance through the serial mediation of organizational identification and employees' innovative job performance. We also examined the direct relationship and noted the insignificant effect which may support our underlying framework as firms' cannot maximize their financial performance directly by disclosing their CSR initiatives. This is also consistent with the existing studies, which also noted similar results such as Gallardo-Vázquez et al. (2019). Firms' CSR disclosure may enhance the employees'

Table 3. Summary of direct effects.

	Coefficient	Sig.	BC 95% CI	
			Lower	Upper
Firm – level				
Perceived CSR -> Perceived FP	0.49*	0.00	0.32	0.64
CSR Disclosures -> Perceived FP	1.75*	0.00	1.37	2.12
Perceived CSR -> Tobin Q	1.02*	0.01	0.36	1.68
CSR Disclosures -> Tobin Q	-0.03	ns	-1.59	1.51
Perceived CSR -> ROE	41.25*	0.00	28.01	54.49
CSR Disclosures -> ROE	-39.42	0.03	-70.52	-8.33
Firm -> Individual				
Perceived CSR -> OID	0.21**	0.02	0.03	0.38
CSR Disclosures -> OID	0.20**	0.04	0.17	0.67
Perceived CSR -> EIJP	0.07	ns	-0.17	0.31
CSR Disclosures -> EIJP	-0.59	ns	-2.16	0.97
Individual -> Individual				
OID -> EIJP	0.98*	0.00	0.94	1.01
Individual -> Firm				
EIJP -> Perceived FP	0.11**	0.05	0.00	0.21
EIJP -> Tobin Q	0.51*	0.01	0.17	0.83
EIJP -> ROE	-5.09	0.04	-9.94	0.24

Notes: Sig. = Significance, CI = Confidence Interval, FP = Financial Performance, OID = Organizational Identification, EIJP = Employees' Innovative Job Performance, ROE = Return on Equity, FP = Financial Performance.,

**p < 0.01,.

*p < 0.05.

Source: Self-Calculated.

organizational identification, which further derives employees' innovative job performance that eventually translates into accounting and market-based financial performance (reported in Table 5). In Hypothesis 1, this research expected the positive effect of perceived CSR and CSR disclosure on organizational identification. The results indicated that perceived CSR has a statistically significant positive impact (Table 3) on organizational identification (0.213, $p < 0.05$). Similarly, firm-level CSR disclosure also positively and significantly impacts the employees' organizational identification (0.20, $p < 0.05$). Therefore, *Hypothesis 1 is supported*.

We analyzed the effects of firm-level perceived CSR and CSR disclosure on individual-level employees' innovative job performance. The results were positive but remained statistically insignificant. Further, this study noted a positive effect of organizational identification on employees' innovative job performance (Table 3), as suggested under Hypothesis 2. This relation was positive and statistically significant (0.98, $p < 0.01$). Thus, our data *supported Hypothesis 2*.

This research also attempted to test the effect of individual-level employees' innovative job performance on firms' financial performance across multiple indicators, as proposed in Hypothesis 4. We found that the employees' innovative job performance has a statistically significant and positive effect on perceived financial performance (0.117, $p < 0.01$) and market-based financial performance (0.51, $p < 0.05$). However, this effect was statistically insignificant for accounting-based financial performance. Thus, *Hypothesis 4 was supported* concerning *only* the perceived and market-based indicators of financial performance.

The indirect effects of perceived CSR and CSR disclosure on employees' innovative job performance are reported in Table 4. Hypothesis 3 stated that organizational

Table 4. Summary of indirect effects.

	Coefficient	Sig.	BC 95% CI	
			Lower	Upper
Firm -> Individual -> Individual				
Perceived CSR -> OID -> EIJP	0.21**	0.04	0.06	0.36
CSR Disclosures -> OID -> EIJP	0.19**	0.03	0.05	0.33

Notes: Sig. = Significance, CI = Confidence Interval, OID = Organizational Identification, EIJP = Employees' Innovative Job Performance.

**p < 0.01.

Source: Self-Calculated.

Table 5. The cross level serial mediations.

	Coefficient	Sig.	BC 95% CI	
			Lower	Upper
Firm -> Individual -> Individual -> Firm				
Perceived CSR -> OID -> EIJP -> Perceived FP	0.02**	0.04	0.009	0.051
CSR Disclosures -> OID -> EIJP -> Perceived FP	0.02**	0.04	0.007	0.049
Perceived CSR -> OID -> EIJP -> TobinQ	0.10**	0.02	0.002	0.221
CSR Disclosures -> OID -> EIJP -> TobinQ	0.09**	0.03	0.001	0.191
Perceived CSR -> OID -> EIJP -> ROE	-1.06	ns	-2.130	0.010
CSR Disclosures -> OID -> EIJP -> ROE	-0.96	ns	-0.033	1.930

Notes: Sig. = Significance, CI = Confidence Interval, OID = Organizational Identification, EIJP = Employees' Innovative Job Performance, FP = Financial Performance, ROE = Return on Equity.

**p < 0.01.

Source: Self-Calculated.

identification mediates the relationship between perceived CSR, CSR disclosure, and employees' innovative job performance. The results indicated that organizational identification significantly mediated the indirect effect of perceived CSR on employees' innovative job performance (0.212, $p < 0.05$). The direct impact of perceived CSR on employees' innovative job performance (Table 3) is statistically insignificant. Thus, organizational identification fully mediated the indirect effect of perceived CSR on employees' innovative job performance, and this supported *H3a* of this research.

Similarly, the indirect effect of CSR disclosure on employees' innovative job performance through the mediation of organizational identification was tested as well (Table 4). This relationship's results enlightened that CSR disclosure's indirect effect on employees' innovative job performance was significantly mediated by organizational identification (0.196, $p < 0.05$). The direct impact of CSR disclosure on employees' innovative job performance (Table 3) is statistically insignificant. Hence, organizational identification fully mediated CSR disclosure's indirect effect on employees' innovative job performance, and this supported *H3b*.

The cross-level serial mediation of organizational identification and employees' innovative job performance on the indirect effect of firm-level perceived CSR and CSR disclosure on the perceived, market, and accounting-based firms' financial performance are presented in Table 5. It was found that the indirect effect of firm-level perceived CSR and perceived firms' financial performance was serially mediated by organizational identification and employees' innovative job performance and the relationship was statistically significant (0.023, $p < 0.01$). This research found partial mediation of organizational identification and employees' innovative job performance.

Similarly, the cross-level serial mediation of organizational identification and employees' innovative job performance was also tested on the indirect effect of firms' CSR disclosure on firms' financial performance, and results were positive and significant (0.021, $p < 0.05$). Thus, partial mediation of organizational identification and employees' innovative job performance was noted. Therefore, *Hypothesis H_{5a} and H_{5d}* were supported.

Moreover, the indirect effect of firm-level perceived CSR and TobinQ through the serial mediation of organizational identification and employees' innovative job performance was examined, and the relationship was statistically significant (0.107, $p < 0.05$). This research found partial mediation of organizational identification and employees' innovative job performance. Similarly, the cross-level serial mediation of organizational identification and employees' innovative job performance was also tested on the indirect effect of firms' CSR disclosure on firms' market-based financial performance, and results were positive and significant (0.097, $p < 0.05$). The direct impact of firms' CSR disclosure and firms' market-based financial performance was insignificant (Table 3). Therefore, the full mediation of organizational identification and employees' innovative job performance was noted on the relationship between firms' CSR disclosure and firms' market-based financial performance. Hence, *Hypothesis H_{5b} and H_{5e}* were also supported.

This study also hypothesized that organizational identification and employees' innovative job performance sequentially mediate the relationship between perceived CSR and return on equity (H_{5c}), CSR disclosure, and return on equity (H_{5f}). This research did not find any partial or full mediation, and thus, Hypothesis H_{5c} and H_{5f} were not supported.

5. Discussion and conclusion

Recent calls for research on determinants and outcomes of CSR have drawn researchers globally and in developing countries, particularly (John et al., 2019). An extensive piece of literature on the CSR-firms' financial performance relationship examined CSR's direct impact on financial performance and established positive, negative, and even no effects. However, these investigations have not clarified how CSR can be positively, negatively, or neutrally related to financial performance. Accordingly, numerous efforts have been made to formulate the mechanisms and contingencies that may explain this relationship's direction. But no concluding agreement has been made so far due to inconsistent findings, and the debate is continuing (Xie et al., 2017). Furthermore, past studies also employed distinct CSR and financial performance measures that can lead to ambiguous results (Gallardo-Vázquez et al., 2019).

Thus, it is indispensable to examine this relationship by incorporating the factors which are ignored or given less consideration in the present literature. Further, it is also essential to investigate CSR and financial performance's multiple indicators within one framework. Therefore, the current research intends to address these gaps by researching the effect of firm-level CSR on financial performance with the sequential mediation mechanism of individual-level organizational identification and employees' innovative job performance through the lens of social identity theory.

Further, this study progresses the current CSR-financial performance association's debate by collecting multi-lagged and multi-source data for firms' CSR initiatives (CSR perception and disclosure) and financial performance (perception, market, and accounting-based). This ambitious approach has rarely been jointly considered in the literature.

First, this research examined the direct impact of CSR perception and disclosure on perception, accounting, and market-based financial performance. The results were unique and interesting across all the indicators. The direct positive impact of CSR perception on perceived, accounting, and market-based financial performance was found. The present research results are per the existing literature (e.g., Akben-Selcuk, 2019). Therefore, this research confirmed the existing literature that found a positive effect of CSR on financial performance, contrasting to the neoclassical viewpoints that suggested a negative relationship. This study also noted a positive and statistically significant direct impact of CSR disclosure on perceived firms' financial performance. But the effect of CSR disclosure on market and accounting-based financial performance remained statistically insignificant. These results also verified the existing studies on this relationship (Mahmood et al., 2020b). But inconsistent with the literature concerning the effects of CSR disclosure on accounting and market-based financial performance (Javeed & Lefen, 2019).

Secondly, the effect of firm-level perceived CSR and CSR disclosure on employees' organizational identification was also examined. This research's findings are consistent with the existing literature regarding the relationship of perceived CSR and organizational identification (Brammer et al., 2015; John et al., 2019; Mahmood et al., 2020a). However, the research did not find any research to date investigating the effect of firms' CSR disclosure on organizational identification. Thus, further studies are required to verify the findings of this research. Thirdly, this study observed the positive and significant relationship between organizational identification and employees' innovative job performance. This finding is in line with existing research; for instance, Hirst et al. (2009) found the positive association of organizational identification with employees' creative efforts. Further, the results are consistent with the studied that documented organizational identification's positive outcomes (Wang et al., 2017).

Fourthly, mediation analysis of organizational identification on the indirect relationship of perceived CSR and CSR disclosure with employees' innovative job performance verified the above-said mediations. This finding is in harmony with the existing literature. For example, Brammer et al. (2015) found the mediation of organizational identification on the relationship of perceived CSR and employee creative efforts. Further, this research extended the debate on the mediation of organizational identification on the relationship between CSR disclosure and employees' innovative job performance. Fifthly, this research's findings are consistent with the theoretical perspective of social identity theory (Ashforth & Mael, 1989). For instance, this research found that firms' CSR initiatives are positively linked with organizational identification, which in turn translates into employees' innovative job performance. This is similar to the views of social identity theory, as employees who strongly identify with the organization tend to align the organization's goals with their own

(Zappalà et al., 2019). And further, social identity theory is beneficial to understand the behaviors and thoughts of the individuals employed in organizations (Scheepers & Ellemers, 2019). The results are coherent with other studies that have used social identity theory to explain individual-level or micro-processes in organizations (e.g., Wang et al., 2017).

Sixthly, the findings of the cross-level effect of employees' innovative job performance on multiple indicators of firms' financial performance revealed the significant and positive impact of employees' innovative job performance on perceived and market based financial performance. The results are consistent with the existing studies. It is noted that employees put creative efforts in their jobs to increase their self-respect by enhancing the status of the organization they identify, such as developing new ideas, products, and solutions. The employees' innovative job performance in accumulation translates into accounting and market-based performance (Hogan & Coote, 2014; Martinez-Conesa et al., 2017; Rubera & Kirca, 2012; Shanker et al., 2017; Van Esch et al., 2018). At the same time, the results remained statistically insignificant for return on equity. There exist no such studies that have examined these relationships to date as per the researcher's knowledge. Thus, future researches should consider testing and verify these multi-level aspects.

Seventhly, serial mediation of organizational identification and employees' innovative job performance on the association of perceived CSR and CSR disclosure on perceived, accounting, and market-based financial performance was tested. The findings revealed that organizational identification and employees' innovative job performance sequentially mediated the impact of perceived CSR and CSR disclosure on firms' perceived and market-based financial performance. However, this research did not find any serial mediation for the relationship of perceived CSR and CSR disclosure on firms' accounting-based financial performance. Similar to the previous discussion on the relationships of employees' innovative job performance with firms' financial performance, we did not find any study that has examined such serial mediation. Thus, to verify the findings of this research, future investigations are required.

5.1. Theoretical implications

The present research highlights various significant theoretical implications. For instance, we intend to debate CSR-firms' financial performance relationship at a multi-level, as most of the existing literature on this relationship remained at the firm level. Similarly, a bunch of existing studies either considered the effect of individual-level perceived CSR on individual-level outcomes, or few multi-level studies examined the relationship of individual-level perceived CSR on the group or firm-level outcome. But this research tends to add clarity on this relationship at multi-level by investigating a unique framework that comprises firm-level CSR and financial performance, individual-level organizational identification, and employees' innovative job performance. The framework examined in this study is unique as it extended the current understandings of academic scholars on CSR-financial performance association in many ways. Most of the existing literature on this relationship is confined to firm-level and overlooked various multi-level factors that must be considered for a better

understanding. Thus, this research not only examined the effect of firm-level CSR on individual-level organizational identification that further translate into individual level firms' financial performance. The ultimate translation of individual-level employees' innovative job performance to derive firms' financial performance is also examined. Further, this research explicitly broadened the viewpoint of existing literature by taking multiple firms' CSR and financial performance measures from numerous sources like CSR perception and CSR disclosure, perception, accounting, and market-based financial performance. This study gives new understandings to the academic scholars by analyzing a multi-level framework through social identity theory that is mostly considered a micro-level theory. Precisely, academic scholars in management and finance must concentrate on the model presented and the findings of this research for a better understanding of CSR-financial performance relationships. In sum, the present study contributed to the six knowledge domains: CSR perception and disclosure, organizational identification, employees' innovative job performance, perceived, market and accounting-based financial performance, and social identity theory.

5.2. Managerial implications

As far as practical implications are considered, the underlying framework presented in this research uncovered numerous means by which managers can strategically focus on their CSR initiatives' policy implications. For instance, managers can use the results presented in this research on the direct effect of perceived and CSR disclosure on the perceived, market, and accounting-based financial performance. It will be necessary for the managers to check the impact of their CSR exertions on the firms' financial performance and communicate it to various stakeholders, for instance, shareholders, while displaying the results of their operational strategies and policies. Further, it is not only essential for the organizations' to engage and disclose their CSR initiatives. But also managers must take into account the understandings of their CSR initiatives and disclosures by their employees. Likewise, managers must value employees' organizational identification. It provides various work-related positive outcomes like employees' innovative job performance, which is vital for the organizations to only gain superior financial performance compared to the competitors. Thus, the organizations' human resource management must align the recruitment procedure with firms' CSR policies. The applicants must be evaluated on their personality traits like ethical behaviors by asking related questions at the interview time. Therefore, the managers can improve the firms' financial performance by strategically concentrating on their CSR initiatives and disclosures and checking the employees' perceptions of their CSR exertions.

5.3. Limitations and future directions

The present study noticed a few limitations which provide rich opportunities for future studies. For instance, in this study both CSR perception and disclosure are considered at the firm-level while it seems worthwhile to consider perceived CSR at the individual-level and CSR disclosure at the firm-level for better understandings.

Likewise, this research proposed and tested a multi-level mechanism to explain the CSR and firms' financial performance relationship but ignored the effect of boundary conditions. Thus, future studies must consider the multi-level contingencies to effects this relationship i.e, CEO characteristics, leadership style. This research contributed to the social identity theory which is mostly confined to the micro or individual level processes to explain the multi-level mechanism. Thus, future research must also employ this theory to devise multi-level framework. And further, future research may consider the integration of social identity theory (Ashforth & Mael, 1989) with other firm-level theories like resource-based view (Barney, 1996) to advance the field. In the nutshell, we call for more multi-level research by considering other factors apart from those considered in this study.

Disclosure statement

No potential conflict of interest was reported by the authors.

ORCID

Antonio Ariza-Montes  <http://orcid.org/0000-0002-5921-0753>

References

- Abdullah, M., Ashraf, S., & Sarfraz, M. (2017). The organizational identification perspective of CSR on creative performance: The moderating role of creative self-efficacy. *Sustainability*, 9(11), 2125–2121. <https://doi.org/10.3390/su9112125>
- Aguinis, H. (2011). Organizational responsibility: Doing good and doing well. In S. Zedeck (Ed.), *APA handbook of industrial and organizational psychology* (Vol. 3, pp. 855–879). American Psychological Association.
- Akben-Selcuk, E. (2019). Corporate social responsibility and financial performance: The moderating role of ownership concentration in Turkey. *Sustainability*, 11(13), 3643–3610. <https://doi.org/10.3390/su11133643>
- Ali, H. Y., Danish, R. Q., & Asrar-Ul-Haq, M. (2020). How corporate social responsibility boosts firm financial performance: The mediating role of corporate image and customer satisfaction. *Corporate Social Responsibility and Environmental Management*, 27(1), 166–177. <https://doi.org/10.1002/csr.1781>
- Allen, G. W., Attoh, P. A., & Gong, T. (2017). Transformational leadership and affective organizational commitment: Mediating roles of perceived social responsibility and organizational identification. *Social Responsibility Journal*, 13(3), 585–600. <https://doi.org/10.1108/SRJ-11-2016-0193>
- Anderson, N., Potočník, K., & Zhou, J. (2014). Innovation and creativity in organizations: A state-of-the-science review, prospective commentary, and guiding framework. *Journal of Management*, 40(5), 1297–1333. <https://doi.org/10.1177/0149206314527128>
- Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of Management Review*, 14(1), 20–39. <https://doi.org/10.5465/amr.1989.4278999>
- Balakrishnan, R., Sprinkle, G. B., & Williamson, M. G. (2011). Contracting benefits of corporate giving: An experimental investigation. *The Accounting Review*, 86(6), 1887–1907. <https://doi.org/10.2308/accr-10127>
- Barney, J. B. (1996). The resource-based theory of the firm. *Organization Science*, 7(5), 469–469. <https://doi.org/10.1287/orsc.7.5.469>

- Brammer, S., He, H., & Mellahi, K. (2015). Corporate social responsibility, employee organizational identification, and creative effort: The moderating impact of corporate ability. *Group & Organization Management*, 40(3), 323–352.
- Brigham, E. F., & Houston, J. F. (2013). *Fundamental of financial management*. South Western.
- Carmeli, A., Cohen-Meitar, R., & Elizur, D. (2007). The role of job challenge and organizational identification in enhancing creative behavior among employees in the workplace. *The Journal of Creative Behavior*, 41(2), 75–90. <https://doi.org/10.1002/j.2162-6057.2007.tb01282.x>
- Chan, M. C., Watson, J., & Woodliff, D. (2014). Corporate governance quality and CSR disclosures. *Journal of Business Ethics*, 125(1), 59–73. <https://doi.org/10.1007/s10551-013-1887-8>
- Cheema, S., Afsar, B., Al-Ghazali, B. M., & Maqsoom, A. (2020). How employee's perceived corporate social responsibility affects employee's pro-environmental behaviour? The influence of organizational identification, corporate entrepreneurship, and environmental consciousness. *Corporate Social Responsibility and Environmental Management*, 27(2), 616–629. <https://doi.org/10.1002/csr.1826>
- Cheema, S., Afsar, B., & Javed, F. (2020). Employees' corporate social responsibility perceptions and organizational citizenship behaviors for the environment: The mediating roles of organizational identification and environmental orientation fit. *Corporate Social Responsibility and Environmental Management*, 27(1), 9–21. <https://doi.org/10.1002/csr.1769>
- De Roeck, K., El Akremi, A., & Swaen, V. (2016). Consistency matters! How and when does corporate social responsibility affect employees' organizational identification? *Journal of Management Studies*, 53(7), 1141–1168. <https://doi.org/10.1111/joms.12216>
- De Roeck, K., Marique, G., Stinglhamber, F., & Swaen, V. (2014). Understanding employees' responses to corporate social responsibility: Mediating roles of overall justice and organisational identification. *The International Journal of Human Resource Management*, 25(1), 91–112. <https://doi.org/10.1080/09585192.2013.781528>
- Dutton, J. E., Dukerich, J. M., & Harquail, C. V. (1994). Organizational images and member identification. *Administrative Science Quarterly*, 39(2), 239–263. <https://doi.org/10.2307/2393235>
- El Akremi, A., Gond, J. P., Swaen, V., De Roeck, K., & Igalens, J. (2018). How do employees perceive corporate responsibility? Development and validation of a multidimensional corporate stakeholder responsibility scale. *Journal of Management*, 44(2), 619–657. <https://doi.org/10.1177/0149206315569311>
- Ellemers, N., Kortekaas, P., & Ouwerkerk, J. W. (1999). Self-categorisation, commitment to the group and group self-esteem as related but distinct aspects of social identity. *European Journal of Social Psychology*, 29(2–3), 371–389. [https://doi.org/10.1002/\(SICI\)1099-0992\(199903/05\)29:2/3<371::AID-EJSP932>3.0.CO;2-U](https://doi.org/10.1002/(SICI)1099-0992(199903/05)29:2/3<371::AID-EJSP932>3.0.CO;2-U)
- Ernst & Ernst. (1978). *Social responsibility disclosure: Surveys of Fortune 500 annual reports*. Ernst and Ernst.
- Farrukh, M., Sajid, M., Lee, J. W. C., & Shahzad, I. A. (2020). The perception of corporate social responsibility and employee engagement: Examining the underlying mechanism. *Corporate Social Responsibility and Environmental Management*, 27(2), 760–768. <https://doi.org/10.1002/csr.1842>
- Fuller, J. B., Hester, K., Barnett, T., Beu, D., Frey, L., & Relyea, C. (2009). Extending the group engagement model: An examination of the interactive effects of prestige, respect, and employee role identity. *Journal of Managerial Issues*, 21, 119–139.
- Gallardo-Vázquez, D., Barroso-Méndez, M. J., Pajuelo-Moreno, M. L., & Sánchez-Meca, J. (2019). Corporate social responsibility disclosure and performance: A meta-analytic approach. *Sustainability*, 11(4), 1115–1147. <https://doi.org/10.3390/su11041115>
- Giorgi, G., Lecca, L. I., Ariza-Montes, A., Di Massimo, C., Campagna, M., Finstad, G. L., Arcangeli, G., & Mucci, N. (2020). The dark and the light side of the expatriate's cross-cultural adjustment: A novel framework including perceived organizational support, work related stress and innovation. *Sustainability*, 12(7), 2969–2915. <https://doi.org/10.3390/su12072969>

- Glavas, A. (2016). Corporate social responsibility and organizational psychology: An integrative review. *Frontiers in Psychology*, 7, 144–113. <https://doi.org/10.3389/fpsyg.2016.00144>
- Glavas, A., & Godwin, L. N. (2013). Is the perception of ‘goodness’ good enough? Exploring the relationship between perceived corporate social responsibility and employee organizational identification. *Journal of Business Ethics*, 114(1), 15–27. <https://doi.org/10.1007/s10551-012-1323-5>
- Grant, A. M., & Berry, J. W. (2011). The necessity of others is the mother of invention: Intrinsic and prosocial motivations, perspective taking, and creativity. *Academy of Management Journal*, 54(1), 73–96. <https://doi.org/10.5465/amj.2011.59215085>
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2013). *Multivariate data analysis: Pearson new international edition*. Pearson.
- Herrera, J., & de las Heras-Rosas, C. (2020). Corporate social responsibility and human resource management: Towards sustainable business organizations. *Sustainability*, 12(3), 841–817. <https://doi.org/10.3390/su12030841>
- Hirst, G., van Dick, R., & van Knippenberg, D. (2009). A social identity perspective on leadership and employee creativity. *Journal of Organizational Behavior*, 30(7), 963–982. <https://doi.org/10.1002/job.600>
- Hogan, S. J., & Coote, L. V. (2014). Organizational culture, innovation, and performance: A test of Schein’s model. *Journal of Business Research*, 67(8), 1609–1621. <https://doi.org/10.1016/j.jbusres.2013.09.007>
- Im, S., Chung, Y. W., & Yang, J. Y. (2016). Employees’ participation in corporate social responsibility and organizational outcomes: The moderating role of person–CSR fit. *Sustainability*, 9(1), 28–14. <https://doi.org/10.3390/su9010028>
- Janssen, O. (2000). Job demands, perceptions of effort-reward fairness and innovative work behaviour. *Journal of Occupational and Organizational Psychology*, 73(3), 287–302. <https://doi.org/10.1348/096317900167038>
- Janssen, O. (2004). How fairness perceptions make innovative behavior more or less stressful. *Journal of Organizational Behavior*, 25(2), 201–215. <https://doi.org/10.1002/job.238>
- Javeed, S. A., & Lefen, L. (2019). An analysis of corporate social responsibility and firm performance with moderating effects of CEO power and ownership structure: A case study of the manufacturing sector of Pakistan. *Sustainability*, 11(1), 248–225. <https://doi.org/10.3390/su11010248>
- John, A., Qadeer, F., Shahzadi, G., & Jia, F. (2019). Getting paid to be good: How and when employees respond to corporate social responsibility? *Journal of Cleaner Production*, 215, 784–795. <https://doi.org/10.1016/j.jclepro.2019.01.074>
- Jones, D. A., Newman, A., Shao, R., & Cooke, F. L. (2019). Advances in employee-focused micro-level research on corporate social responsibility: situating new contributions within the current state of the literature. *Journal of Business Ethics*, 157(2), 293–302.
- Khan, A., Muttakin, M. B., & Siddiqui, J. (2013). Corporate governance and corporate social responsibility disclosures: Evidence from an emerging economy. *Journal of Business Ethics*, 114(2), 207–223. <https://doi.org/10.1007/s10551-012-1336-0>
- Kim, H.-R., Lee, M., Lee, H.-T., & Kim, N.-M. (2010). Corporate social responsibility and employee–company identification. *Journal of Business Ethics*, 95(4), 557–569. <https://doi.org/10.1007/s10551-010-0440-2>
- Lee, E. S., Park, T. Y., & Koo, B. (2015). Identifying organizational identification as a basis for attitudes and behaviors: A meta-analytic review. *Psychological Bulletin*, 141(5), 1049–1080. <https://doi.org/10.1037/bul0000012>
- Mael, F., & Ashforth, B. E. (1992). Alumni and their alma mater: A partial test of the reformulated model of organizational identification. *Journal of Organizational Behavior*, 13(2), 103–123. <https://doi.org/10.1002/job.4030130202>
- Mahmood, F., Qadeer, F., Abbas, Z., Hussain, I., Saleem, M., Hussain, A., & Aman, J. (2020a). Corporate social responsibility and employees’ negative behaviors under abusive supervision: A multi-level. *Insight. Sustainability*, 12(7), 1–15. <https://doi.org/10.3390/su12072647>

- Mahmood, F., Qadeer, F., Sattar, U., Ariza-Montes, A., Saleem, M., & Aman, J. (2020b). Corporate social responsibility and firms' financial performance: A new insight. *Sustainability*, 12(10), 4211–4219. <https://doi.org/10.3390/su12104211>
- Maignan, I., & Ferrell, O. (2001). Antecedents and benefits of corporate citizenship: An investigation of French businesses. *Journal of Business Research*, 51(1), 37–51. [https://doi.org/10.1016/S0148-2963\(99\)00042-9](https://doi.org/10.1016/S0148-2963(99)00042-9)
- Martinez-Conesa, I., Soto-Acosta, P., & Palacios-Manzano, M. (2017). Corporate social responsibility and its effect on innovation and firm performance: An empirical research in SMEs. *Journal of Cleaner Production*, 142, 2374–2383. <https://doi.org/10.1016/j.jclepro.2016.11.038>
- Moser, D. V., & Martin, P. R. (2012). A broader perspective on corporate social responsibility research in accounting. *The Accounting Review*, 87(3), 797–806. <https://doi.org/10.2308/accr-10257>
- Ployhart, R. E., Nyberg, A. J., Reilly, G., & Maltarich, M. A. (2014). Human capital is dead; long live human capital resources. *Journal of Management*, 40(2), 371–398. <https://doi.org/10.1177/0149206313512152>
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879–903.
- Rubera, G., & Kirca, A. H. (2012). Firm innovativeness and its performance outcomes: A meta-analytic review and theoretical integration. *Journal of Marketing*, 76(3), 130–147. <https://doi.org/10.1509/jm.10.0494>
- Ruiz-Lozano, M., & Nieto, R. R. (2016). Ethics and corporate social responsibility in human resource management. In A. Lucia-Casademunt (Eds.), *Strategic labor relations management in modern organizations* (pp. 135–148). IGI Global.
- Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saeidi, S. A. (2015). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*, 68(2), 341–350. <https://doi.org/10.1016/j.jbusres.2014.06.024>
- Scheepers, D., & Ellemers, N. (2019). Social identity theory. In K. Sassenberg & L.W. Vliek (Eds.), *Social psychology in action* (pp. 129–143). Springer.
- Scott, S. G., & Bruce, R. A. (1994). Determinants of innovative behavior: A path model of individual innovation in the workplace. *Academy of Management Journal*, 37(3), 580–607.
- Shanker, R., Bhanugopan, R., Van der Heijden, B. I., & Farrell, M. (2017). Organizational climate for innovation and organizational performance: The mediating effect of innovative work behavior. *Journal of Vocational Behavior*, 100, 67–77. <https://doi.org/10.1016/j.jvb.2017.02.004>
- Shen, J., & Benson, J. (2016). When CSR is a social norm: How socially responsible human resource management affects employee work behavior. *Journal of Management*, 42(6), 1723–1746. <https://doi.org/10.1177/0149206314522300>
- Shin, I., Hur, W.-M., & Kang, S. (2016). Employees' perceptions of corporate social responsibility and job performance: A sequential mediation model. *Sustainability*, 8(5), 493–504. <https://doi.org/10.3390/su8050493>
- Tajfel, H. (1970). Experiments in intergroup discrimination. *Scientific American*, 223(5), 96–103. <https://doi.org/10.1038/scientificamerican1170-96>
- Tajfel, H., & Turner, J. (1979). An integrative theory of intergroup conflict. In W. G. Austin & S. Worchel (Eds.), *The social psychology of group relations* (pp. 33–47). Brooks-Cole.
- Teresi, M., Pietroni, D. D., Barattucci, M., Giannella, V. A., & Pagliaro, S. (2019). Ethical climate (s), organizational identification, and employees' behavior. *Frontiers in Psychology*, 10, 1–17. <https://doi.org/10.3389/fpsyg.2019.01356>
- Turker, D. (2009). Measuring corporate social responsibility: A scale development study. *Journal of Business Ethics*, 85(4), 411–427. <https://doi.org/10.1007/s10551-008-9780-6>
- Van Dick, R., Crawshaw, J. R., Karpf, S., Schuh, S. C., & Zhang, X. A. (2020). Identity, importance, and their roles in how corporate social responsibility affects workplace attitudes and

- behavior. *Journal of Business and Psychology*, 35(2), 159–169. <https://doi.org/10.1007/s10869-019-09619-w>
- Van Dick, R., van Knippenberg, D., Kerschreiter, R., Hertel, G., & Wieseke, J. (2008). Interactive effects of work group and organizational identification on job satisfaction and extra-role behavior. *Journal of Vocational Behavior*, 72(3), 388–399. <https://doi.org/10.1016/j.jvb.2007.11.009>
- Van Esch, E., Wei, L. Q., & Chiang, F. F. (2018). High-performance human resource practices and firm performance: The mediating role of employees' competencies and the moderating role of climate for creativity. *The International Journal of Human Resource Management*, 29(10), 1683–1708. <https://doi.org/10.1080/09585192.2016.1206031>
- Wang, Y., & Berens, G. (2015). The impact of four types of corporate social performance on reputation and financial performance. *Journal of Business Ethics*, 131(2), 337–359. <https://doi.org/10.1007/s10551-014-2280-y>
- Wang, Q., Dou, J., & Jia, S. (2016). A meta-analytic review of corporate social responsibility and corporate financial performance: The moderating effect of contextual factors. *Business & Society*, 55(8), 1083–1121. <https://doi.org/10.1177/0007650315584317>
- Wang, W., Fu, Y., Qiu, H., Moore, J. H., & Wang, Z. (2017). Corporate social responsibility and employee outcomes: A moderated mediation model of organizational identification and moral identity. *Frontiers in Psychology*, 8, 1906–1919. <https://doi.org/10.3389/fpsyg.2017.01906>
- Wigmore-Álvarez, A., Ruiz-Lozano, M., & Fernández-Fernández, J. L. (2020). Management of university social responsibility in business schools. An exploratory study. *The International Journal of Management Education*, 18(2), 100382–100315. <https://doi.org/10.1016/j.ijme.2020.100382>
- Xie, X., Jia, Y., Meng, X., & Li, C. (2017). Corporate social responsibility, customer satisfaction, and financial performance: The moderating effect of the institutional environment in two transition economies. *Journal of Cleaner Production*, 150, 26–39. <https://doi.org/10.1016/j.jclepro.2017.02.192>
- Zappalà, S., Toscano, F., & Licciardello, S. A. (2019). Towards sustainable organizations: Supervisor support, commitment to change and the mediating role of organizational identification. *Sustainability*, 11(3), 805–816. <https://doi.org/10.3390/su11030805>
- Zulfiqar, S., Sadaf, R., Popp, J., Vveinhardt, J., & Máté, D. (2019). An examination of corporate social responsibility and employee behavior: The case of Pakistan. *Sustainability*, 11(13), 3515–3515. <https://doi.org/10.3390/su11133515>