

**The Impact of Corporate Social Responsibility on Employee
Loyalty in Chinese Firms: Evaluating the Mediating Effect of
Organisation Culture**

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ABSTRACT

Corporate social responsibility (CSR) has long been discussed in different social, economic, and political perspectives in both business and academic communities. Substantial research studies have been conducted with CSR in an instrumental perspective from organisational level, focusing on CSR's impact on marketing and financial performance of firms. Increasingly more studies have been shifting to focus on the micro level, and its overall influence to internal stakeholders, with research findings indicating that CSR has a positive effect on employee loyalty (Bhattacharya, et al., 2011; Valentine & Fleischman, 2007). Further to this, many scholarly discussions shared a similar view that CSR must be embedded into a firm's business strategy and the Organisational Culture to drive positive outcomes for employee attitudes such as loyalty (Porter & Kramer, 2006). As such, it is imperative to investigate empirically the interaction effect of Organisational Culture on the relationship between CSR and employee loyalty.

Kramer and Porter argued CSR has the purpose of aligning the firm's interests to generate a sense of shared value with employee (Porter & Kramer, 2006), which is a crucial factor in facilitating better relationships, create greater chance for higher employee performance and consequently, better organisational performance. As shared value is often reflected in organisational culture, we identify Organisational Culture as an important factor to evaluate relating to CSR-fostered employee loyalty.

With the new generation of workforce being more accustomed to, and influenced by, values of acting socially responsible, firms are compelled to

re-evaluate their approaches in capacity building, talent acquisition, development, and retention. On the other hand, in addition to the high cost of replacing an employee, there are intangible costs to staff attrition such as the loss of morale amongst other employees, staff burn out, as well as the implicit cost in restructuring or realignment of human resources. As such, CSR has been increasingly seen a strategic management instrument for human resources management in organisations. It is therefore paramount for firms and their senior managements to understand the correlations, and the mediating factors, between Corporate Social Responsibility and employee loyalty, to derive ‘best fit’ policies relating to CSR implementations.

In this study, employee loyalty is set out as a main construct for analysis. Talent retention will be a principal business outcome for subsequent discussions. A mixed-method research approach was employed, with quantitative research method first conducted to gather empirical data on employees’ perception on 4 different dimensions of Corporate Social Responsibility, 4 different types of organisational culture, and employee loyalty, prior to a qualitative research study. A survey of 382 respondents was conducted to better understand the effect of the inter-relationships between employee perception of Corporate Social Responsibility, employee perception of organisational culture, and employee loyalty.

The survey results indicated that, as expected, different types of CSR elicit different strengths of effect on employee loyalty, with Employee-related CSR having the strongest effect on employee loyalty. Organisational culture, likewise, also shows different strengths of effect on employee loyalty, with Employee-oriented Organisational Culture having significant,

and the highest, effect on employee loyalty. Further, the survey results establish that, certain interaction effects between employee perception of CSR and organisational culture, namely, Product and Service-related CSR and Outcome-oriented Organisational Culture, Corporate Governance-related CSR and Innovation-oriented Organisational Culture, Employee-related CSR and Employee-oriented Organisational Culture, Employee-related CSR and Innovation-oriented Organisational Culture, are significant, to employee loyalty.

Subsequently, different levels of employees were also invited to participate in interviews under the qualitative research part of the study, to discuss their lived experiences in order to gain more insights into the results of the quantitative findings.

DECLARATION

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

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STATEMENT 1

This thesis is the result of my own investigations, except where otherwise stated. Where correction services have been used the extent and nature of the corrections is clearly marked in a footnote(s). Other sources are acknowledged by giving explicit references. A reference list is appended.

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STATEMENT 2

I hereby give consent for my thesis, if accepted, to be available for deposit in the University's digital repository.

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GLOSSARY

CSR	Corporate Social Responsibility
CVF	Competing Value Framework
EC	European Commission
EL	Employee Loyalty
IPC	Interprofessional Collaboration
OC	Organisational Culture
OCP	Organisational Culture Profile
SIT	Social Identity Theory
ST	Stakeholder Theory

LIST OF VARIABLES

csr_corp	Corporate Governance-related CSR
csr_emp	Employee-related CSR
csr_env	Environmental-related CSR
csr_prod	Product and Service-related CSR
loy	Employee Loyalty
oc_cus	Customer-oriented Organisational Culture
oc_emp	Employee-oriented Organisational Culture
oc_inn	Innovation-oriented Organisational Culture
oc_out	Outcome-oriented Organisational Culture

Chapter 1. Introduction

Apparel manufacturing industry is one of the most significant industries in the region. In recent years, the garment industry has evolved from the traditional manufacturing model, with more advanced R&D and technological advancement such as automation, sustainable manufacturing processes integrated in the upstream and downstream industry chain. Companies have introduced smart manufacturing that can improve quality, efficiency as well as with increased product value. With the re-industrialization and industry 4.0 the garment industry has also evolved into a blend of manufacturing and a new service model, combining smart manufacturing and data analysis to provide new product development as well as production services to customers. As such, there has been an increased demand for knowledge-based workers in the newly reformed industry.

According to the Hong Kong Institute of Human Resources (HKIHRM, 2018), the staff turnover rate in Hong Kong for the full year of 2017, upon the initiation of Guangdong-Hong Kong-Macau co-operation framework for the development of the Greater Bay Area, was at 23.5%, a significant increase from the average percentages of teens in the preceding years. The high turnover rate can be attributed to the increased business activities with the integration of Hong Kong into the Greater Bay Area of China, which resulted in the increased demand for knowledge-based workers within the region. With the ever-deepening integration of Hong Kong into the Greater Bay Area in both political and economic sense, it has become increasingly a necessity for human resource management to enhance their practices and

strategies to assimilate workforce that is from vastly different backgrounds in the region.

To mitigate high turnover firms are more inclined to utilise other strategic management tools such as Corporate Social Responsibility, to maximise positive outcomes for employee attitude such as employee loyalty. And as Kramer and Porter suggested one prerequisite for the success in generating positive outcome with CSR implementation is that, for CSR to be embedded in a firm's business strategy and organisational culture (Porter & Kramer, 2006), it is essential to investigate further, within the contexts of the region, the best approach in aligning business strategies and the cultures of the companies with specific types of CSR initiatives.

Further, this study aims to focus on the two key industries that contributed to RMB 10 trillion GDP in the region in 2017 (Constitutional and Mainland Affairs Bureau, 2018), the manufacturing and service industry relating to the apparel sector, to investigate the relationships between CSR, organisational culture, and employee loyalty amongst knowledge-based workers. Despite these two industries engage in different value chain activities, the four dimensions in Carroll's Pyramid of Corporate Social Responsibility (Carroll, 1991), which this study adapt and base the investigation of CSR dimensions on, i.e. Philanthropic, Ethical, Legal, Economic responsibility, are nonetheless applicable to the business activities conducted in these industries. Further, as our study focus on the employee perspective, and previous findings on CSR-fostered employee loyalty in the service industry are consistent with that of the manufacturing industry (Hejjas, et al., 2018; Chaudhary, 2017), it is therefore deemed

appropriate to conduct the study on the specified industries for the scope of this research.

1.1 The China Context

One prevailing assumption with the proposition of CSR generating empowerment through doing good deed for the society (Prutina, 2016) is that CSR motivation is generated through valuing individual and society. However, in Eastern Societies such as China there are less expectations in social responsibility, owing to less defined roles of business organisations in society (Wei, et al., 2014). Further to this, as the value framework in Confucius collectivistic societies such as China differs significantly to Western societies, employees' behaviour influenced by CSR motivation, as well as organisational culture can be expected to show unconformity.

One key consideration is that as proposed by Hofstede (Hofstede, 2001), in collectivistic societies such as Confucius societies, individuals put more value in the firm's interests over their own. Benefiting the organization is seen as a core duty for employees at an individual level in these societies (Becton & Field, 2009). As such, in contrast to the individualistic societies in the West where individual's perceptions of CSR conducted by their companies may directly impact employee loyalty through value congruence (Bhattacharya, et al., 2011; Valentine & Fleischman, 2007; Porter & Kramer, 2006), it is assumed in this study that, in Confucius societies with collectivistic characteristics such as in China, employees' perception of CSR practices would affect organisational behaviour of employees differently. For instance, in the case of a company with organisational culture of inherent incongruent characteristics to the specific type of CSR

implemented, we can deduct that the CSR initiatives implemented will generate significantly lesser positive effect, or even negative impact, in employee loyalty, as CSR in this context might not be seen as a core factor in benefitting the organisation on the whole from the employee perspective.

Further to the above-mentioned, the inconsistent findings between Wei's (Wei, et al., 2014) study of Taiwanese and Canadian firms and Lo et al.'s (Lo, et al., 2008) study of Chinese and American firms in describing the relationships between CSR and employee loyalty suggest that organisational culture and other institution factors may affect the interactions in their studies. Although the conventional view of positive relationships between CSR and employee loyalty are largely accepted, inconsistencies arisen when specific types of CSR and organisational contexts are looked at more closely. As such, further investigation with the considerations of these factors, specifically organisational culture, is warranted and will be discussed further in the following section of literature review.

1.2 Problem Statements and Research Questions

This study aims to identify the interactions among employee perception on CSR, employee loyalty and employee perception on Organisational Culture in the Chinese context. Building on analysis based on the literature review conducted, this study sets out to explore the research question that how different types of CSR practices elicit different levels of loyalty from employees under the effect of organisational culture in Chinese context. The research questions this study aim to investigate are as follows:

1. Do employee perceptions of their organisation's CSR activities affect their loyalty?
2. Do employee perceptions of their organisation's different categories of CSR activities have different strengths of effect on their loyalty?
3. Do employee perceptions of organisational culture affect employee perception of CSR?
4. Do the effects of employee perception of their company's CSR activities on employee loyalty change in different organisational culture?

Specifically, this study investigates:

- The effect of different types of CSR activities (perceived) on employee loyalty under the interaction effect of organisational culture in the Chinese context.

The objectives of this study are as follows:

- To empirically measure the effects of various types of CSR activities (perceived) on employee loyalty
- To identify combinations of elements of organisational CSR practices and organisational culture that elicit employee loyalty more effectively, in the Chinese context.

1.3 Theoretical Framework

This research study is focused on the construct of employee perception of Corporate Social Responsibility, and the nature and extent to which it, along with the second construct Organisational Culture, may impact an employee's loyalty towards his or her organisation. This subchapter sets out

the theoretical framework on which this research study is based. The preliminary research model is presented below (Figure 1). Basing on literature review on CSR, Organisational Culture, employee loyalty, Stakeholder Theory and Social Identity Theory, the theoretical framework formulated around the relationships between employee perception of CSR and employee loyalty, and the moderating factor of Organisational Culture are further explored and refined through a mixed method of research in the study.

As Glavas (2012) suggested, perception is recognised as a fundamental unit of observation when understanding behaviour (Glavas, 2012). As such, employee's perception will be the principal area of investigation in this study. Employee perception of CSR practice is categorised into (a) Environmental-related, (b) Product and Service-related, (c) Corporate Governance-related, (d) Employee-related (adopted from Yang and Basile, 2019; Turker, 2009); 4 dimensions of Organisational Culture Profile are deducted from O'Reilly et al's Organisational Culture Profile framework as (i) Outcome-oriented, (ii) Customer-oriented, (iii) Employee-oriented, (iv) Innovation-oriented (O'Reilly, et al., 1991). These were analysed critically and validated as instruments to investigate the correlations between employee perception of CSR and employee loyalty and the mediating effect of Organisational Culture.

To address the research questions posed in the previous chapter, the following hypothesis were generated and subsequently validated and examined in this study through the mixed-method research method:

H1. Employee perception of CSR (Environmental, Product and Service-related, Corporate Governance-related, Employee-related) positively correlate with Employee Loyalty.

H2. Strength of relationship between Employee Loyalty and Employee-related and Product and Service-related CSR are stronger than Environmental-related and Corporate Governance-related CSR.

H3. Employee perception of CSR (Environmental-related, Product and Service-related, Corporate Governance-related, Employee-related) positively correlates with employee perception of Organisational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented).

H4. Organisational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented) moderates the relationship of CSR (Environmental, Product and Service-related, Corporate Governance-related, Employee-related) and Employee Loyalty.

H5. The interaction effect of Employee-related CSR and Employee-oriented Organisational Culture is stronger than that with Outcome-related, Customer-related, and Innovation-oriented, Organisational Culture, to Employee Loyalty.

H6. The interaction effect of Product-related CSR and Customer-oriented Organisational Culture is stronger than the interaction effect

of that with Employee-oriented Organisational Culture, to Employee Loyalty.

H7. The interaction effect of Corporate Governance-related CSR and Outcome-oriented Organisational Culture is stronger than the interaction effect of that with Employee-related, Customer-related, and Innovation-oriented, Organisational Culture, to Employee Loyalty.

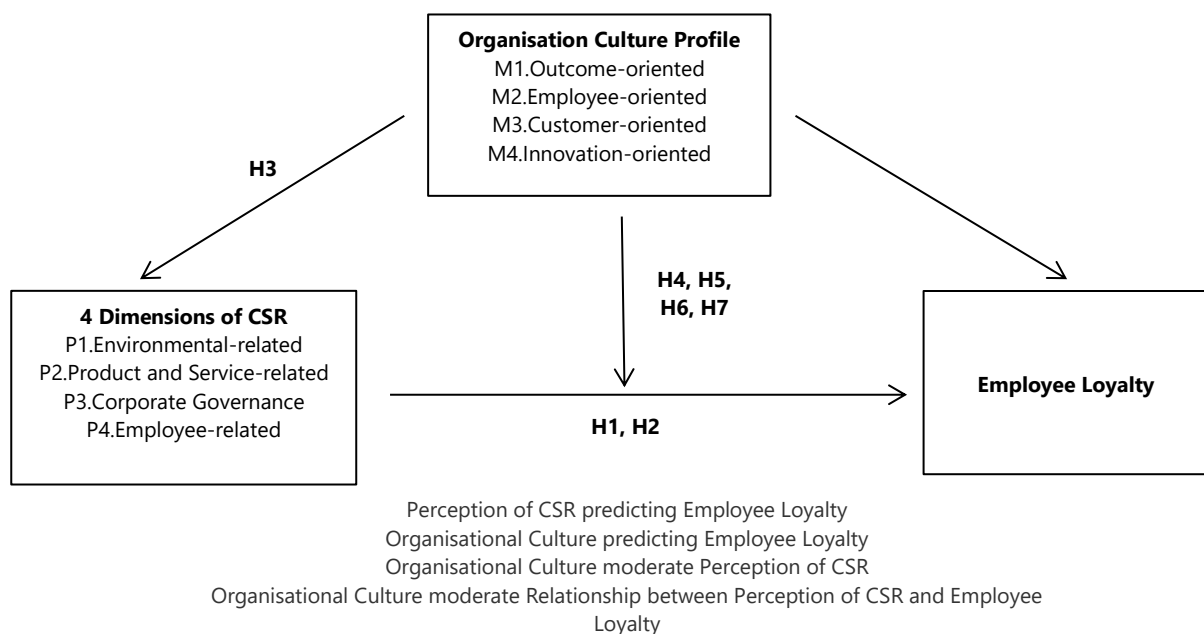


Figure 1 Research Model

1.4 Structure of the Thesis

The study consists of six chapters. The first chapter provides introduction and overview and the significance of the study and discusses the objectives of the studies, set out the theoretic framework and the research questions addressed by the study.

Chapter two consists of literature review in relations to concepts of employee loyalty, Corporate Social Responsibility, Organisational Culture, and in addition, stakeholder theory, social identity theory, and cultural dimension theory.

Chapter three details the research design and methodology.

Chapter four consists of the Quantitative Study, its design and methodology, instrument design, sampling and data collection procedures, pilot study, main study's analysis, result reporting and summary.

Chapter five presents the Qualitative Study, its design and methodology, data collection, coding, thematic analysis, result reporting and summary.

Chapter six presents the overall results interpretations and discussions, the conclusions, limitations, implications of the studies and recommendations for future research.

Chapter 2. Theoretical Background & Literature Review

This chapter seeks to review and evaluate existing literature relating to the constructs of Corporate Social Responsibility, Organisational Culture, and employee loyalty. The relationships and interrelationships between the three constructs already explored in existing literature will be examined in detail in this chapter along with the conventional understandings of the three concepts. Previous literatures on the three concepts within the Eastern context will also be explored. Through the review, the basis for further examination to the extent of, and the strengths and directions between, these relationships, as well as the identifications of gaps between existing understandings will be established.

In the following literature review, the arguments and dimensions of employee loyalty, Corporate Social Responsibility, and Organisational Culture, are defined as constructs with the concepts explored through the evaluations and analysis of Social Identity Theory (Tajfel, 1979), Stakeholders Theory (Freeman, 1984), and Organization Culture Profile Framework by O'Reilly et al (O'Reilly, et al., 1991), respectively. The experiences and perceptions of Corporate Social Responsibility and Organisational Culture by internal stakeholder, namely the employee, as well as their loyalty to their organisations, are examined in depth and operationalised as the units of analysis in this research study.

The following table summarises the key aspects of theories which help defining the three main constructs this study set out to measure:

Loyalty	Social Identity Theory (Tajfel, 1979) Individuals tend to show preference in activities that are congruent with their values and identity; employees should be more loyal to an organisation if the CSR initiatives are more in agreement with their social values. Due to Confucian beliefs and collectivistic culture, this effect is predicted to be stronger in China context. As such, different types of CSR should elicit different levels of loyalty from employees
CSR	Stakeholder Theory (Freeman, 1983) - Built on the idea that a business should create values for stakeholders instead of shareholders to optimise strategic management. - Stakeholders influence organisational decision making; stakeholders can affect CSR practices a company pursues and engages in. (Aguinis & Glavas, 2012). - Organisations hence find value in making sufficient provisions to cater to the needs of various stakeholders connected with them.
Organization Culture	Organization Culture Profile (O'Reilly et al, 1991) - CSR directly / indirectly shapes Organisational Culture; Organisational Culture influences employee attitude and behaviour 7 dimensions of O'Reilly's Organisation Culture Profile are adapted to 4 key instruments for measurement

Table 1 Review of Theories in Relations to Constructs

2.1 Definition of Employee Loyalty

Employee loyalty is one of the leading factors towards the success of a business, as retaining loyal employees strengthens work effectiveness and reduces resources in attaining and training new employees. Loyal employees are less likely to resign or speak negatively about their company. They are

highly engaged, work hard and highly enthusiastic about their roles, and thus contribute to the increase of business performance as well as the attainment of the goals of their companies.

Retaining employees is considered to be crucial in enhancing business performance by improving profitability and quality of products or services. By reducing turnover, managements are more likely to be able to foster better relationships and thus increase trust and belief within the team, and enhancing the reputation of the company in turn (Guillon & Cezanne, 2014). This can also improve the betterment of inter professional collaboration within the workplace, as it has increasingly become a necessity for modern organisations to engage in business activities that are multidisciplinary activities with Interprofessional Collaboration (IPC) to ensure the highest levels of performance (Bauer, et al., 2007; Pirkkalainen, et al., 2018). When a group of employees speaks from their values, it makes connections more personable, builds trust between colleagues and strengthens their bond. This in turns fosters a better workplace which decreases the intention to leave, even if the employee has been given a better financial offer from another company. The positive influence will eventually increase work productivity as well as retention as a whole and motivate other employees that are attached to work for obligation or their own benefits.

In the practical point of view, often, the favourable circumstances that is required for employee loyalty exceed financial compensations, and extend to companies being able to provide quality environment for work, opportunities for personal and professional developments, positive company culture and good inter-relationships between members of the organisations. Further, the

loyal attitudes of the employees towards their employers are mainly determined by their perspective on their future in the organization, the organisational justice and the bonds between the employees (Mazur-Wierzbicka, 2021).

2.1.1 Formation of Loyalty

There are different definitions of loyalty. Van Vugt and Hart (2004) defined loyalty as ‘multi-element construct that involves emotions, cognition and behaviour’ containing three components – emotional, cognitive and behavioural (Van Vugt & Hart, 2004). Others define loyalty as single components for example the emotional approach (Bloemer & Odekerken-Schroder, 2006); the attitudinal approach (Rachel et., 2010; Guillon and Cezanne, 2014) or the behavioural approach (Naus, et al., 2007). A more basic understanding of Employee loyalty is that, it is the extent to which employees are committed and involved with their organisation. It is the employees emotional or psychological attachments with the organisation (Noor & Jamil, 2014).

Broadly speaking employee loyalty can be generalised into two dimensions: internal and external. Generation of loyalty can only begin with the internal dimension, constituting of feelings of care and affiliation, which is then externally presented through forms of action.

To explain the action relating to loyalty, a seminal model developed by Hirschman (Hirschman, 1970) indicates the behaviours of employee’s responsibility and commitment, in correlation to employee’s inclination in

seeking alternative employment. It can be hypothesised that an employee who is highly loyal to the corporation is least likely to leave the corporation, and less inclined to take greater offers from other corporations. As such, it is the focus of this study to specifically investigate employee loyalty as a construct, in relation to the business outcome of staff retention.

In relations to the formation of loyalty, Choi et al. suggested that employee loyalty is the psychological bond an individual possesses with an organisation (Choi, et al., 2015). Balfour & Wechsler (1991) further elaborated that this psychological process is based on

“a strong belief in and acceptance of the organisational goals and values”, “the willingness to exert considerable effort on behalf of the organisation” and a “definite desire to maintain organisational membership” (Balfour & Wechsler, 1991, p. 356).

It is the degree of identification with the organisation, the psychological state and internal driving-force that exists between individuals and their organisations, that lead employees to willingly do good for their companies. This personal attachment to the organisation is what may influence the employee’s decision to stay or leave.

In line with this psychometric perspective, Meyer & Herscovitch (Meyer & Herscovitch, 2001) identified a particular form of organisation commitment, an attitudinal form of commitment, which specifically refers to the desire of the individual to remain in an organisation. It was further elaborated by Kanter (Kanter, 1968) that the feeling of cohesion or involvement with an organisation is likely contributing to this form of commitment to the organisation. Meyer and Allen (Meyer & Allen, 1984; Allen & Meyer, 1990)

subsequently theorised this attitudinal type of commitment as ‘affective’ commitment, which was measured by values congruence with the organisation, feelings of care and pride towards the organisation as well as the willingness to put forth extra effort into the organisation (Allen & Meyer, 1990).

As Meyer and Allen elaborated, there are three components of organisational commitment. 1. Affective commitment - which is emotional, it is associated with the employee’s desire to belong to the company and their desire to stay in the company. 2. Normative commitment - which is the feeling of the employees that they should stay in the company due to their duty. And 3. Continuance commitment which is the cost of leaving the company (Allen & Meyer, 1990). In more simple terms, employees with strong affective commitment want to be a part of the company and are more likely to strive to perform; as opposed to employees with strong normative commitment who only feel obliged to belong to their organisation and therefore more likely to fulfil their tasks by obligations only; and to employees with strong continuance commitment who belong to their organisation only because they need to.

To summarise, when an employee is displaying loyal characteristics to his company, the employee believes in the goal of the company and accept them as their own (Mathieu & Zajaz, 1990), put worth their best effort and invest their time and resources to his company (Reicheld, 2003), and display desire to stay in the organisation (Porter, et al., 1974). In this perspective, basing on the above evaluations of affective commitment it can be considered that affective commitment is the most important constituent of employee loyalty.

When an employee displays loyal characteristics to his company, he is likely to (i) foster a great sense of belonging to his company; (ii) feel a sense of pride working for his company; (iii) find his work meaningful; (iv) desire to stay in his company for long term; and (v) takes the goals and problems of his company as his own.

Owing to the aforementioned, affective commitment, as the key constituent of employee loyalty, has been seen as the most powerful component of organisation commitment that impacts organisation identification and turnover intentions and has consequently been utilised in numerous studies of employee loyalty. Further, Allen and Meyers (1990) measurements of affective commitment have been widely used and considered valid in various contexts. As such and with the above evaluations and interpretations, in this study we concern employee loyalty as affective commitment and whereby later in the study, employee loyalty will be operationalised into scale items adapted from Allen & Meyer, 1990 (Allen & Meyer, 1990).

2.1.2 Model of Loyalty: Affective commitment

According to the research performed by Bouraoui et al., 2020, it was found that positive perceptions of CSR will have positive effect on the employees' loyalty through increased affective commitment (Bouraoui, et al., 2020). To understand employee loyalty, we must understand a person's motivation. Using Meyer & Allen's (Meyer & Allen, 1987) model of commitment, it conceptualises employee's attitudinal commitment. Although the term 'commitment' is also used broadly to refer to its antecedents, as well as the

process of being attached and the state of attachment itself, it appears that psychological attachment (attitudinal commitment) is the concept that most commonly understood as attitudinal commitment (O'Reilly & Chatman, 1986). This indicates that understanding the psychology is important to provide an even more comprehensive view on employee loyalty, as it points to one's motivation behind their behaviours. It is therefore important to understand the effect of employees' perceptions of CSR and its psychological mechanism on the employees' affective commitment.

Under the context of Corporate Social Responsibility, it is important that the values represented by the CSR activities are aligned with employees' core values, beliefs, ethics and purpose are to those of the organisation they work for. The study by Bouraoui et al., confirms that employees are sensitive to CSR actions as they can feel and share the same value as the organisation and have the strong sense of belonging to the company hence increase their level of affective commitment (Bouraoui, et al., 2020).

In relations to CSR-generated affective commitment, as described by Buchanan in 1979,

“Affective attachment to the goals and values, and to one's role in relation to the goals and values, and to the organisation for its own sake, apart from it's purely instrumental worth” (Buchanan, 1974, p. 533).

Before an employee identifies with an organisation, they tend to evaluate and align their values to the firm's CSR activities.

One way which CSR can foster the creation of affective commitment, and by extension, employee loyalty, on employees through internally implemented

activities which appeals to both the employee's and the company's core value. To put it in example, a worker who supports animal rights issues might not work for a company that is not cruelty free, or is unwilling to contribute to activities or products that have indirect harm towards animals. In this perspective affective commitment is the initial internal dimension of loyalty and is thought to lead other forms of commitment i.e. continuance and normative. It can then be deduced that employees with strong affective commitment are most loyal because one's motivation to work and stay in the company is aligned with their personal values and emotions is the greatest driving force to an action.

In addition, positive public opinion and greater corporate reputation resulting from socially responsible business, allow organisation to set apart from other competitors in the market and make itself more attractive to customers and investors (Carroll, 2015); and in turn, this external opinion positively affects employee's sense of belongings towards the company thereby fostering and reinforcing their loyalty to the company. According to Saks (Saks, 2006), when employees have high justice views in their companies, they are more likely to feel obligated to be fair in their performance by bringing more of themselves into work responsibilities.

2.1.3 Tajfel's Social Identity Theory (SIT)

Researches built on SIT proposed that the correlation between employee perception of CSR and employee attitudes is positive (Brammer, et al., 2007; Turker, 2009), with evidence regarding employees' positive perception as a critical indicator for employee loyalty. As such, employees are more likely to

affectively commit to organisations that are regarded as 'socially responsible' (Im, et al., 2016).

To further understand the relationship between CSR and employee loyalty, Social Identity Theory (SIT) has been used in this study. Proposed by social psychologist Henri Tajfel in 1979, Social Identity Theory has been widely used to explain the relationship between CSR, organisational identification, and organisational commitment. Mory, Wirtz, and Gottel (2016) supported the theory's validity, reinforcing that SIT helps explain employees' identification with the organisation through their perception of the organisation's internal and social behaviours (Mory, et al., 2016).

It is important to first comprehend and clarify the differences between Organisational Identification and Organisational Commitment, two essential concepts in the exploration of employee-organisation relationship. According to Patchen's Identification Theory (1970), organisational identification includes: (1) feelings of solidarity with the organisation; (2) attitudinal and behavioural support for the organisation; and (3) perception of shared characteristics with other members. Thus, identification can be constituted when a person establishes emotional association and consequentially, developing a sense of belonging to a group or an organisation.

Described 'as an attitude' that affectively responds to an organisation as a whole (Mowday, et al., 1979), organisational commitment falls on a psychological perspective, addressing the extent of one's engagement, psychological attachment and dedication one feels about the job and the organisation, thereby constituting employee loyalty in the process.

Built upon the concept of social identity - a person's sense of who they are and where they belong as a member of a group, SIT was described by Trepte as a “social-psychological theory that attempts to explain cognition and behaviour with the help of group-processes” (Trepte, 2006, p. 256). According to Tajfel and Turner (1979), there are three mental processes in SIT: 'Social Categorisation', 'Social Identification', and 'Social Comparison'.

To illustrate, people categorise themselves and others into different social groups, then adopt the identity of the social group(s) that they categorised themselves or feel belonged to, followed by a comparison among their 'membership(s)' and others' memberships to establish their self-esteem and identities. The same applies to employees who see themselves as 'members' of their companies. Thus, the categorisation based on value congruency among members within a group is defined as social identity (Davis, 2018).

A qualitative study conducted by Rodrigo and Arenas (Rodrigo & Arenas, 2007) investigated how CSR initiatives affected employees' attitudes and loyalty. The researchers discovered a 2-stage progression during which the participants demonstrated a shift in attitudes from 'seeing the company as a place to work' to 'sharing social views and values with the company', leading to an increased loyalty through the establishment of their social identities (Rodrigo & Arenas, 2007), implying the importance of increased value congruence in the process. Sen, Bhattacharya, and Korschun (Bhattacharya, et al., 2006) also stated that when an organisation's employees become more

aware of the organisation's CSR activities, they find the organisation more relatable for the shared values, and exhibit a stronger association with their company regarding social welfares and responsibilities, and enhancing their loyalty as a result.

Regarding employee perception of CSR initiatives, Lee, Park, and Lee (Lee, et al., 2013) defines it as the extent to which employees perceive their organisations supports activities that contribute to the communities or relate to a social cause. Perceiving their company as 'socially responsible' may encourage their participation in CSR initiatives and increase their organisational identification – the 'membership' in SIT, which positively influence their organisational commitment (Herrbach & Mignonac, 2004). Chaudhary (Chaudhary, 2017) supported this argument with proven industrial results: Organisations that implement CSR initiatives that are stakeholder-oriented and with value-driven motives, as opposed to egoistic-driven motives that solely concerns the business outcomes and interests from the organisation's perspectives, have successfully encouraged a higher level of loyalty and advocacy among employees, as such employees went through the 'identification' process to enhance commitment as a result.

In addition, the way employees perceive a firm's CSR image, efforts, and activities is by far at the core of the discussion regarding CSR and its relationship with employee loyalty. From the employees' perspective, companies with a socially conscious image may seem more attractive to a certain extent, as they feel proud to identify or associate with a socially well-rewarded organisation (Peterson, 2004). The perceived external prestige - the

perception in which employees see the company's widespread reputation and positive image among outsiders - is positively associated with their sense of belongings towards the company (Kim, et al., 2010). This result of employee retention and acquisition derived from the process in which employees identified the mutual, positive values they share with the organisation is an example of 'Social Identification' in SIT. Within the framework, if an organisation is perceived as socially responsible and desirable, employees are likely to believe that the company has an admirable trait that reflects their self-concept, boosting their self-esteem and sense of belonging, thus are more loyal to the organisation (Mory, et al., 2016).

As mentioned, employee loyalty can be influenced by employee perceptions, as well as other corporate contextual factors (Davis, 2018). Besides, employee perceptions of an organisation's CSR initiatives can vary due to what matters to the employees, their individual differences, their self-interest, how they identify themselves, and develop their self-concepts (Glavas, 2016). In other words, various contextual factors affect the way and extent to which employees are loyal to their company. The contextual factors may fall into primarily two dimensions: personal and corporate. Personal contextual factors comprise self-concepts regarding CSR, and demographics including age, gender, and race, which influence the way they think and behave. Corporate contextual factors include organisational management, structure, and culture; all of which can, to a greater and lesser extent, affect the way they are engaged with and involved in CSR within their company.

This provides bases for the investigation of the interaction effects between the perception of CSR, and perception of corporate contextual factor, Organisational Culture, as well as the potential mediating effect of Organisational Culture and CSR, and employee loyalty in this study.

2.2 Corporate Social Responsibility and its Impact on Employee Loyalty

CSR has been increasingly seen as a strategic management instrument for human resources management in organisations. Organisations put forward large amount of resources in CSR practice on one hand, owing to external factors relating to regulatory obligations and the concerns for the environment, and on the other, owing to internal considerations stemming from the changing expectations and motivating factors of the employees.

The development of the term ‘Corporate Social Responsibility’ (CSR) has a long history, which can be dated back to as early as 1953, when Howard Bowen, the American economist, namely the father of CSR, initiated the concept in his publication *Social Responsibilities of the Businessman* (Thomas, 2019). Since then, the idea of CSR has been explored from multifaceted perspectives: “normative, institutional, stakeholder, integrative, political, transactional” (Prutina, 2016, p. 227), along with the impacts of CSR on organisational behaviours and business outcomes being discussed and remained emerging over time.

The European Commission derived a definition of CSR from many academic publications, describing it as “a concept whereby companies integrate social and environmental concerns in their business operations and in their

interaction with their stakeholders on a voluntary basis” (European Commission, 2001, para. 24). In 2011, the Commission further refined the definition as the responsibility of enterprises on their social impacts that creates and maximises shared values for their shareholders and stakeholders, and the society as a whole (European Commission, 2011). The evolution seems to imply that a firm's CSR initiatives have shifted from ‘volunteer to operate in a socially responsible way’ to ‘committed to a long-term attitude that is value-adding for both the firm itself and its shareholders and stakeholders’. Waddock also reinforced CSR as a business strategy comprised of an array of practices that a firm puts forth an effort to create relationships with its stakeholders and the environment (Waddock, 2004), suggesting an emerged trend of which business utilises CSR as a driving force for sustainable development and stakeholder relationship management.

2.2.1 External & Internal CSR

There are many dimensions and types of CSR practices, among which differentiating between internal and external CSR is a simple and straightforward way of classification. On the one hand, external CSR generally refers to a firm's socially responsible actions in its external operations that involve external stakeholders like customers, partners, and the community (Skudiene & Auruskeviciene, 2012). To illustrate, customer-related CSR comprises providing ethical products and environmental-friendly services; business partners-related CSR includes building a sustainable supply chain and implementing a code of conduct, and, community-related CSR involves taking philanthropic actions and participating in projects that help or contribute to the community.

On the other, internal CSR focuses on a firm's internal operations, As the European Commission (2001) recognised employees as the major group of internal stakeholders whose CSR involvement is of great importance (European Commission, 2001). Firm-initiated activities that take care of the employees and satisfy their needs, and 'programs related to health and safety, training, workplace diversity, incentives and rewards, and addressing work-life balance' are concrete examples of fulfilling internal CSR (European Commission, 2001).

Nevertheless, internal CSR could also affect external stakeholders as well as internal stakeholders, in that for instance, internal policies influence company culture and corporate image which concern external stakeholders such as shareholders and customers. Likewise, external CSR that focuses on the customers might result in enhanced company reputation and in turn, affects employee's identification with their companies. As such, both internal and external CSR of various categories will be examined further in the following sub-chapters.

2.2.2 Carroll's Pyramid of Corporate Social Responsibility

Carroll's Pyramid of Corporate Social Responsibility (Carroll, 1991) helps entrepreneurs, marketers, and scholars obtain a holistic understanding of CSR, suggesting that CSR initiatives fall into either one of the four dimensions – Economic, Legal, Ethical, Philanthropic, underlying as business philosophy to ensure an economic, social, and environmentally sustainable operation (Corporate Finance Institute, 2021).



Figure 2 Carroll's Pyramid of CSR (1991)

Source: The CSR Journal (Thacker, 2019)

Economic Responsibility

'Economic Responsibility' is considered a business's first responsibility (Thacker, 2019) for the reason that 'being profitable' is the only way for an organisation's long-term survival. This dimension is about striking the balance between business and CSR practices - using sustainable practices to enhance organisational performance while contributing and benefiting the community at the same time. Put it differently, when it comes to decision-making, organisations must consider the influences they may bring to society and the business.

Legal Responsibility

'Legal Responsibility' demonstrates how an organisation conducts its business under legal obligation. Employment laws, tax regulations, employees' health, and wellbeing are some examples of legal responsibilities. Having legal responsibility well managed is basic, hence some organisations take it on an advanced level by assuring that there is no inequity and discrimination among stakeholders, every product has met fair trade

standards, and that every employee is fairly treated with deserved rights, pay, and compensation.

Ethical Responsibility

‘Ethical Responsibility’ addresses the concepts of ‘doing the right thing’, ‘being fair’, and ‘avoiding harms’ (Thacker, 2019). Through responsible practices, consumers and stakeholders get to see how moral and mindful an organisation is, thereby feel comfortable to establish relationships and consume goods or services from the company. Being aware of the continually worsening environmental issues and taking corresponding actions (i.e. reducing greenhouse gas emissions, encouraging the sustainable use of natural resources, etc.) are common practices of fulfilling ethical responsibilities.

Philanthropic Responsibility

‘Philanthropic Responsibility’, as the top level of the pyramid, pays heed to ‘contribution’, primarily helping the needy and underprivileged people. By initiating and participating in philanthropic activities, organisations demonstrate their commitment to serving humanity. Common practices include donating to causes, supporting health and wellbeing initiatives, and supporting community projects.

2.2.3 CSR & Its Relationship with Organisational Performance

Due to the increasing awareness towards an organisation's social and environmental impacts, previous studies have been criticised for their backward thinking and narrow scope - measuring organisational performance solely from the financial aspects. Recent literature has started examining the

effects of CSR on firm performances with a shift in focus, from emphasising the accounting and financial outcomes to taking non-financial and social outcomes into accounts, such as the promotion of a business's long-term and sustainable growth (Martinez-Conesa, et al., 2017), and the creation of value and competitive advantage (Husted & Allen, 2007; Herrera, 2015).

CSR is now recognised as an inevitable part of business strategy for its widespread benefits to businesses that implement CSR practices. There is little room for doubt that CSR practices have positive impacts a firm's financial performance, including return on assets and equity return, market share, gross profit margin, profitability, firm value, and stock returns. Arguably, CSR initiatives and practices help organisations create competitive edges. For example, being socially responsible avoids unnecessary legal and compliance costs (Werther & William, 2011), and organisations may enjoy a higher profit margin as they can charge a higher price for their socially responsible products and services (McWilliams, et al., 2006).

Along with financial performance, an organisation's CSR implementation is closely associated with its non-financial performance, social and environmental impacts due to the nature of CSR. It is believed that CSR practices bring positive influences in terms of improved brand reputation, enhanced customer satisfaction, increased employee motivation, employee commitment, etc, which are factors considered most likely lead to the principal business outcomes of retention this study is focused on.

Regardless of the rationales behind a firm's CSR implementation - i.e., on a voluntary basis to be socially responsible or feeling the urge to do so for

positive business outcomes, many organisations have made investments in CSR to 'do good' in the communities on top of their business operations as a source of sustainable competitive advantages to help maintain success in the market (Mory, et al., 2016). Correspondingly, sustainability, responsible corporate actions, corporate social performance, corporate citizenship are common area of discussions in relations to CSR initiatives (Davis, 2018) evidencing how CSR positively influences a business's performances, reputation, and brand image of 'being good' portrayed by 'doing good'.

Sharma and Vredenburg (Shama & Vredenburg, 1998) reinforced CSR's importance in relationship management, as in to maintain existing relationships and build new ties, bridging between the firm and the surrounding communities through environmentally friendly and socially responsible initiatives. More organisations have integrated CSR into their business strategies 'to ensure efficiency, encourage innovation, and foster continuous organisational growth' (Stigson, 2002). While this CSR orientation is considered 'a strategic priority' to integrate social, environmental goals into business activities (Baumgartner, 2014). Fauzi, Svensson, and Rahman (Fauzi, et al., 2010) proposed that corporate sustainability can be measured using the Triple Bottom Line (TBL) model that outlines three dimensions of performance: social, environmental, and financial. To put this accounting tool in context, a firm's CSR performance can be evaluated based on the following: (1) people, (2) planet, and (3) profit.

Further to this, Swanson (Swanson, 1995) mentioned three motivational principles of CSR - (1) the utilitarian perspective: CSR practices as an instrument to help an organisation achieve business objectives, (2) the

negative duty approach: businesses take CSR initiatives to conform to stakeholders, and (3) the positive duty view: organisations are self-motivated to be socially responsible and consider CSR as part of the establishment and management of corporate identity. All of which demonstrates a strong association between CSR implementation and its effectiveness in enhancing social, environmental, and financial performances.

Nord and Fuller (Nord & Fuller, 2009) placed their study focus on internal CSR and internal stakeholders and pointed out the importance of adopting an employee-centred view, claiming that CSR-fostered organisational change should occur at both top management and lower organisational levels. Brown and Eisenhardt (Brown & Eisenhardt, 1997) shared similar views, claiming that the decentralisation in responsibilities, power, and decision-making is essential for enhancing organisational performance in CSR implementation.

2.2.4 Freeman's Stakeholder Theory

To further understand the relationship between CSR and Internal stakeholder, namely, Employee, it is essential to look into Freeman's Stakeholder Theory. Upon publication of the book 'Strategic Management: A Stakeholder Approach in 1984', Edward Freeman's Stakeholder Theory has been extensively articulated in academic studies and publications to explore the cause-and-effect relationship between strategic business management and stakeholders, which help conceptualise a more in-depth understanding of how CSR and internal stakeholders correlate. The theory was built on the idea that a business should create values for stakeholders instead of shareholders to

optimise strategic management, and account for people it affects: its stakeholders.

As proposed by Freeman (Freeman, 1984), the stakeholders of a company consist of individuals or groups, who are affected by, or can influence, the company's business operations. This categorisation of stakeholders thus, comprises of employees, consumers, suppliers, governmental organisations, non-governmental organisations (NGOs), financial institutions (Freeman, 1984). Among which there are two types of stakeholders – primary and secondary. The former plays a vital role in the success and failure of a business, affect, or being affected by organisational activities. The latter brings influences but is not essential to a business's survival (Freeman, 1984). Hence, it was argued that stakeholders have a direct and strong association with a business's survival.

Mitchell, Agle, and Wood (Mitchell, et al., 1997) joined in the discussion proposing three factors that leaderships within organisations should use to determine the impact and level of importance of the stakeholder(s): (1) power – the influence that the stakeholder(s) has; (2) legitimacy – the validity of stakeholder's claim; and (3) urgency – the degree to which immediate action is required to respond to stakeholder's claim. In other words, employees do affect organisational decision-making and business performances to a greater or lesser extent, and vice versa. Built upon the idea that stakeholders' input influences organisational decision-making, stakeholders can affect CSR practices a company pursues and initiatives to engage in (Aguinis & Glavas, 2012).

It is beyond dispute that CSR and internal stakeholders share a two-way relationship. Employees can get involved in a firm's CSR initiatives and CSR activities actively in engaging company's CSR policies, as well as passively with their organisational behaviours, such as employee loyalty, influenced by their company's approach and stance in CSR implementation.

2.2.5 CSR & Employee Loyalty

Aligned with the primary motivation and focus of this study, there have been growing concerns about the correlation between CSR and internal stakeholders. Some scholars derived CSR as a participative process (McLagan, 1999), among which Bolton et al. (Bolton, et al., 2011) suggested the dominant role of top management in dictating the desired CSR performance and corporate values. A controversy arose when other researchers counter-argued that employee, as a major group of a firm's internal stakeholders, can be influential in strategic CSR planning and implementation.

Various studies addressed CSR's influences on internal stakeholders, which include but are not limited to employee perception, expectation, motivation, performance, behaviour, commitment, and loyalty. As defined, the formation of loyalty is an ongoing "process by which the goals of the organisation and those of the individual become increasingly integrated or congruent" (Hall, et al., 1970, p. 177). Jones's definition of CSR was in line with this, claiming that 'CSR should be seen as a process versus a set of outcomes' (Jones, 1980). In this regard, a firm should consider the social impact of every decision. Undergoing this CSR-oriented decision-making process requires stakeholder

input, which affects CSR behaviours accordingly. Linking back to Freeman's Stakeholder Theory (1984), the survival of an organisation is claimed to be dependent, to a greater or lesser extent, on its stakeholders. Thus, the involvement of employees in a firm's CSR practices can be seen as crucial factor for a firm to successfully implement CSR as a strategic instrument in the human management perspective.

Examples of employees' direct involvement in CSR activities comprise planning and executing social activities, delivering the organisation's CSR messages, and becoming brand ambassadors. From the study regarding CSR's contribution to employee motivation, Skudiene and Auruskeviciene (Skudiene & Auruskeviciene, 2012) highlighted the positive influences of internal and external CSR activities on employee motivation. Further, 'internal CSR' was expected to have more substantial impacts on employee motivation. Employees may find their jobs more meaningful if they find themselves sharing values with their companies (Tschopp & Daniel, 2003), revealing CSR as a catalyst for enhanced employee loyalty and as a direct result, increased employee retention and productivity if being socially responsible is a shared value between the two parties.

To better explore the relationship between different types of CSR and their impacts on the internal stakeholders, namely the employee, Corporate Social Responsibility will be operationalised into constructs from Carroll's original conceptual framework as discussed in previous passages. Four dimensions of CSR that are most relatable to employees' perception and involvement, corresponding to Yang and Basile's (Yang & Basile, 2019) and Turker's (Turker, 2009) measurements, based on stakeholder theory and the relevance

to the industries that this study is focused on, for CSR dimensions. The measurements are well established and widely tested. Four dimensions are identified for this study and are as follows:

1. Environmental-related CSR: relating to the employee through (i) energy saving; (ii) waste reduction policies or (iii) non-polluting production a company that may employ internally. Internal initiatives such as these require employees' involvement and participation and as explained earlier, when the values represented by environmental-related CSR are shared by the employees, they are more likely to find their jobs meaningful and therefore become more loyal to their companies. External environmental-related CSR such as external environmental initiatives, charity and community services, which employee may or may not participate in, could also potentially alter employees' perception of their companies and their companies CSR efforts, owing to the 'brand image' and 'doing good' factors as discussed in previous evaluations.
2. Product and Service-related CSR: pertaining to CSR initiatives that (i) improve or maintain product and service quality and specifications that meet industry compliance requirements; or (ii) improve communication of product specifications and standards to various stakeholders; as well as (iii) maintain truthful disclosures of products and services truthfully without misleading ways. Initiatives such as these might enhance customer satisfaction directly, and employee motivation in-directly as a result. Employees' perception might also be impacted through the 'reputation' factor generated externally through the recognition of products or services that their companies produce / provide.

3. Corporate Governance-related CSR: relating to the legal and regulatory compliance of the company, including (i) maintaining ethical standards through ethic audits; (ii) complying with laws and regulations; and (iii) conduct business activities abating by business ethics. As meeting legal and regulatory duties could be seen as the company's intrinsic interests that relate to the survival of the business, employees are more likely to perceive such initiatives having the least relevance to them, although they might be connected with it through the 'reputation' factor similarly generated through Product and Service-related CSR.
4. Employee-related CSR: relating to the welfare of employees, such as policies that (i) promote fair pay and employee benefits such as work life balance; (ii) as well as the empowerment of employees through training or subsidies to training activities and providing of career development opportunities; (iii) provide a safe and sound working environment for employees. As these initiatives impact employees most directly, it can be considered that it is the type of CSR that has the most impact to employees' perception of CSR and their companies.

Basing on the above summary of previous literature on exploring employee loyalty within the contexts of Corporate Social Responsibility, in which it was suggested that when employees perceive their company as 'socially responsible' it may encourage their participation in CSR initiatives and thus, facilitating value congruence, finding their jobs more purposeful, generating a sense of pride, and consequently with their loyalty enhanced in the process, as supported by SIT (Herrbach & Mignonac, 2004), it can be proposed that

H1 Employee perception of CSR (Environmental-related, Product and Service-related, Corporate Governance-related, Employee-related) positively correlate with Employee Loyalty.

2.2.6 The Strength of Relationship Between CSR and Employee Loyalty

In the previous section the perception of CSR was discussed in relation to employee loyalty. In this section of literature review, employees' participation, and the motivation factors and attitudes towards their participation in CSR activities, as determinants of the levels of CSR-generated employee loyalty will be explored in depth.

As most of the businesses within the scope of our research study involve manufacturing, distribution, promotion and sales of product and services to local, national, and international customers, visibilities, and involvements of stakeholders in Corporate Social Responsibility initiatives and activities conducted by a business within a certain value chain have the potential to vary greatly. Consequently, it is legitimate to make the assumption that even within a certain group of stakeholders, for example, employee, they might have different expectations as well as experiences concerning CSR initiatives and policies implemented by the companies, as a result of different levels of CSR being deployed across different functions in the value chain the companies participate their business activities in.

In the employee perspective, Corporate Social Responsibility largely falls into two categories, involuntary aspect of regulatory requirements and rules

enforced by their companies to meet legal obligations and industry standards; and second, organizational programs of internal and external activities that involves employee participation, such as corporate volunteering (CV) actions, as defined by Koch et al (Koch, et al., 2019).

In the first categories of rule-based Corporate Social Responsibility enforced by the companies to meet legal requirements and industry standards, employees often view them as inflexible regulations imposed by the companies that may potentially cause hinderance to their work. In the second instance of CSR initiatives where employee participations are required of, more considerations, such as motivational factors, attitude, benefits, private involvement, or personal values are influential in the perception of these activities by the employees.

To understand the motivating factors and attitudes of employee towards their level of participation of CSR activities in their companies, Koch et al proposed 3 fundamental self-oriented benefits: functional benefits, emotional benefits and meaning and morality benefits (Koch, et al., 2019).

Functional Benefits

As defined by Koch et al, *functional benefit* relates to the ‘acquisition and development of different skills, or as opportunities for career profiling or a better work-life integration’. In this perspective employees gain new knowledge or skills through training or involvement in other CSR activities that employee cultivate non-job-based skills directly/indirectly, or achieve better work life balance

through innovative organisational initiatives in repurposing of work arrangements and well-being advocacy within the organisation. In addition to benefits relating to skills which are tangible, there are also intangible benefits including the reduction of barriers or obstacles to sustainable behaviour in the workplace.

Emotional Benefits

Emotional benefit can be defined by pleasure and pride felt by employees elicited from the participation of CSR activities. It has been suggested that CSR potentially have positive impact in raising brand and organisation reputation, consequently increasing identifications from external as well as internal stakeholders, namely the employees. Tangible Position effects of this benefit consequently include strengthened team spirit, increase contribution and participation to company's CSR initiatives. In this aspect, Koch et al. also argues that employees are more likely to identify themselves both as the members of the organisation and as private individuals.

Meaning and Morality Benefits

Meaning and morality benefits are categorized as intangible abstract meanings and moral values at an individual meta-level (Koch et al, 2019). As Koch et al pointed out in their studies, that 'meaning and morality benefits were often mentioned in responses to questions dealing with a meaningful life in general and valuing congruence in the company in particular' (Koch, et al., 2019). In this instance, a greater sense of meaning is generated through their participation of CSR activities conducted by their companies, and in turn, influencing

employees to attach a greater sense of meaning to their work for the companies in general. As this mechanism of such propagation of meaning largely as a consequence of congruence of CSR and personal values and morals, in contrast to emotional benefits, the perceived benefits are more likely coming from a personal point of view, associate with personal and individual aspects, rather than from the point of view as a member in an organization.

In addition, Cachón-Rodríguez et al (2021) pointed out the potential variation in employee perception towards CSR activities and the extent of CSR-derived employee loyalty. Accordingly, this phenomenon can be rationalised by “the irrelevance of sustainability actions”, which occurs when employees realise that such CSR practices do not address relevant issues, do not deserve further actions or do not lead to desirable benefits (Cachón-Rodríguez, et al., 2021, p. 1730).

In this sense, there are two factors that affect the level of legitimacy between a CSR practice and an employee: (1) the congruence of values between CSR and employee in terms of his/her values, preferences, interests, etc, (*meaning and morality benefits*).; and (2) the relevance of the type of CSR - employee-related, product and service-related, environmental-related or corporate governance-related to the *functional* and *emotional benefits* of the employees.

To illustrate, employee-related CSR foster loyalty from employees due to the fact that it initiates to enhance employee's well-being and provide *functional benefits*. The same can also be expected from product and service-related CSR for the positive outcomes it brings to the organisation's image,

reputation, and correspondingly provide employees with *emotional benefits*. They are more likely to provide *functional benefits* and *emotional benefits* to the employee, thus constituting to the increase of employee loyalty to various extent. Environmental-related and corporate governance-related CSR are, comparatively, less likely to provide employees' with *functional benefits*; whilst it is probable that the aforementioned types of CSR would lead to *emotional benefits* as a result of the 'reputation' factor; and *meaning and morality benefits* pertaining to the congruence of employees' individual values relating to environmental or corporate governance-related issues. In this perspective, corporate governance-related CSR, and to a lesser extent, environmental-related CSR, and the levels of employee participation and loyalty generated, could be more reliant on *meaning and morality benefits* comparatively to other types of CSR to generate employee related outcomes such as employee loyalty. And as the related underlying mechanism of the generation of *meaning and morality benefits* in this instance is dependent on the consequence of congruence of the values represented by the CSR activities and personal values and morals, it is also reasonable to expect that it will result in a more varied employee perceptions and levels of employee loyalty and participation with the aforementioned respective CSR activities. For example, employees who are highly engaged with social affairs may find CSR activities that promote gender equality – corporate governance-related – favourable, while employees who constantly pay heed to environmental crises may find CSR activities that help tackle climate change – environmental-related – motivating.

The underlying mechanism of CSR-generated employee loyalty, involving the three types of benefits, is illustrated in the below figure (Figure 3):

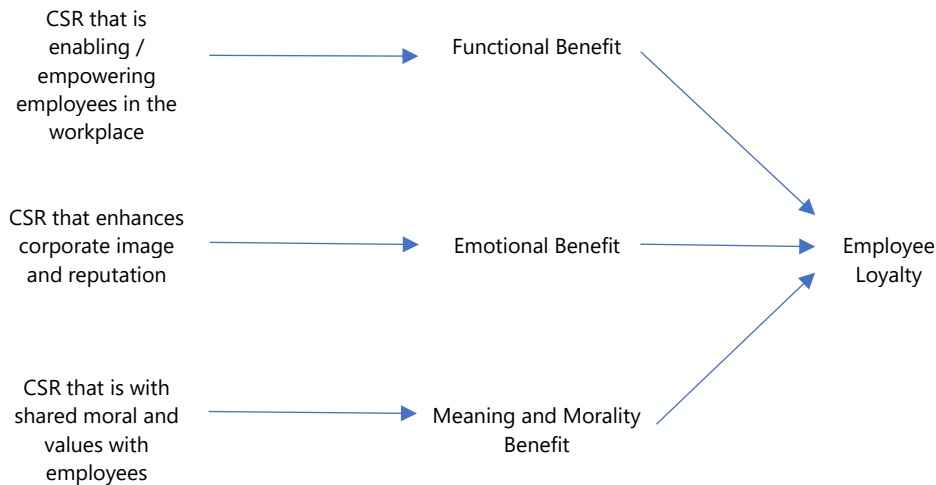


Figure 3 Underlying Mechanism of CSR's Impact to Employee Loyalty

CSR in Western and Eastern Contexts

In western context, it has been well established that the congruence between values of the corporate actions and the values of the individuals are key contribution to the increase employees' identification and loyalty (Koch, et al., 2019; Lee, et al., 2013; O'Reilly, et al., 1991; Finegan, 2000), hinting that *meaning and morality benefits* are more fundamental to CSR-generated loyalty than the other two forms of benefits, *functional benefit* and *emotional benefits*. Aquinis and Glavas (2012) reinforced this line of thinking and suggested in western context, a positive correlation can be found between employees who work for organisations with similar CSR values to theirs and 'increased organisational identification, retention, organisational citizenship behaviour, creative involvement, and improved employee relations' (Aguinis & Glavas, 2012).

Cross cultural examination of the relationships between CSR practices and their business outcomes in different national contexts have been garnering some attentions but research into the area has remained scarce. One Cross-Cultural investigation on the effects of Corporate Social Responsibility on Employees' affective commitment was performed by Mueller et al, 2012. It was found that where countries have higher humane orientation and institutional collectivism, the employees' CSR perceptions are particularly relevant but less in countries higher in power distance. The results suggested that employee's perception of CSR in culture higher in human orientation, collectivism and egalitarianism might differ to individualistic culture. This hints at the possibility that in different culture, employees' emphasis on *functional, emotional, meaning and morality benefits* to CSR-generated employee loyalty might differ. Since employee perception of CSR directly impact their participation and consequently the CSR-generated business outcomes, it is therefore essential to investigate the underlying mechanisms further.

Even though Corporate Social Responsibility has been an area of interest for both business management and academics ever since the inception of the concept, there are still some gaps in the studies that need to be filled. For example, the focus of research on CSR has been placed predominantly at the organisational or institution levels and limited to individual levels, especially in those newly developed countries like China. Most studies focused on the phenomenon within the western context and less so on the developing countries such as China. Thus, this study aims to focus on the perception of CSR in China, as China's unique political and economic system as well as traditional Chinese culture have been influential to the

perception, implementation, and participation of CSR in China. In this sub-chapter, cross-cultural studies on CSR and their findings will be studied in detail to explore the differences of perception of CSR and employee behaviour in western and eastern contexts and the potential impact to employee-related outcomes such as employee loyalty.

The four previous studies that are used to explore the western and eastern contexts in relations to employee perception of CSR and CSR-generated outcomes, as presented in the table below:

Wang et al. 2016	The research from Wang, Feng and Chen (2016) measured the variations of CSR performance between manufacturing firms, merchandising firms and service providing firms, in the US. The study also investigated into the CSR performance across different geographic scopes, but mainly focused on the firms in the US and distinguish if there is any significant difference between domestic and international firms.
Lo et al., 2008	Lo, Egri and Ralston (2008) performed a cross-national study focused on investigating into the benefits of various CSR practices to firms' organisational performance such as corporate reputation and financial performance, and also employee commitment, within the distinct contexts of the developed and the less developed countries like the US and China respectively.
Zhao et al., 2019	Zhao, Lee and Moon (2019) examined the employees' perception of CSR, and its relationship with employees' organisational identification in Chinese context, as employees as the essential internal stakeholders in the organisations can influence the outcomes of the employees (Peterson, 2004; Turker, 2009).

Table 2 Cross-cultural Studies of Wang et al., 2016, Lo et al., 2008, Zhao et al., 2019

The research from Wang et al (Wang, et al., 2016) explores variations of CSR performance / ratings as well as the strategic importance and implications of CSR across three business sectors and 2 geographic scopes. The three business sectors are Manufacturing, merchandising and service sectors of both domestic and multinational firms in China and the US. The sample obtained from Kinder, Lydenberg, and Domini (KLD) CSR ratings which consist 2,460 firm-year observations of 246 firms between 2001 and 2010, the corporate ratings database incorporated a substantial quantity of studies related to Corporate Social Responsibility. As some companies may engage in activities that are considered as positive in relations to social responsibility in some areas while acting negatively in relations to social responsibility in the other dimensions, an aggregate score will be produced as the positive and negative KLD scores will cancel out each other when combined together. With both the positive and negative aspects of CSR performance taken into consideration, Wang et al.'s study is unlike most CSR studies that use a single CSR performance in their analysis of CSR performance.

Wang et al (2016) suggested that different business sectors shape the implementation of stakeholder value; different classes of stakeholders will have different expectations creating different values in different sectors of business. As such, in their study, the CSR strengths of each firm are measured by the summation of the CSR strength scores of the six CSR dimensions, which are corporate governance, community relations,

diversity, employee relations, environment, and product, and its CSR concern scores. The CSR strength score indicates the company's strengths, whereas the CSR concern score indicates the company's weaknesses, in the above six CSR dimensions with pre-set criteria. For example, the firm can earn one point under the CSR strength criteria if it gives over a certain percentage of earning to charity. In contrast, the CSR concern is the negative CSR performance indicator, in relation to the deficiency and weakness of the company in the above six dimensions. In their study, only the overall CSR strength score and the CSR concern score was considered. As such, the study of each individual dimensions was not part of this study.

The results of their study confirm that for business that is under considerable scrutiny from the public are more inclined to demonstrate responsible behaviours in other dimensions than the ones under criticism in order to recover and enhance its overall corporate image. Also their study strengthened the argument that firm-level factors can influence CSR engagement / performance, demonstrating CSR is an essential aspect of corporate strategy and should be incorporated with other crucial corporate and business decisions. The results of their study are presented in the below tables.

Average CSR Performance (Ratings) by Business Sectors						
Business Sector	Variable	Observations	Mean	SD	Min	Max
Manufacturers	CSR Strengths	1270	2.75	2.97	0	19
	CSR Concerns	1270	2.29	2.41	0	13
Merchandisers	CSR Strengths	290	1.9	2.08	0	14
	CSR Concerns	290	2.3	1.99	0	8
Service Providers	CSR Strengths	900	2.48	3.19	0	21
	CSR Concerns	900	1.81	2.05	0	11

Average CSR Performance (Ratings) by Geographic Scope						
Business Sector	Variable	Observations	Mean	SD	Min	Max
Domestic	CSR Strengths	852	1.72	1.99	0	12
	CSR Concerns	852	1.95	1.90	0	9
International	CSR Strengths	1608	3.00	3.30	0	21
	CSR Concerns	1608	2.21	2.41	0	13

Table 3 Wang et al.'s (2016) CSR Performance Ratings

Source: (Wang, et al., 2016)

The result shows that there is a significant difference in CSR performance among manufacturers, merchandisers and service providers. The manufacturing business sector is relatively higher on the average CSR strengths and concerns in comparison in particular with merchandisers, whilst the mean in terms of CSR performances are relatively comparable with service providers. The average CSR strength and concern scores for manufacturers are 2.75 and 2.29 respectively; The average CSR strength and concern scores for merchandisers are 1.9 and 2.3 respectively; and the average CSR strength and concern scores for service providers are 2.48 and 1.81 respectively. This shows the best in engaging in socially responsible practices actively are manufacturers whereas Merchandisers have the lowest score in CSR strengths out of the three, thus reflecting that it is least engaged in socially responsible practices.

To put the above data into perspective, manufacturers are seen as companies that generate pollutants and wastes. They continuously draw the attention of

the public and media. In order to improve their reputation, manufacturers tend to give back to the communities in visible ways to avoid impacting the environment in negative ways or engaging in activities that breach human rights. This is the reason why, in this study, it was found that the CSR strength scores, and CSR concern scores are both higher for manufacturers. Similarly, service providers required strong support from the community to be successful. They required face-to-face communication with clients and are more inclined to implement a more passive or reactive Corporate Social Responsibility strategy instead of an active or anticipatory strategy.

In contrast, merchandisers produce fewer pollutants and they do not have much pressure in generating and maintaining good customer relationships, hence merchandisers are likely to adopt CSR practices moderately.

Regarding the firms with different geographic scopes, it was found that the US firms with international sales have an average CSR strength score of 3.00 while domestic US firms have a score of 1.72. The average CSR concern scores are 2.21 and 1.95 respectively. This shows that multinationals are more exposed to scrutiny for both socially responsible and irresponsible activities. The results show that the CSR performance variations are quite significant across the different types of business and geographic location. The result finds that the manufacturing sector faces more challenges since it engages in a range of activities that affects a wider spectrum of stakeholders. If the company in question is an international company, there is even a broader range of stakeholders across different economic, national or social boundaries, and as these stakeholders might hold different values or find different types of CSR relatable to them, an

international company is expected to potentially encounter scrutiny over a greater range of CSR practices by the company.

Wang et al.'s (2016) research also highlighted that multinational firm might have branches that act differently in relations to CSR values as the parent company because of the 'Liability of Foreignness', which hinder these branches in different geographic locations from engaging in the same CSR practices as required by the parent company. Due to the differences between Global and local branches of multinational companies, there is no global consensus which becomes one of the challenges for CSR in multinational companies. Their study also proves that when a firm is more exposed to diverse stakeholder demands, the firm would be under greater pressure to act in socially responsible manners. Further, companies operating in different geographic locations, or in different industries, encounter differing forms of pressures to act socially responsible and thus, should incorporate CSR with different focus and considerations in corporate and business strategies accordingly.

To summarise, as businesses aim to enhance its social images as a competitive advantage, they are more likely to under pressure to perform better in areas of CSR facing more public scrutiny. This is also compounded by the fact that different business enterprises in different nations face different expectations in their social responsibility.

Basing on this line of considerations, firms in developed countries will encounter higher expectations on behaving responsibly in relations to the management of natural resources and the protection of environment,

compared to developing countries which are normally expected to contribute more towards social and community development like education, job creation, as well as healthcare. As such, the difference of expectations in different types of CSR, and by extension, their effects to employee behaviour, in western and eastern contexts can be expected. For instance, as suggested and in line with the considerations that higher expectations in certain types of responsible behaviour may result in the more prevalent implementation of the relevant CSR initiatives, and consequently enhancing the firm's social and corporate image, thereby providing *emotional benefits* to employees. In the case of developing country such as China, where there is more expectations to contribute more towards education, job creation and healthcare as suggested by Wang et al. 2016 (Wang, et al., 2016), it could be expected that Employee-related CSR would be more prevalent and with a greater effect to employee loyalty through the *emotional benefit*, in addition to the functional benefits it intrinsically provides, to employees. As opposed to in the developed countries such as the US, where more expectations on behaving responsibly in relations to the management of natural resources and the environment, and with that perspective it could be expected that Environmental-related CSR would be more prevalent and with a greater effect to employee loyalty compared to other types of CSR such as Employee-related CSR.

Lo et al., 2008 and Wei et al., 2014

Lo et al., 2008 investigated into the impacts of five Corporate Social Responsibility practices (customer, employee, investor, local community,

and the natural environment), to employee commitment as well as firms' organisational performance in corporate reputation and financial performance. The exploratory study was conducted in China and the US, with 113 Chinese organisations and 104 US organisations surveyed. The prevalence of CSR practices varied between types of CSR in the US and China, with customer and community CSR more prevalent in the US; whereas, employee, investor and environmental CSR showing no significant country differences in their prevalence. The study showed that there was a positive relationship between community practices and financial performance for Chinese firms but not for US firms. However, this could be attributed to influence of Chinese belief that, when an individual or an organisation has acquired wealth, it should be given back to the community in some capacity as a way to gain prestige.

In terms of business outcomes relating to employee, positive relationship was found between environmental CSR and employee commitment in the US, but not in China; employee CSR also positively affects employee commitment both in the US and in China, although the effect is stronger in the US than in China. This, although in contrary to the theory this study proposes, could be attributed to when the study was conducted by Lo et al. in 2008, the 'iron rice-bowl' human resources practice were prevalent.

For meaningful discussion a more recent study under the context of the more recent social and economical reform resulting in the cessation of 'iron rice-bowl' practice should be looked at in conjunction. Wei et al.'s study in 2014, investigated Taiwanese and Canadian firms in their prevalence to customer, employee, investor, community and environment Corporate Social Responsibility practices and their relationships with employee

commitment and corporate reputation. In Wei et al.'s (2014) study, stronger relationships between Employee CSR and Employee Commitment have been found in Taiwanese companies than in Canadian companies, contrasting to the findings of Lo et al. (2008), in which weaker relationships between the two are found in East Asian and North American companies. The results of Wei et al.'s (2014) study reinforced earlier proposition that as Employee-related CSR may potentially provide greater *emotional* and *functional benefits* to Chinese employees, greater employee commitment or loyalty is expected in the case when Employee-related CSR are practised more prevalently.

Wei et al.'s (2014) study also pointed out the lack of significant differences between the two countries' samples, in relations to the level of prevalence of Corporate Social Responsibility initiatives relating to the environment, the investor and the employee, meaning that amongst the Taiwanese and Canadian firms surveyed, environmental, investor and employee CSR practices are practised more or less equally, contrary to conventional view that in advance industrial economies which have higher expectations on companies to act responsibly, as well as with more robust regulatory frameworks emphasising on the protection of employee, customers, investor and the environment, would have more prevalent practices of CSR than in developing and transitioning economies. However, this could be attributed to Taiwan being one of the early adopters of CSR in Asia, as the Investment Bureau of Department of Economic Affairs have taken a critical role in developing CSR frameworks for businesses as early as 2002. Owing to the more established frameworks for employee, customers, investor and

environment protections, the related CSR practices are therefore found more or less prevalent in Taiwan as in Canada.

Zhao et al., 2019

Zhao et al.'s (2019) research objective was to explore the employees' perception of CSR, its relationship to employees' organisation identification in the Chinese context. The data within the study were collected in 4 different cities in the Zhejiang Province, South East China, as the CSR awareness and implementation are fairly advanced in this province as compared to the other provinces. Within 7 companies 308 employees were surveyed in the study. As the study points out, even though the concept of CSR can be considered to be first emerged and recognised in the west and fairly new to China (Wang & Juslin, 2009), within China there is a fundamental understating of the concept of Corporate Social Responsibility long before the term was coined. Confucian theories have been applied in Chinese business for a long history. The core principles of Confucianism such as act according to moral values, treat others with sincerity and benevolence, being credible and fair conducting businesses (Wang & Juslin, 2009). However, there has not been much study on the impact of employees' perception of Corporate Social Responsibility on their job performance and organisational citizenship behaviour in China. There are only some researches that show Chinese firms are becoming aware that Corporate Social responsibility, and as a consequence which, can influence employees' attitudes and behaviours. As such, the study of Zhao et al. (2019) also investigated the impact of employees' perception of Corporate

Social Responsibility and their collectivist orientation on organisational identification in China.

The aim of Zhao et al.'s (2019) study was to investigate into the boundary conditions that are influential to the relationship between Corporate Social Responsibility and employees, and the multiple dimensions of CSR (Rupp & Mallory, 2015). A measure of Corporate Social Responsibility at the level of employees and examining how their perception of CSR impact their attitudinal behaviour in their place of work was the focus of this study, utilising in 3 dimensions of Corporate Social Responsibility: economic, philanthropic, and strategic CSR (Maignan, et al., 1999). Economic CSR pertains to obligations and responsibilities relating to business activities with the objectives to sustain economic growth; Philanthropic CSR refers to the business activities that are for ethical reasons but are not required in the business purposes; Strategic CSR refers to business activists that combine social and business benefits, benefiting both the firms and society (Zhao, et al., 2019). The employee-focused CSR study show that CSR influences employee attitudes and behaviours in the workplace including employee organisation identification, organisational commitment, job satisfaction and employee attraction and retention.

As Zhao et al.'s (2019) study pointed out, organisations recognised to have high level of engagement in economic CSR are likely to acquired a perceived enhanced reputations or higher status because 'they perform well at producing goods, providing services, and making profits' (Zhao, et al., 2019). (Zhao, et al., 2019). For the firms that engaged well in philanthropic

CSR foster a more positive image externally, which leads the employees to have an increased level of organisation identification through *emotional benefits* that is provided to the employees. The strategic CSR perception is also found positively related to organisational identification.

Zhao et al. (2019) further explored and elaborated, that in cultural orientation, there are 2 key elements: Individualism and collectivism (Hofstede, 1984). Individualistic culture prioritises personal goals and self-actualization focusing on individual goals and interests. In this perspective, it can be proposed that in individualistic culture, meaning and morality benefits, in part constituted by the congruence of values between employees' individual values and values represented by the company or its actions, are critical to the CSR-generated employee identification and loyalty.

As for collectivist culture, it prioritises family or group, emphasising on group harmony and group interest. Zhao et al.'s (2019) study established that there is a moderating effect of the collectivist orientation of employees, on the relationship between employees' perception of Corporate Social Responsibility and organisational identification.

In Zhao et al.'s (2019) study, it was found that the relationship between employees' perception of Corporate Social Responsibility, whether strategic or economic, and organisation identification differs, depending on their cultural orientation. For instance, collectivist orientation moderate negatively on the relationship between economic CSR and organisation identification, and the relationship between economic CSR and organisation

identification is stronger for employees whose collectivist orientation is low (ie., in the US), than employees whose collectivist orientation is high (ie., in China). This could be attributed to employees perceiving the CSR as more economic driven than voluntary driven or driven by the nature of the firms' culture or intents.

In the study it was also established that the relationship between strategic CSR and organisational identification is greater for employees whose collectivist orientation is high, than employees whose collectivist orientation is low. As strategic CSR combines social and business benefits, it is less likely for employees to perceive the CSR practices as being economic or regulatory driven, and more likely to be driven by the 'truthful' intentions and culture of the companies. As such, the underlying mechanism relates to the perception of CSR in different societal contexts, points to the possibility and probability that, in in context of high collectivist orientation, as employees are more sensitive to the 'intent' of the CSR practices whether they are 'voluntary driven' and 'economic or regulatory driven', ie., the CSR value and organisational culture fit, the interaction effect between organisational culture and CSR should be more significant..

As Zhao et al.'s study implicates that cultural orientation of employee, ie. collectivistic orientation and individualistic orientation, impact employee's organisation identification and as a result, affect their perception of CSR implementation, further explorations of the underlying mechanism of cultural orientation and organisation identification will be discussed in the following subchapters.

Below is a table comparing the findings of Lo et al. (2008), Wei et al. (2014), and Zhao et al. (2019).

Research	CSR and Business Outcomes						
Lo et al. 2008	Stronger relationships between Community CSR practice and Financial Performance in Chinese companies than in US companies (China $\beta=0.32$, $p<0.01$ vs US $\beta=0.12$, n.s.)	Weaker relationships between Investor CSR and Corporate Reputation in Chinese companies than in US companies (China $\beta=0.15$, n.s. vs US $\beta=0.33$, $p<0.001$)	Weaker relationships between Investor CSR and Financial Performance in Chinese companies than in US companies (China $\beta=0.30$, $p<0.01$ vs US $\beta=0.34$, $p<0.01$)	Stronger relationships between Customer CSR practice and Corporate Reputation in Chinese companies than in US companies (China $\beta=0.30$, $p<0.01$ vs US $\beta=0.17$, n.s.)	Stronger relationships between Employee CSR practice and Corporate Reputation in Chinese companies than in US companies (China $\beta=0.34$, $p<0.01$ vs US $\beta=0.03$, n.s.)	Weaker relationships between Environmental CSR and Employee Commitment in Chinese companies than in US companies (China $\beta=-0.02$, n.s. vs US $\beta=0.21$, $p<0.05$)	Weaker relationships between Employee CSR and Employee Commitment in Chinese companies than in US companies (China $\beta=-0.34$, $p<0.01$ vs US $\beta=0.39$, $p<0.001$)
Wei et al. 2014				Stronger relationships between Customer CSR practice and Corporate Reputation in Taiwanese companies than in Canadian companies	Stronger relationships between Employee CSR practice and Corporate Reputation in Taiwanese companies than in Canadian companies		Stronger relationships between Employee CSR and Employee Commitment in Taiwanese companies than in Canadian companies
Research	CSR and Business Outcomes						
Zhao et al. 2019	Employees with higher collectivist orientation, weaker relationships between Economic CSR and Organizational Identification.			No significant effect of collectivistic orientation, between the relationships of Philanthropic CSR and Organizational Identification		Employees with higher collectivist orientation, stronger relationships between Strategic CSR and Organizational Identification	

Table 4 Comparisons of Cross-Cultural Research on CSR

The results of the above studies imply that employees' behaviour differs under different cultural and institutional contexts. As one of the most developed countries with a mature economy, the US has long been practicing Corporate Social Responsibility while, as a developing country with a more transitional economy, China can be seen comparatively late in the adoption of Corporate Social Responsibility practices (Hopkins, 2003).

Along this line of consideration, it is therefore paramount to understand the perceptions of employees in relations to CSR in different societal contexts. Three "pillars" of institutional environments: regulatory, normative, and culture-cognitive, have been identified by Kostova and Scott (2001), which helps to explain different prevalence and expectations of CSR from different stakeholder groups under different societal contexts (Kostova, 1999; Scott, 2001). The regulatory pillar sets a baseline for firms for CSR practices, as it requires the minimum legal obligation and regulatory responsibility of the business to any given stakeholder group (Boxenbaum, 2006; Campbell, 2007). In this context, the pressure come from the greater government resolute and determination in enforcing business regulations pertaining to business ethics and conduct. As the US is the most developed market with a long history of Corporate Social Responsibility practice, the business regulation is well established and more effective than the less developed market like China. As such, it could be assumed that the expectations, or pressure, from the regulatory pillar is stronger in the US than in China. The normative pillar pertains to the social obligations of organisations to various stakeholder groups based on moral appeal. For capitalistic market

economies, there is a stronger business' sense of social responsibility which consider there's a fundamental need for businesses to pay back to society (Vogel, 1992). As for less developed market economies, they might consider businesses displaying capitalistic behaviours as greedy and rarely being socially responsible (Whitley, 1992; Enderwick, 2005; Singh & Zammit, 2006). Hence it can be deducted that under the expectations, or normative pressure, for CSR in the US, businesses are perceived to be taking on a more progressive role in society and as a result.

The culture-cognitive pillar forms a frame of reference for the business organization in dealing with different groups of stakeholders. There is an expectation that businesses in individualist societies, owing to their greater function and capacity in social welfare, should be more proactive in engaging in social responsibility practices compare to those in other forms of societies (Lodge, 1990; Gardberg & Fombrun, 2006). Hence in the US, there is a higher expectation for businesses to be socially responsible which leads to stronger social pressures for Corporate Social Responsibility. Conversely, based on the same line of considerations, China can be seen as having a weak societal basis for Corporate Social Responsibility (Lu, 1997).

Further to the different expectations for CSR in a societal contexts, whilst previous studies and conventional findings in the Western contexts that, the congruence between norms and values of the organisations and the values of the individuals, which hints at the constitution of *meaning and morality benefits* in the underlying process, is the only essential mechanisms that increase employees' identification and loyalty (Koch, et al., 2019; Lee, et

al., 2013; O'Reilly, et al., 1991; Finegan, 2000), the analysis of the above studies suggest that in Collectivistic culture such as that in China, the value congruence between organizational culture and CSR values, would supersede the value congruence between the organisational and the individual as the underlying constituent in *meaning and morality benefits* for Chinese employees. The following table summaries the findings in the aforementioned literature and the theoretical arguments in relations to the concepts of CSR, employee loyalty and organisational culture.

Findings	Underlying Mechanism	Impact on EL	Impact on Effect of Interaction
Wang et al., 2016 CSR performance is greater for Manufacturers than Merchandisers than Service providers [43-48]	In the case of the industry directly involve in creating pollutants or adverse effects to area of social responsibility, or as a consequence of the high level of public scrutiny in the specific area of social responsibility, the related industry is more inclined to put more efforts in the related CSR initiatives. High international exposure also results in higher expectations and therefore, companies with international exposure are more likely to put more efforts on related CSR practices.	As a consequence of greater effort of CSR practices in relations to specific areas of social responsibilities, companies are more likely to garner a more positive company image and reputations, thereby increasing the probability of enhancing <i>emotional benefits</i> to employees, fostering employee loyalty as a result.	
Lo et al., 2008 (table 4) Stronger relationships between Community CSR practices and Financial Performance in Chinese companies	Higher expectation for community CSR among Chinese; ("when an individual or an organisation has acquired wealth, it should be given back to the community in some capacity as a way to gain prestige.") [48]	As there is higher expectations for community CSR, which leads to stronger correlation between CSR practice and corporate performance, thus, providing higher <i>emotional benefit</i> to employees resulting in greater employee loyalty	
Lo et al., 2008 (table 4) Weaker relationships between Investor CSR and Corporate Reputation and Financial Performance in Chinese companies than in US companies	Expectations (normative pressure) for CSR is higher in market economies and developed countries than developing countries / non-market economies [54, 55].	As there is higher expectations for certain types of CSR, which leads to stronger correlation between CSR practice and corporate performance, thus, providing higher <i>emotional benefit</i> to employees resulting in greater employee loyalty	
Lo et al., 2008; Wei et al. 2014 (see Table 4) Stronger relationships between Customer CSR practice and Employee CSR and Corporate Reputation in Chinese companies than in US companies	Customer CSR improves quality of products and services, thus increasing the external prestige of the company and enhancing Corporate Reputation as a result. Employee CSR enable and empower employees to perform well in their jobs, employees are therefore satisfied with their workplace and Corporate Reputation is enhanced as a result.	The higher expectations of Employee CSR resulting in strong correlation between CSR practice and corporate performance. In addition, higher <i>emotional benefit</i> along with <i>functional benefits</i> are provided. With higher expectations to the relevant area of Social Responsibility, employees more likely to value the CSR practices, thus leading to <i>higher meaning and morality benefit</i> .	

Table 5a Literature Findings and Identified Theoretical Arguments

Findings	Underlying Mechanism	Impact on EL	Impact on Effect of Interaction
Lo et al., 2008: see table 4 Weaker relationships between Environmental CSR and Employee Commitment in Chinese companies		Lower expectations to the related area of Social Responsibility leads to lower correlation between CSR practice and corporate performance. Employees are less likely to value the relevant CSR, thus leading to lesser <i>emotional benefit</i> With higher expectations to the related area of Social Responsibility, employees more likely to value the relevant CSR practices, thus leading to <i>higher meaning and morality benefit</i> . The higher expectations of Community CSR resulting in strong correlation between CSR practice and financial performance. As a consequence, higher <i>emotional benefit</i> is provided.	
Stronger relationships between Community CSR practices and Financial Performance in Chinese companies	Owing to collectivistic belief that when an individual or an organisation has acquired wealth, it should be given back to the community in some capacity as a way to gain prestige [61].		
Zhao et al.'s (2019), see table 4 Moderation effect of collectivist orientation on CSR and organisational identification: High collectivist orientation, Economic CSR and Organisation Identification low High collectivist orientation, Philanthropic CSR and Organisation Identification low High Collectivist orientation, Strategic CSR and Organisation Identification high			Individuals with high collectivist orientation are more sensitive to the difference between “voluntary” and “economic/ regulatory driven”. Thus, the interaction effect between Organisational Culture and CSR (the congruence between OC and CSR values) should be more significant

Table 5b Literature Findings and Identified Theoretical Arguments

Basing on the above analysis, it could be expected that,

- i) CSR actions that provide greater *functional benefits*, that addresses employees' self interests, such as that relating to financial incentives, career developments, or general improvements of work conditions, and *emotional benefits*, through the enhancement of corporate image or reputations, would impact employee loyalty greater than CSR actions that provide predominantly *meaning and morality benefits* through moral and value congruence on an individual level, in the Chinese context.
- ii) CSR actions that are more aligned with the organisational culture would impact employee loyalty greater than CSR actions that are not.

With the preceding analysis, it can be therefore proposed within the Chinese context, since Employee-related CSR can be purported to provide greater functional benefits to employees; whereas Product and Service-related CSR can be purported to provide greater *emotional benefits* to employees, than Environmental-related and Corporate Governance-related CSR which can be purported to be more connected with *meaning and morality benefits*; it is further proposed that

H2 Strength of relationship between Employee Loyalty and Employee-related and Product and Service-related CSR are stronger than Environmental-related and Corporate Governance-related CSR

2.3 Organisational Culture and its Role in CSR Implementation

There has been increased interests between academics to investigate into the effect that organisational culture has on CSR-fostered employee loyalty. Many scholarly discussions shared a similar view that CSR must be embedded into a firm's business strategy and the organisational culture to drive positive outcomes (Collier & Esteban, 2007).

As one of the earliest scholars who developed a framework for organisational culture, Schein gave a widely-cited definition of organisational culture as: “the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external and internal integration” (Schein, 1984, p. 3). The pattern of shared beliefs, ideologies, values, symbols, meanings, and orientations (Smircich, 1983; Alvesson, 1987), if proven effective, is often communicated across the organisation and to new members. On the one hand, organisational culture is considered 'the set of beliefs that evolve over time and hold the organisation together' (Schein, 1983), determining the context in which business strategy is developed (Berger, et al., 2007) and providing direction for its stakeholders to work, grow, and coordinate within the organisation. On the other, Castro-González and Bande (Castro-González & Bande, 2019) reinforced the importance of internal stakeholders in establishing organisational culture. As such, managers should prioritise the creation of synergy and bridge across social, economic, and environmental perspectives.

2.3.1 CSR & Its Relationship with Organisational Culture

Studying organisational culture from multifaceted perspectives provides a foundation for exploring the relationship between CSR and organisational culture, and correspondingly CSR-fostered employee loyalty. Regarding the dynamic relationship between CSR and culture, Doppelt described cultures as “storehouses of organisational information and knowledge then can assist or thwart sustainability efforts” (Doppelt, 2003, p. 74). Organisational culture critically influences an organisation’s disposition towards CSR, either contributing or hindering CSR implementation (Castro-González & Bande, 2019).

Organisational culture also affects the perception of Corporate Social Responsibility and its formal strategic planning (Galbreath, 2009). With an established organisational culture, cultural norms – shared ideas and expectations about what is right – emerge from corporate values (O’Reilly & Chatman, 1996). While employees may share a similar understanding of CSR and reach a consensus on what and how to realise social responsibility in an organisation, CSR implementation can vary among different organisational cultures (Jones, et al., 2007). As organisational culture impact the strategic planning as well as perception of CSR, it is therefore expected CSR-generated employee loyalty will be impacted in turn.

2.3.2 Organisational Culture Frameworks

Organisational culture, as a multidimensional phenomenon (Ginevičius & Vaitkūnaite, 2006) should be evaluated with its multidimensionality being taken into account. Two theoretical frameworks, namely, O’Reilly’s Organisational Culture Profiles (OCP) framework and Quinn’s Competing

Values Framework (CVF) have been introduced to obtain a deep understanding of organisational culture.

Cameron and Quinn's Competing Values Framework

Developed by Cameron and Quinn in 1999, the Competing Values Framework (CVF) is a theoretical model that explores individual leadership behaviours and how these create competencies and corresponding values. The framework has identified and compared four dominant culture types (i.e. clan, adhocracy, market and hierarchy) using four contradictory or competing parameters on two diagonals (i.e. internal focus and integration vs. external focus and differentiation, stability and control vs. flexibility and discretion).

Commonly used in organisational context to understand varying organisational and individual phenomena, the CVR helps diagnose the existence of internal and external focus in an organisation, and whether the organisation aspires to strive for flexibility and individuality or flavours stability and control.

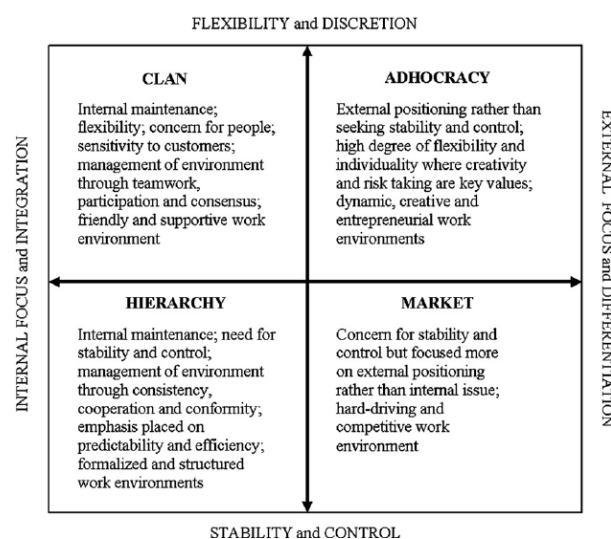


Figure 4 Cameron and Quinn's The Competing Values Framework (1999)

Source: Cameron, ND

The 4 dominant culture types in the CVF are identified as:

1. Clan

An organisation with the clan-oriented culture focuses on internal maintenance and flexibility, with the functioning heavily oriented around its employees and customers. As the word 'clan' depicts, this organisational culture cultivates a sense of community and connectedness, as in doing things together.

2. Adhocracy

An organisation with the adhocracy-oriented culture is prone to demonstrate a high degree of flexibility and less control across the organisational structure, wherein employees are encouraged to take risks and make transformative changes. Under the influence of the adhocracy culture, employees should be creative and forward-thinking, demonstrating entrepreneurship with experiments and innovations.

3. Market

On the exact diagonal opposite to the clan culture lies the market culture. An organisation with the market-oriented culture focuses on stability and control with an external positioning, indicating that the functioning is mainly driven by external market and competitive factors. In response to the strong market orientation, employees have to respond fast, show decisiveness and dedication to overcome barriers and achieve goals (Cameron, ND).

4. Hierarchy

On the contrary to adhocracy, the hierarchy-oriented culture concerns internal management in order to achieve stability or control. As the word ‘hierarchy’ indicates, these organisations are in favour of achieving routinely predictable outcomes with controllable processes and practices. With hierarchy comes formalised organisational structure – employees tend to place emphasis on performance monitoring and control to accelerate consistent growth and effective improvement.

O’Reilly’s Organisational Culture Profiles (OCP) Framework

The Organisational Culture Profiles (OCP) framework is an instrument developed by O’Reilly, Chatman and Caldwell (1991) that uses a profile-matching and comparison framework to assess person-organisation fit based on person-culture fit – “correlating the profile of organisational values with the profile of the individual’s preferences” (O’Reilly, et al., 1991, p. 494). The framework comprises value statements that categorise individuals with the configuration of values, giving a holistic view of organisational culture with seven dimensions identified: (1) Respect for People; (2) Outcome Orientation; (3) Team Orientation; (4) Innovation; (5) Attention to Detail; (6) Stability; and (7) Aggressiveness. With respect to the research context, the framework is adopted to obtain insights into the relationship between organisational culture and CSR practices, specifically how different dimensions of organisational

culture affect CSR performances and the extent to which CSR practices are carried out.



Figure 5 O'Reilly, Chatman, Caldwell's Organisational Culture Profile (1991)

Source: Umn.edu, 2015

1. Organisational Culture Profile: People Orientation

'People Orientation' culture profile focuses on how an organization treats its employees and respects their rights to fulfil social responsibility, taking the effect of outcomes on people into consideration when making managerial decisions. With the people-orientated nature, an organisation with a 'respect for people' culture would likely prioritise ethical responsibility over other dimensions of CSR.

According to Freeman's Stakeholder Theory (Freeman, 1984), if employees are being well treated with protected rights and have higher engagement in decision making, they are likely to be motivated,

perform their tasks in a socially responsible way, and correspondingly enhance CSR practices (Wong & Gao, 2014).

2. Organisational Culture Profile: Outcome Orientation

An organisation with an ‘Outcome Orientation’ culture prioritises results over processes. Heavily influenced by ‘achievement-oriented values’ (O’Reilly, et al., 1991), employees are prone to neglect ethics and morality, and the validity of processes (1991) while performing business activities. Despite desired outcomes, the importance of stakeholder rights and social responsibility is often underestimated.

While CSR is to a certain extent being overlooked in this profile, organisations with an ‘outcome orientation’ culture have no choice but to follow legal obligations, fulfilling legal responsibilities as a result. On top of legal responsibilities, an organisation that focuses on profit and growth may fulfil economic responsibilities – as a side effect of its business activities for the sake of profitability.

3. Organisational Culture Profile: Team Orientation

‘Team Orientation’ culture profile refers to the extent to which business activities are often collaborative, have a high involvement of teamwork (O’Reilly, et al., 1991), and are organised around teams instead of viewing employees as individuals (Robbins, et al., 2013). Employees’ ability to work as team member is essential for maximising organisational performance. Having a team-oriented culture enables coordination and support from all levels and departments to convert business strategy into implementation,

including the adoption of CSR practices that stimulates employees' CSR behaviours (Webster, 1988; Oliver, 1997).

It is evident that stakeholders have prominent influences on an organisation's CSR practices and the types of practices the organisation implements (Aguinis & Glavas, 2012). Considering that the implementation and optimisation of CSR require organisation-wide efforts, an organisation that values team spirit and work as a team to achieve mutual goals has a big potential in fulfilling all dimensions of CSR – economic, legal, ethical, and philanthropic - as mentioned in Carroll's Pyramid of CSR (1991).

4. Organisational Culture Profile: Innovation Orientation

According to O'Reilly et al. (O'Reilly, et al., 1991), an 'innovation' culture profile is summarised as the state of being innovative, showing a willingness to experiment and risk, as well as exploring and catching new opportunities. When it comes to implementing CSR practices, an organisation may have to undertake fundamental changes or adopt new approaches to enhance CSR and organisational performances (Su, et al., 2009; Baird, et al., 2011), which is, to a certain extent, a risk-taking behaviour.

While innovation is significant for creating values and sustaining competitive advantages (Baregheh, et al., 2009), being innovative does not correlate to being socially responsible. While innovative organisations may have varying CSR performances, there is a bigger chance that organisations with an 'innovation' culture, if they initiate to give back to the society, may fulfil philanthropic responsibilities

more often due to their risk-taking behaviours, as well as the flexibility to accept changes or adopt new approaches.

5. Organisational Culture Profile: Attention to Detail Orientation

Any organisation with an 'Attention to Detail' culture makes business decisions based on precise processing of information, using analytical tools to minimise potential errors and misjudgement (Gul, 1991). The process of such strategic decision-making requires a reconstruction of the business processes that bring organisational-wide impacts (Bhuiyan, et al., 2020). The same applies to CSR implementation, for it requires communication, coordination, and support among internal stakeholders to realise CSR throughout an organisation. Hence, having an 'Attention to Detail' orientation rooted in an organisation's culture is likely to bring a positive association with the extent of CSR practices.

Waddock (Waddock, 2004) described CSR as the broad array of strategies and operating practices a firm develops to deal with and create relationships with stakeholders and the external environment, thus hinting at the necessity of an 'attention to detail' organisational culture in CSR implementation.

6. Organisational Culture Profile: Stability Orientation

Contrary to innovation, having a 'Stability' culture profile implies the willingness to maintain the current status, exhibiting a great reluctance to growth, risk, and uncertainty. Under this culture profile, employees favour safe and information-transparent affairs with foreseeable

results, and that they may be incapable of new changes and opportunities (O'Reilly, et al., 1991). Contextually, the idea of running a socially responsible business can be too visionary for employees who enjoy stability, and the adoption of CSR practices may lead to unknown and uncertain situations, which altogether discourage employees from engaging in CSR practices within an organisation.

Sustaining a culture of stability requires everything to be standardised, stable, and certain. In this regard, organisations with a 'stability' culture must maximise efforts in fulfilling economic and legal responsibilities - the lower two levels in Carroll's Pyramid of CSR (1991) - to build a strong foundation for a sustainable business.

7. Organisational Culture Profile: Aggressiveness Orientation

Organisations with an aggressive culture exhibit significant value competitiveness, dedicated to surpassing their competitors at all costs. Similar to 'Outcome Orientation', employees may opt for immoral behaviours and ignore ethical issues to strive for outperformance in respect of its competitors, which can hinder the adoption of CSR practices. Likewise, aggressive organisations can be relatively weak in all dimensions of CSR and may put themselves at potential legal risks.

Thus it can be seen that CSR and organisational culture demonstrates a close association in which the extent of CSR practices varies among different dimensions of organisational culture. On the other hand, there is also an agreement among scholars that CSR must be integrated into an organisation's

culture to influence its financial and non-financial performances (Collier & Esteban, 2007; Bolton, et al., 2011; Castro-González & Bande, 2019).

The following table outlines the values proposed by the two Organisational Culture models and the relationship between these values and CSR.

Model	Values	Implication on CSR
Competing Values Framework (CVF), (Quinn & McGrath, 1982)	1. Clan culture that cultivates a sense of community and connectedness, by promoting values of team-work, collaborative effort, empowering of employees, and relationships building and management.	Relating to the human aspect of CSR. Corresponding to internal CSR practices that focus on internal operations and internal stakeholders.
	2. Adhocracy culture that promotes experiments and innovations. Employees are encouraged to take risks and make transformative changes.	Relating to innovation of processes and activities that can potentially enhance products and services a firm produces and provides, as well as tackling environmental issues that manufacturing or production processes that might encounter.
	3. Market culture that focuses on overcoming barriers and achieve goals.	Enhances responsiveness to market needs and CSR norms that increase market share, potentially driving CSR
	4. Hierarchy culture that is in favour of achieving routinely predictable outcomes with controllable processes and practices.	Conformity and uniformity are expected, with enhanced performance monitoring as business outcome. Hence, the implication on CSR is low.
Organisational Culture Profiles (OCP), (O'Reilly et al, 1991)	1. Respect for People	Takes outcome on people into considerations, corresponding to Clan culture in Competing Value Framework.
	2. Outcome Orientation	Prioritise result over process. Indirectly implicating to CSR relating to legal and governance due to obligations to compliance.
	3. Team Orientation	Promote collaboration and teamwork, relates to the human dimension of internal CSR
	4. Innovation	Corresponding to Adhocracy culture in that CSR practices might bring about innovative processes and experimentation.
	5. Attention to Detail	Relating to communication and coordination, potentially indirect implication to internal CSR
	6. Stability	Reluctant to growth, risk and uncertainty, Stability profile is expected to have positive implication to legal and governance CSR but negative in CSR practices that relates to innovation.
	7. Aggressiveness	Driven by value competitiveness, potentially negative implications to all types of CSR, especially legal and governance-related CSR

Table 5 Values of Different Organisational Culture Framework and Corresponding CSR Implications

Comparatively, the Organisational Culture Profiles framework gives a more comprehensive view of organisational culture, categorising observable and interpretable differences in 7 profiles with greater relevance to CSR: (1) Respect for People; (2) Outcome Orientation; (3) Team Orientation; (4) Innovation; (5) Attention to Detail; (6) Stability; and (7) Aggressiveness. After cross referencing with the Competing Values Framework, to critically examine the relationship between the employee perception of organisational culture and CSR, the Organisational Culture Profiles (OCP) is selected to provide a framework to investigate employee perceptions of Organisational Culture. With further literature review and analysis in the following sub-chapters, the framework was being consolidated into 4 dimensions, which were subsequently operationalised into constructs for the study.

2.3.3 The Role of Organisational Culture

Cultures are collections of organisational information and knowledge (Doppelt, 2003) that pave the way for the direction of business development, as previous sections highlighted both the positive and negative relationship between organisational culture and CSR owing to different business objectives and stakeholder orientations under the different organisational culture dimensions. In relations to employees, Adler summarised 5 major functions that an Organisational Culture serves within an organisation, with 3 of them having a close association with internal stakeholders – comprising the integration and adaption of ‘employees to the internal environment, the protection of employees against potential threats from the external environment, and the preservation and communication of values throughout the organisation’ (Adler & Jelinek, 1986). This has suggested how critical an

organisational culture is to operate and grow an organisation as a whole. Ganuescu (Ganescu, 2011) further reinforced organisational culture as the driving force and facilitating factor behind employees' and managers' adoption of ethical and responsible actions, as in to 'reflect the reasoning of investors and managers, the ethical standards they employ in making decisions, the traditions, attitudes and concrete situations experienced by the organisation' (Gangone, 2014).

The study from Bhuiyan et al (Bhuiyan, et al., 2020), similar to this research, uses the OCP instrument from O'Reilly et al. (O'Reilly, et al., 1991) which is the most frequently instrument used by different researches. O'Reilly et al.'s (O'Reilly, et al., 1991) OCP instruments is also widely recognised as the most effective in measuring organisational culture as it provides comprehensive options for respondents to respond on the organisational culture as well as their perception on the cultural values. It also accommodates different cultures other than USA where OCP was originated. Bhuiyan et al. consolidate O'Reilly's OCP instrument measures into six dimensions of culture that shine the lights on the relationship between organisational culture and CSR practices. The six dimensions are: respect of people, outcome orientation, team orientation, innovation, attention to detail and stability. In Bhuiyan et al.'s study, it was found that the six dimensions of organisational culture have different impact on the each of the CSR dimensions, which are as follows:

1. "Respect for People" culture: This dimension influences the promoting of all CSR practices, apart from the dimension that relates

to ‘accountability to external stakeholders’. Local and multi-national companies therefore will pay more attention in treating employee fairly and protecting their rights (O’Reilly, et al., 1991) when implementing CSR practices (Saeidi, et al., 2015).

2. Outcome-oriented culture: In this orientation companies seek improve performance and hence meeting interest of stakeholders. Here, managers focus on results, actions and achievement-oriented values (O’Reilly, et al., 1991). They will therefore implement CSR practice which will improve performance by providing high quality products and services (Baird, et al., 2011). To avoid high cost due to non-compliance to environmental rules and regulations, the outcome-oriented organisations are more likely to focus more on the environmental protection as well as focusing on employees’ occupational health and safety
3. Team orientation culture: In this orientation, the CSR practices focuses on three dimension - human rights, information dissemination and disclosure, compliance with industry requirements in relations to competition and technological considerations. Normally value statements which is collaborative, and people or team oriented are promoted (O’Reilly, et al., 1991).
4. Innovation culture: This dimension is pertinent to the accountability to external stakeholders. With the view to accommodate the shifting demands and requirements of the external stakeholders such as customers, employees are encouraged to search for new and more innovative ways to satisfy the needs of the external stakeholders. Thus, companies are more open to experiment and take risk (O’Reilly, et al., 1991) using new practices to improve performance. Owing to this, it

is also likely to have negative impact with CSR practices that is related to legal and regulatory compliance.

5. Detail culture dimension: This dimension is purposed to show strong positive influence on environmental, occupational and public health and safety; human right; consumer rights; compliance with science, technology and competition requirements; and minimising illegal activities (O'Reilly, et al., 1991). At the same time, it has negative influence on accountability to external stakeholders. (O'Reilly, et al., 1991)
6. Stability culture dimension: This orientation is positively associated with accountability to external stakeholders and human rights which focus on stability. (O'Reilly, et al., 1991)

As this study focuses on the perception of internal stakeholders, namely the employees, in specific industries that involves the manufacturing, and manufacturing service business activities, after taking into considerations of Bhuiyan's version of OCP categorised organisational culture dimensions in relations to the relevance to CSR, O'Reilly's Organisational Culture (OCP) framework is further consolidated into 4 dimensions for this study, which are as follows:

(1) Outcome-oriented profile

Adapted from Outcome Orientation Profile that encompasses organisational cultures that prioritise result over process. Companies with the Outcome-oriented profile are (i) result oriented and (ii) have high expectations of business outcomes from the activities they engage in. And

in order to achieve high business outcomes, (iii) emphasis on performance would be placed and employees' contributions towards the desired business outcomes would be rewarded in these organisations.

The outcome-oriented profile may be connected to CSR that relates to legal and governance owing to obligations to compliance; and CSR relating to employee, product and service, and environment, to various extent owing to different levels of contributions of these activities may have to business outcomes and results the firms desired.

(2) Employee-oriented profile

Encompassing the Respect for People and Team Orientation profile of OCP, in which companies take outcome of people into considerations, promote employee developments as well as teamwork which relates to the human dimensions of internal CSR. Firms that are employee focused are more inclined (i) to provide employees with training and professional development opportunities, (ii) maintain a supportive and collaborative environment for the employees, and (iii) promote fairness in the work place.

Thus, the employee-oriented profile may be most connected to employee CSR. Product and Service, Environmental, and Corporate governance-related CSR might also be connected to this profile as firms which are employee focused might also take into considerations of employees' individual concerns in product and service, environment as well as governance, which might be addressed through the aforementioned types of CSR.

(3) Customer-oriented profile

Adapting from Attention to Detail profile of the OCP framework, in which companies are driven by prioritising customer. Firms that are customer oriented (i) have most concerns for the perceptions or reputations of the product or service delivered by them and thus, may be more inclined (ii) to engage in processes that can improve the quality of products or services they provide, and are more likely (iii) to maintain various communication channels to ensure the dissemination of truthful information to customers as customer relations and communications are considered as of high importance in the orientation.

Product and Service, Corporate Governance, Environmental, Employee-related CSR may be connected to this profile through the directly or indirectly impact to the quality of products and service by the aforementioned types of CSR.

(4) Innovation-oriented profile

Corresponding to the Innovation profile of the OCP framework, as well as the Adhocracy culture in CVF, in which companies (i) promotes innovation and experimentations in their processes. Companies in this orientation also (ii) encourage flexibility within the company to be able to adapt to change, as well as (iii) risk taking in the processes.

Companies which are innovation oriented are more likely to practice innovation in order to increase productivity by enhancing management systems and business processes. Further, innovative companies might also be more likely to empower employees through trainings as well as

innovate in their business or production operations which might lead to optimisation and the reduction waste that leads to the protection of the environment. As such, Innovation orientation may also be connected with employee, product and service, corporate governance, environmental-related CSR in different capacities.

Following the preceding review of previous empirical studies and the analysis of the relations between organisational culture and CSR, the third hypothesis to be tested in this study is

H3 Employee perception of CSR (Environmental-related, Product and Service-related, Corporate Governance-related, Employee-related) positively correlates with employee perception of Organizational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented).

2.3.4 CSR, Organisational Culture and Employee Loyalty

Organisational culture and CSR are interrelations, as in ‘the extent to which the organisation lives its proclaimed CSR values will be reflected in organisational culture’ (Prutina, 2016). According to O’Reilly (O’Reilly, et al., 1991), culture holds the key to determine how well an individual fits an organisational context. While culture-wise, CSR closely associates with employees’ trust and motivation, forming the basis of their organisational commitment (Krajcsák, 2018), which are essential components to enhance employee loyalty.

Considering employees loyalty as a multidimensional phenomenon impacted by employee perception as well as various corporate contextual factors (Davis, 2018), Herrbach and Mignonac (Herrbach & Mignonac, 2004) highlighted organisational identification as the bridge between their CSR perception and organisational commitment and CSR generated loyalty. In this regard, “if employees feel sufficiently empowered, able to participate and supported to further develop themselves in the organisation, their according perception will increase their organisational commitment in exchange” (Mory, et al., 2016, p.175). As such, when firms foster a culture that is empowering and enabling their employees, it is more likely that the employees will feel more attached and loyalty to their companies, hinting the crucial facilitating factor of *functional benefits* as previously mentioned.

Further, Prutina’s study (2016) evidenced the prominence of CSR values and employee engagement: organisation practicing CSR that is aligned with their organisational culture has greater effects on employee loyalty. Correspondingly Prutina suggested that in order to enhance employee loyalty organisations should “devoted to value creation build a culture based on CSR values and employee engagement in CSR” (Prutina, 2016, p. 241) - reinforcing the influence of CSR values under the relevant culture, and employees’ CSR engagement on enhancing employee loyalty.

CSR Values and Organisational Culture

Sustainable initiatives are often motivated and initiated because one or more members consider it ‘the right thing to do’ (Bertels, 2010). There is also the

consideration that that members of an organisation might prioritise one type of CSR over others under the influence of organisational culture as organisational culture influence how employees and managers adopt or carry out certain actions within their organisations. Prutina further elaborated in her study (Prutina, 2016), that CSR values and employee engagement in CSR are two elements that are influential to the relationship between employee CSR perceptions and employee loyalty – with scholars also supported this positive correlation (Peterson, 2004; Brammer, et al., 2007). In this regard, it can be suggested, basing on CSR values and employee engagement in CSR, organisational culture moderate the relationships between CSR and employee loyalty, as previously discussed.

The study from Maignan et al, 1999 suggested that organisation culture is the guide for the way of managers to choose how to address the potential social responsibilities faced by their company (Maignan, et al., 1999). Under different organisational cultural orientations, organisations have different motivations and business intents and as a result, may carry out business activities and CSR actions differently. For example, the companies that implemented market orientation is sensitive and responsive to any stakeholder that may affect long-term performance; For humanistic orientation, more closely corresponding to the People Orientation profile in the OCP, which concern the importance attributed to collaboration and harmony among workers whether they show concern for the needs of others, rewarding others and involvement of others in the decisions affecting them, such caring and harmony are likely apply to not only employees but other stakeholders; Competitive orientation, loosely corresponding to the Outcome

Orientation profile in the OCP, is the maintenance of harmonious relationships within the organisation emphasising on winning and personal success in the workplace.

Academic and practical researchers found that there are several factors that affect the strategic application of CSR, for example, alignment with business and corporate culture, social needs and sincerity. If the organisation can satisfy these factors, employees have positive view about their companies and hence will accept the initiatives their companies implement more effectively. As ethics are part of the organisation's culture, organisation's culture is purposed to affect how the organisation implement CSR practices. As such, if the CSR activities are consistent with the organisation culture, it should increase the loyalty of the employees (Lee, et al., 2013). Lee et al's study shows that employee perception of CSR activities is important for their attachment to the company and hence improve corporate performance (Lee, et al., 2013). The more the employee perceive an alignment between CSR and the culture of their firm, the more likely they are to think that their firm is effectively executing CSR, thereby increasing level of CSR engagement and enhancing employee loyalty as a result, hence, strengthening CSR capabilities is another important factor to ensure employees' positive perception of CSR activities.

CSR Communication in Organization Culture

The strategic application of CSR with alignment of business actions and corporate culture, has hinted at "a logical relationship between declared

values and corporate actions” (MacLagan, 1998, p. 9). While a majority of scholars shares a similar point of view seeing strategic application of CSR as a business philosophy, they hold different views on whether CSR values are communicated from top-level to lower-level (a top-down approach) or the other way round (a bottom-up approach). Trevino and Nelson (Trevino & Nelson, 2007) backed the top-down approach from a managerial perspective, claiming that CSR initiatives are developed at the top management level. As such, stakeholders take the role as a supporter to the decision-making – with management communicating the values and behavioural norms to employees within the organisation, which are then adopted by the employees in the implementation of CSR or their day to day work in their organisations (Ganescu & Gangone, 2017). In this regard, the company’s mission and values are a framework for sustainability, such that socially responsible goals are then identified and communicated across the organisation for stakeholders to know where they are heading to, how they should behave, and make sure that everything is aligned. Despite stakeholders’ preferences and personal values, CSR values are “deeply integrated into the management philosophy and organisational culture” (Maon, et al., 2010, p. 27) to achieve mutual goals set by top-level management.

Contrastively, a bottom-up approach is stakeholder-oriented, as in CSR commitments are developed based on a CSR-supportive organisational culture shared among stakeholders, as well as the organisation’s ability to respond to social expectations (Maon, et al., 2010). For some firms, a clear statement of values is involved to ascertain employees’ perceptions of ‘being sustainable’ and ‘being socially responsible’. The perceptions are then being integrated into the organisation’s decisions and strategies – by doing so it

possibly enhances employees' enthusiasm, dedication, and performance, thus engaging stakeholders to a large extent.

An example of a top-down approach which CSR initiatives are developed at top management level and CSR values integrated into the company's mission is the Esquel Group, which can be considered as an outcome driven company and is the world largest cotton-based textile and apparel manufacturing company. The Esquel Group produces more than 100 million shirts annually with renowned global apparel retail brands such as Muji, Hugo Boss, Ralph Lauren. In the Corporate Social Responsibility perspective, Esquel focuses a lot of attention in reforming the manufacturing process with CSR inclinations, such as investing in resources for textile material research, development of process innovation such as adopting emerging technologies in waterless dyeing, natural dyeing, etc. Esquel also invested in environmental considerations, tackling industry problem specific to the apparel and textile industry, which is brought about by dyeing issue due to production, where conventionally 60 tons of water are used for every 1 ton of fabric dyed (Gurumurthi & Lau, 2019). Esquel also developed reuse and recycle materials for international customers such as Muji, with 4000,000 pieces of apparel made of recycled materials shipped in 2017 (Gurumurthi & Lau, 2019). Esquels' efforts in targeting the sustainable area of historical polluting industry whilst on one hand can appeared to be altruistic, on the other can also be argued that the principal motivation and business intent are to target and engage governmental organisations and external stakeholders, to generate positive business outcomes such as to promote the company's image externally, gain advantages in competition for governmental subsidies, and to

generate more business from their international clients. It can be argued that, from the employees' perspective, the CSR initiatives Esquel implements are mostly instrumental, with predominant financial and economic objectives, serving the business interests of the company and are transmitted down from the top level to lower level. As the CSR actions are largely connecting with the business operations with the outcomes benefiting the organization itself, it can be considered that the CSR values are intrinsic. In this perspective as the above example suggests, companies that are outcome-oriented are more likely to hold intrinsic CSR values, and therefore, more likely to engage in CSR actions in a top-down approach that are more relatable to its business operations and economic objectives. For example, a company that is outcome-oriented will prioritize results over processes and as such, more likely to practice Corporate Governance-related CSR in order to achieve the desired business outcomes, as opposed to Employee-related CSR, which has more immediate impact to the process rather than the outcomes.

In a distinctly contrasting example of the bottom-up approach, multinational company Swire Beverages, whose output reaches 104 millions bottles annually for Coca-Cola, ranking on of the top five Coca-Cola bottlers in the world based on volume, engages in range of community projects that instead of linking to business relations building and economical outcomes, relate more to organisation value and brand images of its customers. As early as 2008, Swire Beverages set up China Leadership Forum (CLF) which consist of 120 top managers from the company's operating units in China, engaging in social community initiatives such as volunteer work at the Huizhou Special Needs School for deaf children, the "Health, Youth and Environment" initiative in 2007, which Swire Beverages sponsored youth football project in

Nanjing and set up “Coca-cola Youth Football” league and tournament (Marquis, et al., 2009). At the same period of time Swire Beverages also invested in HIV awareness trainings to the communities as well as to the employees (Marquis, et al., 2009). Swire also joined the China Health Alliance at Coca-cola’s invitation, promoting awareness of infectious diseases such as malaria, HIV/AIDS and tuberculosis. Investment has also been made to help orphans and handicapped children in education and youth development. “Right to Play” program was set up to help migrant families whose children were having to pay for higher school fees as stipulated by the local governments. At the same time with the Right to Play initiatives, Swire Beverages also engages its employees in capacity-building trainings to train Swire employees as facilitator for the Right and Play’s activities. The engagement of employees in its Corporate Social Responsibilities initiatives show stark contrasts to Esquel’s approach in that Swire’s motivation in their approach is more people-centric, targeting the benefits of people in the communities they serve in as well as their own employees (Marquis, et al., 2009). As Swire’s China CEO Clive Saffery stated,

“Our business is always deeply rooted in local communities, even to the point of the names that we stick above the front door...we’re seen to be a bunch of local businesses run by local people for the benefit of local people” (Marquis, et al., 2009, p. 4).

For Stewart Stemple, the general manager for human resources and organisational development at Swire Beverages, expanded the leadership development programs with CSR as it core to the entire company with the setting up of a CSR committee, CSR is as much an instrument to help socially marginalized groups and the community as well as an instrument to raise employee engagement and retention. As stated by Stemple,

“We want a brand at Swire for our employees’ sake, that employees know that they can be proud of being at Swire, and that it is Sire

Beverages that's doing these things and giving them the opportunity...We want them to feel part of Swire" (Marquis, et al., 2009, p. 6).

To do this, Stemple's CSR committee was established as an independent body, separated from human resources and communication departments, even though there are overlapped functional areas between the three. The committee reports directly to the CEO and Managing Director, and such set ups are replicated in all of the bottling plants. Budget for CSR initiatives were set at each operating plant that each was to give 0.5% of their annual profit, or a minimum amount of about US\$26,000 to the central CSR fund. 80% of this central fund would be utilized for national projects with the remaining 20% earmarked for local projects (Marquis, Donovan and Chu, 2009). CSR Committees at plant levels can respond to their stakeholders' preference and values, and make decisions on which and what kind of CSR initiatives they would implement. At plant level employees are encouraged to participate in the company's CSR projects, with two-day paid leave rewarded for employees participating in any approve CSR project.

As the above examples illustrate, Swire bottom-up approach focuses on the human dimension. It's external CSR can be considered as altruistic, while internal CSR can be seen as employee-centric. With the considerations of Swire as an employee focused company with an employee-oriented Organisational Culture, it can be suggested that the CSR values represented by the practices that Swire implements, such as those benefitting the community and the environment externally, as well as those benefitting and empowering the employees internally, are aligned with the values and

characteristics of the organisational culture and thus, likely to increase the CSR-engagements of employees and enhancing employee loyalty as a result.

Implication of Employees' Perception of CSR Values Organisational Culture Fit

As organisational culture paves the way for direction of business development – contextually the realisation of sustainability in an organisation – revealing the cause and effect relationship between organisational culture and CSR development (Berger, et al., 2007). Further to the above analysis, regardless of how CSR values are communicated, either top-down or bottom-up, the perception of CSR fit to the company's culture is crucial, as employee perceptions of different types of organisational culture affect employee perceptions of different types of Corporate Social Responsibility being implemented. As expected, employee perception of CSR is affected by employee perception of organisational culture, which sometimes as a result in more simple terms manifests itself in employees' CSR engagement, ie., participation or non-participation in the CSR initiatives, or in other cases with employees expressing their disapproval or resistance to the CSR practices their companies implement.

Lee et al., (2013) suggested that “If the company culture fits with its CSR activities, employees are likely to accept and institutionalise such initiatives more effectively” (Lee, et al., 2013, p. 1718), hinting at the prevalent consistency between an organisation's culture and CSR practices. This is due to

- i) when the values represented by the CSR activities are aligned with the company culture, employees are more likely to see the activities as legitimate and actions that are truthful to the companies' motives, and therefore more ready to accept these activities.
- ii) Second, CSR in this instance would be considered as 'value creation' that benefit the relevant stakeholders and the company on the whole (Chang, et al., 2016).

For example, a company that prioritise outcome of results might be more proactive in practicing Corporate Governance-related CSR, fulling legal responsibility as a way to achieve desire economical outcomes. And as the CSR values are in alignment with the company's culture employees are more likely to accept and engage in the aforementioned CSR activities and thereby with their loyalty enhanced during the participation process; on the contrary, in the scenario of an innovation oriented company practicing practising Corporate Governance-related CSR, since the value represented by Corporate Governance-related CSR is being compliant and the characteristics of an innovation oriented company might involve risk taking, although Corporate Governance-related CSR is purported to enhance employee loyalty in general in this specific circumstances as employees see the misalignment of, or potential conflicts between, the CSR values and company culture. As such employees are more likely to view the CSR initiatives as non-truthful or counter-productive and therefore are less ready to accept or engage in the activities. A summary can thereby be drawn that an organisation's culture affectively and effectively initiates employees' positive perceptions and corresponding willingness to participate in CSR activities, and that the

effectiveness may vary due to the level of value congruence between the CSR values and, organisational cultures and thus affecting the CSR-generated employee loyalty in the participation process.

The figure below illustrates the underlying relationships between CSR, Organisational Culture and employee loyalty.

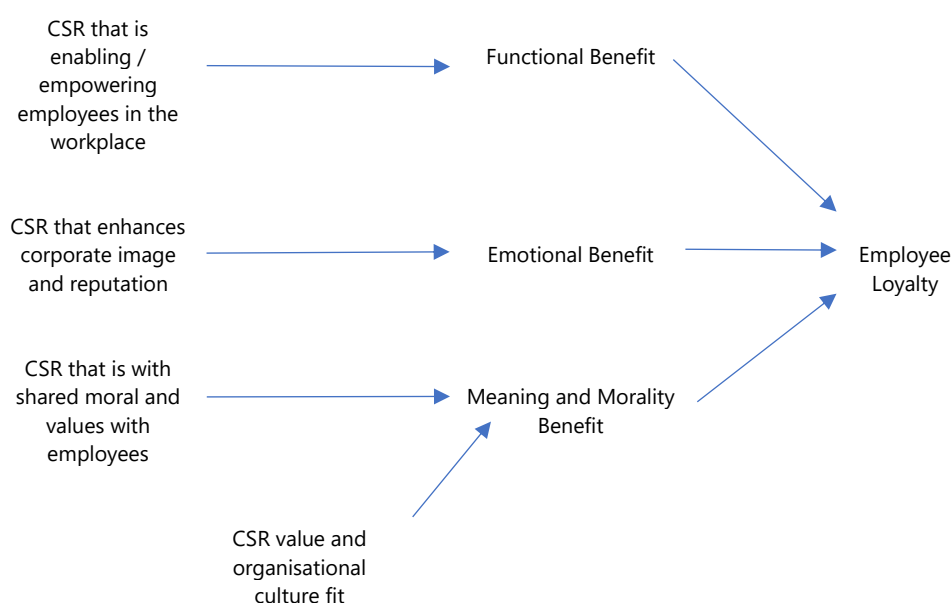


Figure 6 The Underlying Relationships Between CSR, Organisational Culture and Employee Loyalty

Organisation culture will either contribute to or hinder the implementation of CSR within the company and have a direct effect on the firm's employees. Organisation culture plays an important role in guiding the employers/employees' behaviour and holding the organisation together which includes sharing of meanings, beliefs, values, etc, within the company

and the underlying mechanism cannot be changed easily. It also plays a crucial role during the change processes in the organisation as it significantly influences the employees' attitude towards the acceptance of changes. In a similar manner, the organisational culture also affects the adoption of particular types of CSR practice within an organisation. With the above considerations of the alignment between CSR values and organisational culture, it could be expected that:

1) Outcome-oriented profile

In an outcome oriented company that prioritises result over process, the company is more likely to practise CSR relating to legal and governance due to obligations to compliance such as Corporate Governance-related CSR and Environmental-related CSR in order to achieve the desired business outcomes; and less likely to practise Employee-related and Product and Service-related CSR initiatives owing to the less direct or immediate contributions to business outcomes these initiatives might offer. As the CSR value and organisational culture are aligned, such as in the case of Outcome-oriented organisational culture and Corporate Governance and Environmental-related CSR, Outcome-oriented organisational culture is expected to positively moderate the relationship between Corporate Governance-related, Environmental-related CSR and employee loyalty; whilst moderate lightly or even negatively the relationship between Employee-related, Product and Service-related CSR and employee loyalty.

2) Employee-oriented profile

In an employee oriented company employee considerations are the focus of the company. The company is more willing and likely promote employee developments as well as employees' well-beings, as such, it is more likely to be aligned with the CSR value of employee-related CSR and practise employee-related CSR proactively. Hence it can be expected the Employee-oriented Organisational Culture positively moderate the relationship between Employee-related CSR and employee loyalty. The moderation effect of Employee-oriented Organisational Culture to the relationship between Product and service, environmental and Corporate Governance-related CSR and employee loyalty are expected to be less as the values represented by the aforementioned CSR are comparatively less aligned to the company culture that promotes employees' development and well beings.

3) Customer-oriented profile

In a customer oriented culture the company prioritises customer, implicating that quality of products and communication with customers are of great importance and focus to the corporate actions of the company. As such with the values aligned, Customer-oriented Organisational Culture is expected to positively moderate the relationship between Product and Service-related CSR and employee loyalty. The moderation effect of Customer-oriented Organisational Culture to the relationship between Corporate Governance, Environmental and Employee-related CSR and employee loyalty is expected to be positive but in smaller magnitude since the values of the aforementioned CSR can be considered as having less direct impact to quality of products and communication with customers, but none-the-less may address certain concerns that

customers may have, for example, customer focused firms might also practice Employee-related CSR and Environmental-related CSR as required by industry norms and standards, as well as to promote the firms' corporate image to attract more customers.

4) Innovation-oriented profile

A company that is innovation-oriented promotes innovation and experimentations in their business processes. They are more likely to enhance systems and processes that improve efficiencies, enhance resource / waste managements, product quality and outcomes, which may involve the training and empowerment of employees, and thus, are more likely to be aligned with the values of Environmental-related CSR, Employee-related CSR and Product and Service-related CSR. As such, positive moderation effects of the Innovation-oriented Organisational Culture on the relationship between Environmental-related CSR, Employee-related CSR, Product and Service-related, and employee loyalty is expected. On the contrary, since within an innovation-oriented culture firms might promote risk taking and flexibility, it is likely to be in conflict with the values represented by Corporate Governance-related CSR and thus, a negative moderation effect of Innovation-oriented Organisational Culture and the relationship between Corporate Governance-related CSR and employee loyalty is expected.

Implications of Employees' CSR Engagement and Participation

With better alignment of CSR and culture of the organisations, employees are more likely to have a more positive perception of CSR activities and as a

result, creating a higher level of engagement through *meanings and morality benefits* provided. If an employee develops a certain level of engagement, he/she is likely to see the organisation as an inspiring place (Deci, 1975), thus leading to a positive psychological state that exists between employees and organisation.

With employee engagement also comes the willingness to contribute to organisational goals and achievements, during which it demonstrates the enthusiasm, energy, and dedication of the employees. As such, they feel proud of their organisation, see problems of the organisation as theirs, and enjoy working and staying connected with the organisation. It is then therefore crucial to have effective internal communication of corporate identity and CSR objectives to employees. Further to this, managers must hire employees who value the company culture, and in turn, fostering and reinforcing organisation's culture that will affect the way in which the organization implements the CSR practices positively.

Basing on the above analysis, it can be summarised that CSR activities perceived as reflecting an organisation's values will enhance employee loyalty whilst on the contrary, when the values representing the organisational culture is in conflict with that of the CSR activities, the effect on employee loyalty is expected to diminish or in extreme cases, to turn negative as a result.

As such owing to the above perspectives, employees are therefore more likely to accept the CSR initiatives and become more engaged in the process of CSR implementation. In addition to CSR's direct impact to employee loyalty through *functional benefits*, and *emotional benefits*, the level of value

congruence between the values represented by the CSR activity and the corporate values of the organisation is expected to contribute to *meaning and morality benefits*. In this perspective, one of the three scenarios is likely to occur under the moderating effect of Organisational Culture: (1) a positive correlation between CSR and employee loyalty can be expected to a varying extent if value congruence between CSR value and organisational culture exists; (2) employees become frustrated with their loyalty undermined if the values perceived from organisational cultures are inconsistent to those demonstrated in CSR activities; and (3) no correlation can be spotted between CSR and employee loyalty if the employee finds the CSR practices irrelevant and/or non-beneficial to the organisational culture by any means.

As such, it is further proposed that

H4 Organisational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented) moderates the relationship of CSR (Environmental-related, Product and Service-related, Corporate Governance-related, Employee-related) and Employee Loyalty

2.4 CSR, Organisational Culture, and Employee Loyalty in Eastern Contexts

As this study focus on the organisational behaviour of Chinese employees in China, the following passages will investigate the influential factors that might affect employees' organisational behaviour, their perception of organisational culture and Corporate Social Responsibility, of Chinese employees, within a specific societal context.

Dong and Liu (2010) described culture “as an external source of influence on employee behaviours on daily personal life which consequently influences each person’s behaviour within the organisation” (Dong & Liu, 2010, p. 224). The authors (2010) highlighted that managers with different cultural backgrounds can have varying decision-making behaviours, which directly affect organisational culture through their top-down managerial philosophy and practices. Alder (Adler, 1997) shared a similar perspective, adding that culture and managerial values have huge influences on each other, and correspondingly the managerial values affect how employees behave.

In advance to narrowing down the study scope into the impacts of societal cultures and work-related values on organisational culture in China, a deep understanding of Chinese societal cultures would be obtained as a foundation for later discussion. This section focuses on exploring the environment they are in – the Chinese society, and the societal cultures they are exposed to, which help identify work-related concepts under the influences of societal cultures.

China as a Confucian Society: Confucianism

Founded by Confucius, a Chinese philosopher, educator and scholar, Confucianism is considered the dominant doctrine rooted in Chinese culture with a profound history. The traditional philosophical concept is based around the ideology of benevolence, with its analects embodying political ideas, ethics, and the principle of education (Ahmed & Zhang, 2017).

There is little room to doubt the cultural and historical significance of Confucianism to China. As a foundation of society, custom and culture (Hall & Ames, 1987), Confucianism and Confucian values have had huge impacts on how Chinese think and behave. A key feature of Confucianism lies in relationalism (Baumann & Winzar, 2017) as Confucius believed that establishing and managing relationships is key to cultivate a stable and harmonious society. Commonly known as the Five Basic Relationships of Confucianism, the Chinese philosopher governed human relationships in five philosophic ethics, comprising those between (1) Ruler and subject; (2) Father and son; (3) Older sibling and younger sibling; (4) Husband and wife; and (5) Friend and friend.

While scholars have been debating whether the influences of Confucian values are still dominant in contemporary Chinese society, Ahmed and Zhang's behavioural study (Ahmed & Zhang, 2017) evidenced that the ideology has fostered social stability and predictability in the Chinese nation throughout the ages despite economic and cultural globalisation.

China as a Collectivistic Society: Collectivism

Collectivism on the outset, at the macro level at least, seems to be in alignment with the general concepts and principals of Corporate Social Responsibility, whereby organisations are expected to look beyond financial gains and conduct their business to the good of the community and society as a whole. However, on a micro level where the employee is concerned, it could be more problematic, as collectivism influences employees perception to organisational culture and corporate actions and thus the identification process. As such, it is reasonable to consider Collectivism, potentially, as

one of the underlying mechanisms that make employee display different types of organisational behaviours towards CSR than their Western counterparts.

Ruled by the Communist Party of China, China is typically considered a collectivistic society with low individualism (Hofstede, 1984), ‘where people act in the interests of the group (Hofstede Insights, 2021), prioritising social ties over personal uniqueness and independence. As Ahmed & Zhang (2017) elaborated,

“Collectivism is inherent in a Confucian society, where it is necessary to attune one’s desires to the greater good of the group, and where an individual is defined by his or her relationship to the group.” (Ahmed & Zhang, 2017, p. 113)

This integration of Confucianism and Collectivism has been described as ‘Chinese Confucian collectivism’ by some scholars (Wong, 2001).

Collectivism is manifested at multiple levels: individual, organisational, and societal (Triandis, 1988). In the context of organisation and society, Rhee, Zhao, Jun and Kim (Rhee, et al., 2017) have suggested collectivism as a culture wherein cohesiveness and connectedness are emphasised, and members identify their in-group ‘membership’ as illustrated in SIT.

Scholars have shared various perspectives on how collectivism affects one’s group identification and the corresponding citizenship behaviours, e.g. the demonstration of reputation-protective behaviours toward a social group (Rhee, et al., 2017) and the promotion of group welfare as a collectivist goal (Moorman & Blakely, 1995). As a result, strong group identification may translate into desirable outcomes, such as intergroup cooperation or citizenship behaviours (Ye, 2012). Thus, collectivism impacts an individual

identification mechanism to a group, as well as an increased tendency to display behaviour such as suppressing individual values for the betterment of the group. In this regards, it is reasonable to hypothesise that in collectivistic society, employees are more inclined to ‘align’ their values, whilst suppressing their own individual values, with their organisations under the collectivistic influence. As such, it can be proposed that in the Chinese perspective, the collectivist influence supersede or replaces the value congruence influence in *meaning and morality benefits* to employee, generated by corporate actions such as CSR practices. In the perspective of CSR, this may in turn influence their perception of their organisations’ CSR actions, resulting in different employee outcomes than their Western counterparts. This will have potential implications to Wang et al.’s observation that, under lower public scrutiny developing nations have lesser expectations on environmental responsibility in general terms. For instance, under the premise of collectivism, in the specific scenario when environmental concerns are essential to the company’s business goals, environmental CSR is likely to be perceived as important in Chinese employee’s perspective. This further highlights the importance of investigations of CSR-culture fit in the Chinese contexts.

Organisational Culture and Corporate Social Responsibility in China

Chinese companies also display the tendency to have a preference for simple organisational structures, where everyone reports to the top of the company. Chinese companies of a certain scale also tend to prefer decentralizing its businesses according to functions, developing and adopting organisational structures that grant subsidiaries near total autonomy. As Hout and Michael points out (Hout and Michael, 2014), as in the case of Midea, the second-

largest home appliance producer, who operates its major product lines as independent businesses “rather than parts of a larger matrixed organisation” (Hout & Michael, 2014, para. 13). A leader is appointed at each of the business, who has the authority to conduct business and make important business decisions such as building factories, establishing supplier and sales networks, in order to realize the target for P&L set by himself. Compare with Western companies such as Whirlpool, who has 69,000 employees and US\$22 billion in sales globally, Midea employed 149,000 people with \$39 billion in sales in 2019 (Forbes, n.d.; Whirlpool, 2021). With roughly 20% more people employed per billion of sale generated, Midea’s operations was less streamlined than Whirlpool’s, indicating that potentially there are some duplications and overlappings of functions within the organisation, as characterized by the decentralized organisational approach. Further, in this decentralized approach it is not uncommon to find that within the organisations there are no cost centers, key departments function independently, providing other department services for a fee. In this type of organisation set up topline growth are pursued relentlessly and as such, it can be suggested that these types of set up cultivate organisational culture that is generally result oriented.

In the human management perspective, in this kind of organisation set up there is also tendencies for Chinese executives to hire employees who have entrepreneurial tendencies, so that they can manage the business and drive profit of the decentralized business independently. As Hout and Michael suggested (Hout & Michael, 2014), due to the fact that entrepreneurial people tend to leave companies after a certain period of time seeking new

professional growth and career challenges, high turnover in Chinese companies are as consequence exacerbated to upwards of 20% a year.

This illustrates that the setup of companies along with the leadership characteristics affect the organisational culture profoundly in a particular way in China. On one hand, under the influence of collectivistic tendencies, organisations may put forth employee-related CSR practices more often as attempts to cultivate a sense of togetherness with compulsory participation to strengthen the bonding with its employees. Further influenced by collectivism, on the other hand, employees may have no choice but to follow the commands of top management to join CSR activities and strive the mutual goal of gaining competitive advantages for the organisation. All of which are regardless of the *emotional* and *functional benefits* that the employees may receive through the implementations of CSR initiatives.

With the aforementioned, Confucianism collectivism-influenced organisational system, Corporate Social Responsibility implementations tends to be enforced in the business processes more so then in voluntary actions such as corporate volunteering actions (CV).

Societal Cultures and Values in China

To evaluate how individual employees in China identify with, and foster loyalty to, their companies, it is necessary to recognise the influences of Chinese society and the dominant societal cultures on how an individual thinks and behaves.

Scholars have agreed that cultural values derived from Chinese societal cultures have remained influential to the behaviours of the Chinese nowadays. Dong and Liu (2010) shared perspectives regarding traditional Chinese cultures, noting the exceptional influence of Collectivism and Confucius's principles of Confucianism and other leading beliefs developed by Lao Zi - with the former based around hierarchical interpersonal relationships and the latter emphasising respect, morality and harmony in the society. In this regard, Lockett (Lockett, 1988) observed four common cultural values – 'respect for age and hierarchy', 'group orientation', 'concept of face' (dignity), and 'importance of relationships'.

Taking the holistic view of Chinese culture and Lockett (1988)'s analysis into consideration, four interconnected concepts – guanxi (relationship), harmony, hierarchy, and respect – have been identified in this study for later discussion around Chinese organisational culture and employees' perception of CSR, and employee loyalty with their companies.

Guanxi

Collectivism, Confucianism and the relationship between the two are often discussed among scholars when conducting a societal and cultural study in the context of China. From the previous section, China is considered a highly collectivist society deeply rooted in Confucian philosophy. As such, guanxi, a cultural belief, has demonstrated great significance in the two societal doctrines.

It is universally acknowledged in academia that there is no exact word in the English language to define guanxi. Often translated as

‘relationship’, ‘network’ or ‘connection’, guanxi refers to the state of developing trust and relationship with another individual.

Harmony

Harmony has a variety of definitions in various contexts.

Considering the context of this study being societal culture-oriented, Fave’s definition (Fave, 2014) of harmony in the context of social science has captured the spirit of harmony in Chinese societal cultures: ‘a pattern of relationships within a social group and between individuals and their social construct’, which echoes the Confucian ideology.

Under the heavy influences of Chinese Confucian collectivism, Yeung and Tung (Yeung & Tung, 1996) reinforced the prominence of harmony in Chinese society. Research has found that Chinese - at least a majority of the population - are collective subjects thanks to the collectivistic nature of the society, thus individuals are prone to be group-oriented in hopes of enhancing in-group harmony (Leung & Bond, 1984; Hofstede, 1984). Confucianism-wise, harmony is intertwined in the Confucian culture that lies at the core of the Chinese social structure in which ‘self is extended to family, friends, and society to create a harmonious community. With the interdependence of social connections, Confucianism is arguably a set of rules of conduct in societal construct, suggesting the importance of maintaining good guanxi with other ‘members’ in a social group.

Hierarchy

Hierarchy is defined as “a ranking of positions of authority” in the context of social science (Miura, 2013, para. 1). In the construct of an organisation, hierarchy is built on the division of labour – often under a top-down structure comprised of an authoritative centre and an integrated chain of command with subordinates to support the functioning.

The traditional Confucian ideology has conceptualised hierarchy with the ruler/subject relationship - one of the Five Basic Relationships in Confucianism, evidencing the existence of hierarchy in human relationships. Oriented around social stratification, the Confucian believes that every individual in the society has a certain defined role, which has given rise to the hierarchy of social relations. Thus, China has practised a social hierarchical structure with class divisions from ancient times to the present.

Respect

In the traditional Confucian philosophy, ‘respect’ plays a fundamental role in achieving stability and social harmony, comprising respect for work (i.e., work engagement) (Lyu, 2020), respect for tradition (Dong & Liu, 2010) and respect for people (Baumann & Winzar, 2017).

Although respect is not something new to academia, scholars could not reach a consensus on a universally accepted definition of

‘respect’ due to its dynamics across different contexts and disciplines. Commonly illustrated as an attitude, a code of conduct, a feeling, a tribute or a principle, Spears et al. (2006) adopted a perceptive approach, defining respect as the worth of an individual perceived by one or more others. That is, if one is perceived to be valuable, his or her value is recognised with others’ respect as a psychological reward.

Chinese Societal Cultures Influences to Work-related Concepts

Oriented around the Chinese societal cultures, the four concepts – guanxi, hierarchy, harmony and respect – are prominent concepts in Chinese society. With varying degrees of influences on employee’s identification with their companies, the following section explores how the identified concepts exist as values and beliefs in the context of an organisation, which cover dimensions including employee loyalty, organisational performance and organisational culture.

Guanxi

Scholars (e.g. Rhee et al., 2017) have suggested guanxi as a moderator between collectivism, organisational performance and OCB. “Guanxi links two individuals to enable a social interaction and exchange” (Dong & Liu, 2010, p. 230), suggesting that guanxi is reciprocal in nature. Put it contextually, guanxi, as a social capital (Park & Luo, 2001), concerns one’s ability to build connections in the workplace that help accomplish tasks and gain access to information and power, network with other partners and authorities,

and make decision-making efficient and effective (Duo and Liu, 2010). Further to this POV, it is suggested that well established guanxi positively ‘impacts one’s influence and ability to get things done’ (Wenderoth, 2018, para. 8), hinting at a positive correlation between guanxi and organisational performance.

On the contrary to individualism, collectivism in an organisation is primarily manifested through participatory management at which employees are highly involved in organisational decisions and have legitimate control within the organisation (Cheung & Wu, 2011). With the empowerment of established guanxi, collectivists believe that they can have “more opportunities to voice their opinions and be treated fairly, thus becoming more committed to their organisation” (Rhee, et al., 2017, p. 1132), enhancing their loyalty. Given the participatory and empowering nature of collectivism, employees may show a greater preference of getting things done together, as such, mutual goals and objectives are strategically important.

Collectivists are prone to demonstrate a high degree of closeness with others in a social network (Rhee, et al., 2017) and thus take socially favourable actions. With a collective spirit, these employees may actively engage in business activities, demonstrate a high level of employee engagement and are more likely to perform extra-role work behaviours for the good of the organisation. Moorman and Blakely (Moorman & Blakely, 1995) were in line with this point of view, adding that employees may manifest collectivism as an

individual trait when they perceive integrity within an organisation, which positively incorporates employees' citizenship behaviours.

The prominence of guanxi has been evidenced in theoretic frameworks such as Tajfel and Turner's Social Identity Theory (SIT). Built upon the concept of social identity, SIT concerns how an individual perceives his or her in-group identity and develop cognition and behaviour in social groups (Trepte, 2006). In this regard, guanxi holds significance in one's social identity. As the state of developing trust and relationships with others, guanxi helps individuals categorise themselves as in-group members and derive a strong bonding with the group they feel belonged to, thus developing identities and 'membership' – as a form of organisational commitment and loyalty in the organisation.

Further to SIT, guanxi plays an important role in fostering organisational cultures that focus on people and team – categorised as the 'people orientation' and 'team orientation' profile in O'Reilly's OCP framework (1991), as in employees build and maintain quality, collaborative guanxi to reach organisational goals, optimising organisational performance as a team within the organisation. In this perspective, Chinese employees are therefore more likely to display positive organisational behaviours in employee-oriented organisational culture, and in addition, their identification is more likely to be enhanced through the increase of participation in an organisation's initiatives.

Second, employees are more likely to be receptive to employee-related CSR that empower employees through training and building of collaborative and supportive environment, through which employees are more likely to gain *functional benefits* to enable them to reach organisational goals.

Third, in order to maintain *guanxi*, employees are more likely to put extra effort for the good of the collective group or organisation. As such, they are more likely to see the organisational goals as their own.

Harmony

As Ahmed & Zhang (2017) suggested, “Dutifulness combined with sincerity and dedication was considered to be the pathway to social harmony” (Ahmed & Zhang, 2017, p. 111). Thus, under the influence of Confucianism, employees in China may perform socially desirable behaviours to conform to others’ expectations, maintaining harmony in the workplace (Triandis, 1995). Chin (Chin, 2014) suggests that organisations in China may utilise harmony and the creation of a harmonious workplace to boost employees’ identification with their company, with job satisfaction as a mediator between harmony and employee loyalty.

Control within an organisation is arguably contradictory to harmony. In the published work ‘The Handbook of Culture & Psychology’, collective control is outlined as a type of control that does not conflict with interpersonal and social harmony, such that responsibility is often shared among members in a group. These in-

group members are collectively responsible for the mutual outcomes and would not be blamed personally for negative outcomes. Thus, harmony comes as a by-product as the members ‘can maintain harmony among in-group members by sharing responsibilities for the outcome regardless of its valence.

Ahmed and Zhang shared a phenomenon observed from the mass population in the Chinese society, noting that “Chinese people have been culturally conditioned by the Confucian view of looking at things in terms of collective responsibility” (Ahmed & Zhang, 2017, p. 113). With collective responsibility, employees in China may manifest interdependence, see organisational goals as their personal goals, and build collaborative relationships with their fellows to optimise team performance. Furthermore, they are willing to take up responsibilities and work towards mutual goals as a team, demonstrating a strong team-nurtured culture that echoes the OCP’s ‘team orientation’ culture (1991).

Through social harmony and performance achieved from collaborative relationships, Chinese employees are more likely to desire or respond greater from *emotional benefits* gained through activities they engage in within their organisations.

Second, similar to *guanxi*, harmony also influence employees to see the organisational goals as their own through collective responsibility. In this instance, as, employees see organisational goals as their personal goals, a greater sense of pride generated when the desired goals have been achieved, through the participation of the business processes or activities, reinforcing that *emotional*

benefits as an important component influencing Chinese's employee's identification and loyalty.

Hierarchy

Regardless of the types of organisational structures, hierarchy exists in any organisational setting. An organisational hierarchy concerns how an organisation is structured and organised using relationships of different levels of authority – those between superior and subordinate levels of the organisation.

Among the Five Basic Relationships of Confucianism, the ruler/subject *guanxi* (relationship) particularly echoed with the hierarchical construct within an organisation – with top management in an organisation being the 'ruler' and the other employees being the 'subjects'. Cheung and Wu (Cheung & Wu, 2011) further explored the impact of hierarchy in an organisation - taking high-quality *guanxi* between supervisor and subordinates as an illustration, such that subordinates can be benefited from access to valuable information and power, and a bigger chance to get referrals from the supervisor. This hints at the importance of *functional benefits* to employees under the influence of Hierarchy. In this regard, employees are likely to demonstrate aggressiveness and obedience and behave with a results-driven mentality. In addition, employees in this perspective are more likely to take the goals and objectives of their superiors or organisation, as their own as they observe and respond to the orders of the authority within the organisation. As a consequence, an outcome-oriented culture –

outlined as ‘outcome orientation’ in O’Reilly’s OCP framework (1991) - is likely to be more prominent with the influence of hierarchy.

Second, owing to the obedience characteristic driven by the influence of hierarchy, employees are more ready to suppress their own values in order to take objectives of their superiors or adopt the values of organisation as their own. As such, under the influence of hierarchy, value congruence influence is again, expected to be supersede or replaced by ‘value self-alignment’ in the constituting of *meaning and morality benefits*.

Respect

Respect comes in all forms as a complementary factor for quality guanxi between stakeholders in an organisational setting. From the social psychological perspective, the feeling of ‘being respected’ is important to both collective functioning and personal well-being (Huo & Binning, 2008). Baumann and Winzar (2017) narrowed it down to highlight the essence of showing respect to others in the workplace, suggesting respect as a role requirement of employees in China.

With respect comes quality guanxi. With guanxi comes benefits such as access to more information and power, etc. Thus, in academia and many organisations, respect has been recognised as a critical factor to enhance team collaboration and organisational performance ultimately. Rogers and Ashforth supported their POV with the fact that “employment is based on an exchange relationship” (Roger &

Ashforth, 2014, p. 2). In this regard, respect functions as an intangible reward that employees get in exchange for their contribution and efforts. The scholars added a strong statement, implying ‘respect’ as the most important of all social cues that validates employees’ worth, recognise their contribution and meet their human needs for status and psychological safety. With this recognition of attributes, contribution and achievement, employees are likely to demonstrate a higher level of job satisfaction, feel valued and thus derive a sense of belonging that helps establish their in-group identity and enhance their loyalty to the group or organisation. This process echoes the mental process of social categorisation and social identification outlined in Tajfel and Turner’s SIT (1986), during which individuals categorise themselves and others into social groups, and identify themselves as ‘members’. In this perspective, it can be considered that the element of respect speaks to *emotional benefits* an employee might receive through the participation of corporate actions and activities within their organisations. It can therefore be expected under the influence of respect, Chinese employees put more emphasis on *emotional benefits* that they might gain through the interactions and participations within their companies.

Basing on the above evaluations, under the Five Relationship of Confucianism, it could be summarised that

- i) Under the influence of *guanxi*, employees are receptive to collaborative environment and contribute to team effort, such

as that in employee-oriented organisational culture; further, there is more expectations for *functional benefits* as it is of greater importance to employees to help them reach organisational goals under the collective environment; and employees are more likely to take the organisational goals as their own, thereby suppressing the value congruence influence in the dimension of *meaning and morality benefits*;

- ii) Under the influence of harmony, employees are again more likely to consider the objectives of their company their own responsibility as well as the good for their company their own, through which employees are expected to gain *emotional benefits* as a consequence of sense of pride generated through the success of the companies' actions;
- iii) Under the influence of hierarchy, employees are more likely to demonstrate aggressiveness and obeisance and behave with a results-driven mentality under the influence of Hierarchy. As such, employees are expected to be more receptive to outcome-oriented organisational culture as well as take the companies' goals as their own, thereby with 'value alignment' superseding 'value congruence' under *meaning and morality benefits*. Second, as employees are motivated to gain access to valuable information and power, and a bigger chance to be promoted by their supervisor, employees might place greater importance to *functional benefits* under the influence of Hierarchy.
- iv) Under the influence of respect, employees are more likely to have greater desire for *emotional benefits*, as Chinese

employees tends to see ‘respect’ as one of the most important social cues that validates employees’ worth, and the sense pride that might be brought along from gaining respects from their peers or superiors.

With the above recognition and understanding of the four concepts of Guanxi, Harmony, Hierarchy and Respect, and their impact on Chinese employees to their organisation behaviour, it can be predicted that in general

- i) The interaction effect between employee-related CSR and employee-oriented organisational culture should be stronger than that between employee-related CSR and other organisational culture orientation, owing to Chinese employees being more receptive to human orientation culture that manifests through participatory management, and employees are more likely to be more engaged in CSR related to the human dimensions, ie., employee-related CSR, under the Collectivistic influence of guanxi and harmony and respect.
- ii) As product-related CSR is an important aspect of a company that is customer oriented, its interaction effect with innovation-oriented culture should be higher than its interaction effect with employee-oriented organizational culture to enhance employee loyalty. This can be attributed

to Chinese employees under the influence of *guanxi* and harmony, being more likely to take the objectives of their companies as their own as they observe the orders of authority within their companies.

- iii) As corporate governance-related CSR can be considered as practices that directly impact the firm's business success, corporate governance-related CSR within an outcome-oriented organisational culture is more likely to generate employee loyalty than when it is practiced in other organizational culture (employee-oriented / customer-oriented / innovation-oriented). This can be attributed to under the influence of hierarchy, Chinese employees are more likely to demonstrate obedience and aggressive behavior and are more likely to be responsive to outcome-oriented organisational culture, as well as to take the organisational goals as their own.

This is contrary to the perspective within the Western contexts that, the congruence between norms and values of the organisations and the values of the individuals, as well as individual value congruence with the values represented by CSR, are the essential underlying mechanisms that increase employees' identification and loyalty (Koch, et al., 2019; Lee, et al., 2013; O'Reilly, et al., 1991; Finegan, 2000). The following diagram illustrates the modified influence to *meaning and morality benefits* through voluntary alignment of values between employees themselves and their organisation in the Chinese context.

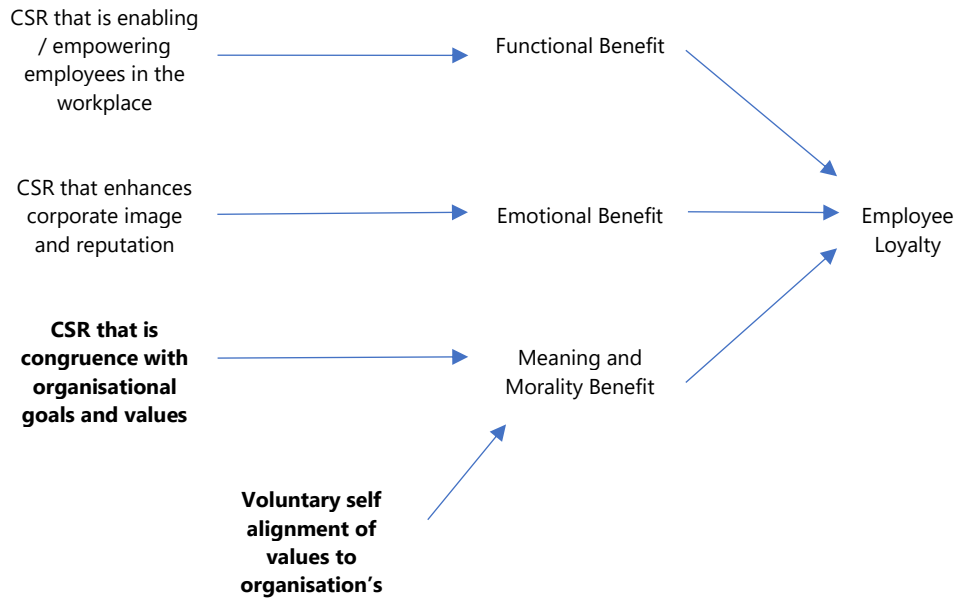


Figure 7 The Underlying Relationships Between CSR, Organisational Culture and Employee Loyalty in the Chinese Context

Taken into considerations with the above analysis, it can be further proposed that

H5. The interaction effect of Employee-related CSR and Employee-oriented Organisational Culture is stronger than that with Outcome-oriented, Customer-oriented, and Innovation-oriented, Organisational Culture, to Employee Loyalty.

H6. The interaction effect of Product-related CSR and Customer-oriented Organisational Culture is stronger than the interaction effect of that with Employee-oriented Organisational Culture, to Employee Loyalty.

H7. The interaction effect of Corporate Governance-related CSR and Outcome-oriented Organisational Culture is stronger than the interaction effect of that with Employee-related, Customer-related, and Innovation-oriented, Organisational Culture, to Employee Loyalty.

Chapter 3. Design and Methodology

3.1 Purpose and Design of the Study

In this study, the purpose was to investigate the interaction effect between employee perception of CSR, perception of Organisational Culture, and employee loyalty. A mixed method of research with Quantitative Method as the core component of the study, supplemented with Qualitative Method was employed in this study. The Quantitative Research Method will be used to determine employee perceived CSR practice and its influence on business outcome of employee loyalty, with Organisation Culture as mediator; whereas the Qualitative Research Method seeks to triangulate, explain and contextualise the Quantitative findings.

Quantitative research is a research that is based on quantitative data. (Vogt and Johnson, 2016). It refers to the research paradigm that argues for social and behavioural scientific research that strives to accurately describe, predict, explain and control the natural and human world. Churchill (1979) has provided a framework of the procedure by which measures of constructs of interest to marketers can be developed. The procedure includes 1. Specify the domain of the construct; 2. Generate a sample of items; 3. Purify the measure; 4. Assess reliability with new data; 5. Assess construct validity; and finally 6. Developing Norms. It is deemed that the research method is appropriate for this study and the said procedures are followed in the pilot study and in the main study.

The target population is the knowledge-based workers with various individual work experience and relevant involvements in CSR in various capacities in several organisations in the Greater Bay Region in China.

Scaled items were adopted from literature reviews, and further refined through expert review by academics and senior managers and experts in human resources management.

Upon initial findings and analysis through quantitative study, qualitative method of conducting interviews with senior managements and department heads were administered to confirm, cross-examine with findings, and to validate initial framework proposed. Explanatory Sequential Design was employed in the qualitative study, whereby the quantitative data was collected and analysed first, with the collection and analysis of qualitative data second. Interpretations of findings in quantitative study synthesised the scope of qualitative interviews with respondents from several companies, with the confirmed effects and relationships between perception of CSR, Organisational Culture and Employee Loyalty analysed qualitatively.

The integration of Qualitative Research Method with Quantitative Research Method in the study is purposed for triangulation and convergence of findings, as well as to put contexts into findings. Lived experienced of respondents in the qualitative study was incorporated so as to deepens and contextualise the quantitative results.

As the study deals with the complex dimensions of individual experiences and perceptions and multi-folded concepts of Organisational Culture and

loyalty, externally valid and generalisable quantitative study is essential in investigating the underlying structures and effects of the relationships. However, as the method of quantitative research 'seeks objectivity and rigour' (O'Leary, 2004), the generalised findings might not always reflect insightful data pertaining to how and why the constructs influence one another. As such, it is beneficial for this study to combine the quantitative research method with the qualitative approach, which, through acquiring data with expanded meanings from the perceptions of respondents, gain more understanding and insights of the underlying mechanism of the interrelationships between the three concepts of Corporate Social Responsibility, Organisational Culture and employee loyalty.

Despite the obvious disadvantage of the mixed method in being time consuming and labour intensive, as well as the increased level of difficulty in systematically comparing and integrating the results, combining both methods ultimately serve to mitigate the limitation of non-contextualisation in quantitative method on one hand, and the limitation of non-generalisation in qualitative method on the other.

Prior to the commencement of the full scaled study, a pilot study was conducted to retest the questionnaire items, evaluate the suitability and validity of the scaled items, as well as preliminary evaluations on the research design. The procedures and steps that were taken within the quantitative study and the qualitative study are elaborated in the following chapters.

Chapter 4. Quantitative Study

The quantitative study seeks to investigate and measure the strengths of the relationships between the three constructs of employee perceptions of Corporate Social Responsibility, Organisational Culture and employee loyalty. This chapter describes the steps and procedures, including the data collection, measures, instruments, validity and reliability, as well as the statistical methods employed, that were taken under the quantitative research part of the study.

4.1 Data Collection

Employees' perceptions were operationalised to assess the aforementioned constructs. First, a pilot study surveying employees in several companies within the target industries was conducted to identify and validate the types of Organisation Culture and the organisational structures of the companies. Next, data was collected with non-probability sampling technique, with employees of several companies, with diversity of company sizes and company cultures expected, recruited as respondents. Even though it may yield good estimates of the population characteristics, they do not allow for objective evaluation of the precision of the sample results as the estimates obtained are not statistically projectable to the population (Malhotra, Nunan and Birks, 2017). However, although there is the limitation that it relies heavily on the personal judgment, expert knowledge and creativity of the researcher rather than a random selection, this is considered as the most appropriate method of sampling fitting for the nature of this study.

A statistical approach was being used to determine the sample size based on confidence intervals. This statistic approach determines the final or the net

sample size taking into consideration of any possible incidences, non-response issues and completion rates. The confidence level, a statistical range with a specified probability that a given parameter lies within the range (Price, 2017), of 95% is used. According to government statistics there are approximately 25,000,000 workers within the textile and apparel related industry in the Greater Bay Region, and considering a probable percentage of the industry's workforce of knowledge-based workers roughly at 10% there would be approximately 2,500,000 knowledge-based workers employed in the sector within the region (Anon., 2023). As such, 385 samples will be needed with 95% confidence level, which is within the 400 survey target.

A survey questionnaire, with a brief introduction of the research study and assurance of confidentiality, was created by the researcher to collect data. No personal identifiable data was collected to ensure anonymity. The brief description, participation invitation and the survey questions are presented in Appendix A.

4.2 Measures

Three research instruments, employee perceived Corporate Social Responsibility practices, employee loyalty, and employee perceived Organisation Culture Profile were used for measurement in this study. The followings were measured, through self-administered survey in both English and Chinese, to employees in Hong Kong and China:

- 4 dimensions of employee perception of CSR (6 dimensions adapted to 4, from Yang and Basile, 2019 and Turker, 2009)

- 4 dimensions of employee perception of organisation culture (7 dimensions adapted to 4, from Chatman et al., 1991)
- 5 item scale was used to measure employee loyalty, adapted from Allen & Meyer (1990).

Perception of Corporate Social Responsibility Initiatives. The scale developed by Yang and Basile (2019) and Turker (2009) were adapted for the study to measure employee perceptions of their company's Corporate Social Responsibility initiatives relating to the environment, product and service, corporate governance, and the employee. Originally, Yang and Basile's scale has 6 dimensions. In this study it is consolidated into 4 dimensions to specifically test the four aforementioned perceptions of CSR by employees.

Perception of Organisation Culture. O'Reilly, Chatman and Caldwell (1991) developed the Organisational Culture Profiles (OCP) framework to assess person-organisation fit based on person-culture fit. The framework comprises value statements that give a holistic view of organisational culture with seven dimensions identified. The seven dimensions are consolidated into 4 which are most relevant to employee and connected to CSR practices in this study: (1) Outcome-oriented; (2) Customer-oriented; (3) Employee-oriented; (4) Innovation-oriented.

Employee Loyalty. Employee Loyalty was the dependent variable in this study. The scale measuring employee loyalty in this study was adopted by a scale developed by Allen & Meyer (1990) was adapted for the study to

measure employee loyalty. The questionnaire items correspond to the feelings that employee may have for their organisations.

Questions were adopted from previous studies by the researcher to better fit the current study. All items were measured on a 7-point Likert scale, with 1 'strongly disagree' to 5 'strongly agree'. The participants were thus being asked to agree or disagree with each statement with a numerical score to reflect its degree of attitudinal favourableness, which will be summed to measure the overall attitude in the study. The Likert-type point scale was devised to measure the strength/intensity of attitude in a liner continuum. It is reliable and can provide a greater volume of data than many other scales, and is determined to be appropriate for this study.

Demographic data was also collected and measured on a nominal scale. Respondents were also required to provide demographic information such as age, gender, countries in which they acquired their last highest education, year of work experience, number of layers of managements in the decision-making process before them in their companies, number of people directly supervised by each managers in their companies, company sectors as well as company ownership (i.e. private company or public sector). The demographic and instrument questions utilised in this study can be found in Appendix B.

4.3 Validity

It is important for the research instrument to measure what it is designed to measure. There are three criteria for evaluating a measurement tool:

Validity is the extent to which a test measures what it wished to measure;

Reliability is the accuracy and precision of a measurement procedure;

Practicality is concerned with a wide range of factors like economy, convenience, and interpretability. (Coopers and Schindler, 2014). Tests and reinforcement to the said three criteria were performed at the initial stage of the analysis.

In this study, the measurement items and scales were adopted from previous studies. Expert reviews were conducted with questionnaire items being reviewed by academics and professionals with HR experiences or senior management to ensure the validity of the content. Revisions to the items were made after screening for ‘double negatives’ and ‘confounding sentence structures’, ensuring the items are relevant and effective to measure the intended scope of measurement, as well as in language that is accessible and easy to comprehend. Since the data collection was conducted in China, the questionnaire, as well as the engagement letter with brief descriptions of the intentions of the study, letter of consent and confidential agreement letter, were translated by a professional translator, to ensure of the accuracy of the translated content before they were being distributed first to senior managements of the companies and then their respective staff members.

4.4 Data Analysis

To determine the mediating effect of Organisation Culture between employee perception of CSR practices and employee loyalty, survey data

was transferred into SPSS for analysis. Mediation testing procedures of Baron and Kenny's model were used. The aforementioned analysis procedures are as follows:

1. Descriptive statistics analysis will be used to describe perception of CSR practice, perception of Organisation Culture, and employee loyalty
2. EFA and Cronbach Alpha analysis for factor loading analysis and reliability tests
3. Correlation analysis: Regression Analysis will be used to verify the relationships. Linear Regression will be used to investigate the correlations between predictors and outcome variable. Standard coefficients will be compared for the strength of relationships between the constructs.
4. Mediation testing (Baron and Kenny's model):
 - Test perception of CSR (independent variable) is correlated with employee loyalty (Dependent Variable)
 - Test perception of CSR (independent variable) is correlated with Organisation Culture (Mediator)
 - Test the effect of CSR (IV) on employee loyalty (DV), controlling for Organisation Culture (M)

Subsequent to the above procedures, Chi-square tests for associations were conducted between the CSR variables and Organisational Culture variables, before the interaction terms between the CSR variables and Organisational Culture variables were once again analysed in Multiple Regression Analysis. More detailed descriptions of the procedures are presented in the following sub-chapters.

4.5 Pilot Study

The following section is a pilot study conducted to validate and examine the representation and significance of prediction of scale items, as well as to eliminate models proposed that are poor fit, using statistical analysis such as Cronbach's alpha analysis, exploratory factor analysis and correlation analysis.

In the pilot study, content validity procedures were applied with measurement items reviewed for relevance and clarity against each constructs by academics and practitioners. Items were distributed to professors, supervisor and Director of Study for review, to determine and confirm whether the items were indeed measuring the constructs they were intended to measure. The questionnaire items were then translated into Chinese from English by a translator with professional experience. Both the English and Chinese versions of the questionnaire were then distributed to two practitioners to check whether the languages used in the questionnaires are appropriate and easy to understand. Afterwards, the pilot study survey was then administered to a small number of participants of 39 participants, who are of similar profile of the target populations of the study. The 39 participants of the pilot study were not included in the final analysis. The pilot study contributed to provide valuable information via a preliminary test of the research design, as well as the final opportunity to refine and modify the research instruments if needed.

4.5.1 Instrument Design and Item Generation

Measurements items for the proposed constructs were extrapolated and adopted from literature review and validated and refined in the previous section of pilot study. Content validity were acquired by vigorous reviews and discussions with academics and executives with human resources expertise. Expert review was carried out to review each of the items for its relevance and appropriateness of language. Questionnaire items were then translated into Chinese for a final review by academics and practitioners prior to the distribution of the survey to respondents. The final constructs operationalised in the main study are:

OC_OUT, OC_EMP, OC_CUS, OC_INN assessed employee perception of Outcome-oriented Organisational Culture, Employee-oriented Organisational Culture, Customer-oriented Organisational Culture and Innovation-oriented Organisational Culture, respectively.

CSR_ENV, CSR_PRD, CSR_CRP, CSR_EMP assessed employee perception of Environmental-related CSR, Product and Service-related CSR, Corporate Governance-related CSR and Employee-related CSR, respectively.

And finally, LOY assessed employee perception of Employee Loyalty.

4.5.2 Exploratory Factor Analysis and Reliability Test

After the pilot data was collected and screened through missing and invalid data, an Exploratory Factor Analysis was performed. Exploratory Factor Analysis was conducted to analyse the underlying factorial structure between

Factor Loadings of Perception of Organisational Culture Variables				
	Factor			
	1	2	3	4
oc_out_1			0.464	
oc_out_2			0.844	
oc_out_3			0.869	
oc_emp_1		0.789		
oc_emp_2		0.848		
oc_emp_3		0.757		
oc_cus_1				0.511
oc_cus_2				0.860
oc_cus_3				0.505
oc_inn_1	0.774			
oc_inn_2	0.934			
oc_inn_3	0.751			

the variables intended to be measured, and to confirm if any items were to be modified or deleted.

CSR is operationalised into 4 constructs representing 4 different types of CSR, which were initially represented by 3 items each. As no item with factor loading less than 40% or with high cross-loading, no items were eliminated. The following table (Table 6) shows the final items. The 12 items had high factor loading between 0.454 to 0.948.

Organisational Culture is operationalised into 4 constructs representing 4 different profiles of Organisational Culture. Each of the construct was originally represented by 3 items. As no item with factor loading less than 40% or with high cross-loading, no items were eliminated. The following table (

Factor Loadings of Perception of Organisational Culture Variables				
	Factor			
	1	2	3	4
oc_out_1			0.464	
oc_out_2			0.844	
oc_out_3			0.869	
oc_emp_1		0.789		
oc_emp_2		0.848		
oc_emp_3		0.757		
oc_cus_1				0.511
oc_cus_2				0.860
oc_cus_3				0.505
oc_inn_1	0.774			
oc_inn_2	0.934			
oc_inn_3	0.751			

Table 7) shows the final items. All 12 items had high factor loading between 0.588 to 0.928.

Factor Loadings of Perception of CSR Variables				
	Factor			
	1	2	3	4
csr_emp_3		0.851		
csr_emp_2		0.960		
csr_emp_1		0.643		
csr_crp_3	0.853			
csr_crp_2	0.979			
csr_crp_1	0.635			
csr_prd_2				0.744
csr_prd_1			-0.569	0.529
csr_prd_3				1.028
csr_env_3			0.864	
csr_env_2			0.870	
csr_env_1			0.519	

Table 6 Pilot: Factor Loadings of CSR Variables

Table 7 Pilot: Factor Loadings of Organisational Culture Variables

Subsequent calculation of Cronbach's alpha coefficients to test for reliability is conducted as the data used in this study were collected from scaled responses. Internal consistency and how closely items are related are examined in the reliability test. Items with alpha values greater than 0.7 are accepted as items measuring the same constructs (George and Mallery, 2002). Items with alpha values greater than 0.6 will also be accepted in this pilot study.

A Cronbach's alpha analysis was conducted on Organisation Structure. It was found that the subscale's alpha level was .944, indicating that there is a sufficient level of inter-item reliability in the subscale. Moreover, it was found that the removal of any of the items would not increase the alpha level significantly.

A Cronbach's alpha analysis was conducted on Organisation Culture Profile subscale of the Outcome-orientated Organisation Culture Profile survey. It was found that the subscale's alpha level was .667, although it's lower than .7, indicates that there is a sufficient level of inter-item reliability within the subscale, as a pilot study above .6 is also deemed to be acceptable. Moreover, it was found that removing any of the items would not increase the alpha level significantly either.

A Cronbach's alpha analysis was conducted on Organisation Culture Profile subscale of the Employee-orientated Organisation Culture Profile survey. It was found that the subscale's alpha level was .893, indicating that a sufficient level of inter-item reliability is achieved within the subscale. Moreover, it was

found that the removal of any of the items would not contribute to significant increase of the alpha level.

A Cronbach's alpha analysis was conducted on Organisation Culture Profile subscale of the Customer-orientated Organisation Culture Profile survey. It was found that the subscale's alpha level was .826, indicating that there is a sufficient level of inter-item reliability. And again, it was found that deleting any of the items would not increase the alpha level significantly.

A Cronbach's alpha analysis was conducted on Organisation Culture Profile subscale of the Innovation-orientated Organisation Culture Profile survey. It was found that the subscale's alpha level was .944, indicating that there is a sufficient level of inter-item reliability in the subscale. Moreover, it was found that the removal of any of the items would not increase the alpha level significantly.

After, a series of Cronbach's analysis were conducted on Employee perception of CSR subscale of the environmental-related, product and service-related, corporate-governance related, employee-related CSR accordingly. It was found that the alpha level for the subscales of environmental-related, product and service-related, corporate-governance related, employee-related CSR are at .801, .943, .721, .875, respectively. The findings indicates that the subscale has a sufficient level of inter-item reliability, as a pilot study above .6 is also deemed to be acceptable.

Last, a Cronbach's alpha analysis was also conducted on employee loyalty. It was found that the subscale's alpha level was .898, indicating that the subscale has a sufficient level of inter-item reliability. Moreover, it was found that if any of the items were deleted, it would not significantly increase the alpha level.

The following table (Table 8) summarises the results of the Reliability Analysis with Cronbach Alpha levels for the items to be measured for each of the sub-scale of Organisational Culture, Corporate Social Responsibility, and Employee Loyalty.

Reliability Analysis		
		Cronbach Alpha
os_1	In my company we are all stimulated to offer suggestions to enable us to anticipate the future	0.944
os_2	There are clearly established procedures for decision making, which must be followed strictly in my company	
os_3	In my company the decision-making capacity tends to be located at the lowest possible level of hierachical scale	
oc_out_1	My company is result oriented	0.667
oc_out_2	My company rewards good performance with high pay	
oc_out_3	My company has high expectations of the outcomes of the business activities it engages in	
oc_emp_1	My company provides opportunities for professional advancements	0.893
oc_emp_2	My company offers stability fairness at work	
oc_emp_3	My company is supportive to its employees	
oc_cus_1	My company has good reputation	0.826
oc_cus_2	My company puts emphasis on quality of the products or services it offers	
oc_cus_3	My company promotes sharing information freely with customers	
oc_inn_1	My company supports creativity and innovation	0.944
oc_inn_2	My company promotes flexibility and adaptability at work	
oc_inn_3	My company values risk taking in the decision making process	
csr_env_1	My company is engaged in non-polluting production	0.801
csr_env_2	My company adopts energy efficiency programs in production	
csr_env_3	My company is committed to waste reduction	
csr_prd_1	My company's products or services meet the minimal legal and compliance requirements	0.943
csr_prd_2	My company communicates its ethical standards to suppliers, customers, and significant others that have a relationship	
csr_prd_3	My company's products or services are described in misleading ways or without companies used in unauthorized ways	
csr_crp_1	My company is committed to perform ethics audits	0.721
csr_crp_2	My company is committed to comply with laws, regulations and court rulings	
csr_crp_3	My company is committed to work by business ethics	
csr_emp_1	My company systematically supports employees who decide to pursue further training and education financially	0.875
csr_emp_2	My company systematically adopt procedures and policies to provide healthy and safe working conditions for all employees	
csr_emp_3	My company systematically provides initiatives and policies to support employees to maintain work life balance	
loy_1	I feel a strong sense of belonging to my company	0.898
loy_2	I am proud to tell others I work at my company	
loy_3	Working at my company has a great deal of personal meaning to me	
loy_4	I would be happy to work at my company until I retire	
loy_5	I really feel that problems faced by my company are also my problems	

Table 8 Pilot: Reliability Analysis

4.5.3 Preliminary Analysis: Mediation testing (Baron and Kenny's model)

Following Exploratory Factor Analysis and Reliability tests, Mediation testing was conducted using the Baron and Kenny's model with the following procedures in the pilot test.

- Test perception of CSR (independent variable) is correlated with Employee Loyalty (Dependent Variable)
- Test perception of Organisation Culture (Mediator) is correlated with CSR
- Test the effect of CSR (IV) on Loyalty (DV), controlling for Organisation Culture (M)

The following procedures were observed: First, Pearson's correlation analysis was conducted to test the perception of CSR (independent variable) is correlated with Employee Loyalty (Dependent Variable). Second, Pearson's correlation analysis was again conducted to test perception of Organisation Culture (Mediator) is correlated with CSR. Third and final, Hierarchical Multiple Regression analysis was conducted to Test the effect of CSR (IV) on Loyalty (DV), controlling for Organisation Culture (M).

In the Pearson's Correlation analysis, it was found that Employee-related CSR subscale has high correlation with Employee Loyalty subscale, $r(39)=.926$, $p<.001$. Further, it was also found that Corporate Governance-

related CSR has low correlation with Employee Loyalty subscale, with $r(39)=.049$, $p>.05$ at .767 and Environmental-related CSR shows a low but negative correlations with Employee Loyalty at $r(39)=-.033$, $p>.05$ at .840.

This is in line with the expectations that employee's perception of Employee-related CSR correlates positively, and strongly, with Employee Loyalty; whilst, employee perception of Corporate Governance-related CSR has low correlations with employee loyalty

Product-related CSR shows a moderate correlation with Employee Loyalty at $r(39)=.441$, $p<.05$ at .005. This could be potentially attributed to, or explained by, the sense of identification employees generated through companies possessing enhanced reputations as a result of delivering credible and reputable products and services.

Correlation Matrix between Perception of CSR and Employee Loyalty						
		csr_env	csr_prd	csr_crp	csr_emp	loy
csr_env	Pearson's r	—	.083	-.471**	-.034	-.033
	p-value	—	.615	.002	.838	.840
csr_prd	Pearson's r	.083	—	-.422**	.408**	.441**
	p-value	.615	—	.007	.010	.005
csr_crp	Pearson's r	-.471**	-.422**	—	-.019	.049
	p-value	.002	.007	—	.907	.767
csr_emp	Pearson's r	-.034	.408**	.019	—	.926**
	p-value	.838	.010	.907	—	<.001
loy	Pearson's r	-.033	.441**	.049	.926**	—
	p-value	.840	.005	.767	<.001	—

Table 9 Pilot: Pearson's Correlation Matrix - CSR and Employee Loyalty

In addition, the same correlation analysis was conducted with the Organisational Culture subscale and CSR. In the Pearson's Correlation Matrix below (Table 10) we can also see that as expected, certain types of organisational culture have higher correlations with certain types of CSR. For example, Employee-oriented Organisational Culture (OC_EMP) shows high correlations with Employee-related CSR with $r(39)=.908$, $p<.001$. As expected in companies that is employee focused, it is more likely that these companies practice Employee-related CSR through training or providing a good working environment for employees.

Innovation-oriented Organisation Culture subscale (OC_INN) shows significant correlations with Product and Service-related CSR subscale (CSR_PROD), and with Employee-related CSR subscale (CSR_EMP), with $r(39)=.721$, $p<.001$ and at $r(39)=.566$, $p<.001$ respectively. This indicates Innovation-oriented Organisation Culture strongly and positively correlates with Product and Service-related and Employee-related CSR, as expected that in companies that promote innovation, it is more likely that these companies invest in empowering their employees through training and development in order to adopt innovative business processes, or more willing to facilitate better communications with customers and improve specifications of products and services the companies deliver .

Correlations Matrix between CSR Variables and Organisational Culture Variables									
		csr_env	csr_prod	csr_corp	csr_emp	oc_out	oc_emp	oc_cus	oc_inn
csr_env	Pearson	1	.083**	-.471**	-.034	-.432**	-.056	.152	.011
	Correlation Sig. (2-tailed)		.615	.002	.838	.006	.736	.354	.945
csr_prod	Pearson	.083	1	-.422**	.408**	-.099	.381*	.696**	.721**
	Correlation Sig. (2-tailed)	.615		.007	.010	.548	.017	<.001	<.001
csr_corp	Pearson	-.471**	-.422**	1	-0.019	.610**	-.037	-.205	-.148
	Correlation Sig. (2-tailed)	.002	.007		.907	<.001	.825	.211	.370
csr_emp	Pearson	.219***	.285***	.034	1	.074	.908**	.348*	.566**
	Correlation Sig. (2-tailed)	<.001	<.001	.511		.656	<.001	.030	<.001
oc_out	Pearson	-.432**	-.099	.610**	.074	1	.093	-.135	-.125
	Correlation Sig. (2-tailed)	.006	.548	<.001	.656		.575	.412	-.036
oc_emp	Pearson	-.056	.381*	-0.037	.908**	.093	1	.358*	.629**
	Correlation Sig. (2-tailed)	.746	.017	.825	<.001	.575		.025	<.001
oc_cus	Pearson	.152	.696**	-.025	.348*	-.153	.358*	1	.384*
	Correlation Sig. (2-tailed)	.354	<.001	.211	.030	.412	.025		.016
oc_inn	Pearson	.011	.721**	-.148	.566**	-.036	.358*	.384*	1
	Correlation Sig. (2-tailed)	.945	<.001	.370	<.001	.829	.025	.016	

Table 10 Pilot: Pearson's Correlation Matrix - Organisational Culture and CSR

Since it was indicated that as expected, certain Organisational Culture significantly affects Employee Loyalty, we control Organisational Culture in a Partial Correlation analysis. The results are presented in the table below (Table 11). When controlling Organisation Culture in Partial Correlation analysis, it was found that Employee related CSR subscale has lower correlation with Employee Loyalty subscale, $r(39)=.662$, $p<.001$. When compared with the result without controlling Organisation Culture, it shows a decrease from .926 to .662. Additionally, when controlling Organisation Culture in Partial Correlation analysis, it was found that the Product-related CSR subscale, which originally shows moderate correlations with Employee Loyalty with $r(39)=.441$, $p<.05$ at .005, has now show a lower correlation with $r(39)=.233$, $p>.05$ at .177 which is statistically insignificant. As such,

according to Baron and Kenny's model we can concluded from this finding that there is significant moderating effect of Organisation Culture between Employee Perception of CSR and Employee Loyalty, and its interaction effects warrant a closer investigation in the main study. To further explore the interaction effect of Organisational Culture to the relationship between Employee perception of CSR and Employee Loyalty, Hierarchical Multiple Regression analysis is conducted in the main study in the following section of the chapter.

Partial Correlation between Perception of CSR and Loyalty, Controlling for Perception of Organisational Culture						
		csr_env	csr_prd	csr_crp	csr_emp	loy
csr_env	Pearson's r	1.000	-.022	-.287	.026	.043
	p-value	—	.899	.095	.882	.807
csr_prd	Pearson's r	-.022	1.000	-.609**	.263	.233
	p-value	.899	—	<.001	.127	.177
csr_crp	Pearson's r	-.287	-.609**	1.000	.067	.187
	p-value	.095	<.001	—	.704	.282
csr_emp	Pearson's r	.026	.263	.067	1.000	.662**
	p-value	.882	.127	.704	—	<.001
loy	Pearson's r	.043	.233	.187	.662**	1.000
	p-value	.807	.177	.282	<.001	—

Controlling variables oc_out & oc_emp & oc_cus & oc_inn

Table 11 Pilot: Partial Correlation Analysis - CSR and Loyalty, Controlling for Organisational Culture

4.5.4 Summary of the Pilot Study

The pilot study fulfilled the objective of eliminating items that were a poor fit to the proposed model. As the pilot study found out, all items are relevant and therefore there were no items eliminated for the main study. Preliminary analysis also showed that as expected, Employee-related CSR and Product

and Service-related CSR have significant effect to Employee Loyalty, as proposed in our theory that Employee-related CSR generated the most *functional benefits* to employees whereas in Product and Service-related CSR employee loyalty is enhanced owing to the sense of pride and recognition generated through enhanced reputations of the companies (*emotional benefits*) as a result of delivering credible and reputable products and services.

On the other hand, with the exception of Outcome-oriented Organisational Culture, all other Organisational Culture, of Employee-oriented, Customer-oriented, and Innovation-oriented, showed significant relationship with Employee Loyalty. When a Partial Correlation analysis was performed with Organisation Culture controlled, Corporate Social Responsibility instruments showed a significant decrease of effects to Employee Loyalty. Basing on Baron and Kenny's model, these findings validated and endorsed the proposed model that Organisation Culture potentially mediate the relationship between Corporate Social Responsibility and Employee Loyalty and the model was further tested in the main study in the following chapter.

4.6 Main Study

As described in previous chapters, this study is conducted as a two-part study integrating Quantitative Research Method as the core component of the study, and the Qualitative Research Method as the supplementary component, in an Explanatory Sequential set up. In the Explanatory Sequential design, collection and analysis of quantitative data were conducted first, prior to the collection of qualitative data, followed by the final part of qualitative data analysis to explain and contextualize the quantitative findings.

Following the preliminary analysis and findings of the pilot study, within which items for measurements are confirmed and preliminary model tested for its appropriateness for further investigation, the survey questionnaire was further distributed to a greater target population. This section of the paper will cover the procedures the main study. Firstly, this chapter will describe the data collection and the respondents. Second, this chapter will present the instrument and item generation, reliability tests and Exploratory Factor Analysis. In the final section of this chapter, there will be the reporting of results of the study, including the descriptive statistics, means, regression analysis and finally Partial Correlation analysis. The summary of interpretations of results against research questions will also be presented to conclude the chapter.

Below is a summary of procedures performed in the main study:

1. Exploratory Factor Analysis to examine the factorial structure of the items of CSR construct, and Organisational Culture construct, respectively
2. Cronbach's Alpha Analysis to test for reliability for the CSR construct, and Organisational Culture construct, and Employee Loyalty construct respectively
3. Regression Analysis with Employee Loyalty as Dependent Variable, and 4 CSR constructs as Predictors
4. Correlation Analysis of CSR constructs and Organisational Culture constructs
5. Linear Regression Analysis with Employee Loyalty as Dependent Variable, and 4 Organisational Culture constructs as Predictors

6. Hierarchical Regression Analysis with Employee Loyalty as Dependent Variable, CSR constructs as Predictors, and Organisational Culture constructs as Control Variables
7. Chi-Square test for association between CSR and Organisational Culture variables to examine the association between the categorical variables
8. Hierarchical Regression Analysis with Employee Loyalty as Dependent Variable, CSR and Organisational Culture constructs, as well as their interaction terms, at centered values as Predictors, to examine and compare the strengths of correlations between the original CSR and Organisational Culture constructs, and their interaction terms

4.6.1 Descriptive Statistics

Survey questionnaires were distributed and 382 responses were collected from knowledge-based worker with CSR experience in 5 different companies. These companies are located in China within the Greater Bay Area and conducted their businesses in the region either in manufacturing activities, or providing services relating to manufacturing and consumer industries. Company A is a manufacturing service company with its business focusing on fast fashion products. It conducts its manufacturing activities together with market analysis as their core business activities. Company B is a marketing company providing marketing, sales and trading services in relations to consumer brands of local and international customers. Company C and Company D both are companies that provide product development services to consumer brands and manufacturing companies. Company D is a company

that conducts manufacturing and trading activities with both local and international customers. Company E is a company that conduct market analysis and manufacturing services for both local and international customers.

Participants were requested to provide socio-demographic information, which is relevant to the study, including their age, gender, years of experience, location of education. The descriptive statistics are disseminated in the following passages.

The Gender distribution of the respondents included 57.3% male and 41.4% female, which is in line with and comparable to the statistic obtained and estimated by World Bank, of 44.8% of female in total labor force in China in 2021 (World Bank, 2023). The gender distribution information for the participants is presented in the below table (Table 12).

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Male	219	57.3	58.6	58.6
Female	160	41.9	41.9	100.0
Missing	3	0.8		

Table 12 Gender of Respondents

The Age distribution of the respondents included 5.5% of respondents within the age of 19-24; 17.8% within the age range of 25-34; 37.7% within the age range of 35-44; 25.7% within the age range of 45-54; and 2.4% within the age range of above 65. The majority of respondents, over 61.0%, are under the

age of 44. The information regarding age of the respondents is presented in the below table (Table 13).

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
19-24	21	5.5	5.5	5.5
25-34	68	17.8	17.8	23.3
35-44	144	37.7	37.7	61.0
45-54	98	25.7	25.7	86.6
55-64	42	11.0	11.0	97.6
65+	9	2.4	2.4	100.0

Table 13 Age of Respondents

In relations to the education and cultural background of the respondents, befitting to the objectives of this study, which is to understand the organisational behaviour of employees in China in the Chinese contexts, respondents were screened for demographic information such as their education as well as domicile background in relation of location. As such, all of the respondents reside in China for most of their life and are educated within China.

In relations to years of work experience, up to 49.5% of the respondents have more than 20 years of experience within their respective industries. The information regarding years of work experience of the participants is presented in the below table (Table 14).

Years of Work Experience				
	Frequency	Percent	Valid Percent	Cumulative Percent
<3	23	6	6	6.9
4-7	71	18.6	18.6	24.6
8-12	99	25.9	25.9	50.5
13-20	144	37.7	37.7	88.2
21>	45	11.8	11.8	100

Table 14 Year of Work Experience of Respondents

With regards to information relating to the sector that the respondents work in, 70.2% works in the manufacturing industry and 29.8% works in the service industry. The information regarding the sectors the participants work in is presented in the below table (Table 15) .

Sector				
	Frequency	Percent	Valid Percent	Cumulative Percent
Manufacturing	268	70.2	70.2	70.2
Service	114	29.8	29.8	100

Table 15 Sector that Respondents Work In

4.6.2 Means and Standard Deviations

In the initial stage of the analysis, means and standard deviation of the each of the CSR subscales and Organisational Culture subscales, as well as the Employee Loyalty subscale are examined to get an overview of employee's perception of the CSR practices that their organisations engage in, the types

of Organisational Culture within their respective companies, as well as the general feelings of loyalty to their companies.

In terms of employee perception of CSR, the Corporate Governance-related CSR construct is with the highest mean at 6.14 (SD=.56), suggesting that in the employee's perceptions their respective organisations have highest expectations on Corporate Governance-related CSR. This is followed by Environmental-related CSR and Product and Service-related CSR at 5.8595 (SD=.55) and 5.8237 (SD=.89) respectively, with Product and Service-related CSR with a more uneven distribution, implying that between the companies the respondents work for there are more varied approaches and degree of conducting Product and Service-related CSR. Employee-related CSR comes in last with a mean of 5.4878 (SD=.69), suggesting that in employee perception the degree which their respective organisations practice of Employee-related CSR is lowest amongst other types of CSR. However, as the Standard Deviation is relatively high, we can deduct that outliers on either side of the spectrum might have affected the Means and Standard Deviation of Employee CSR, with companies either showing moderately high or low expectations in practice of Employee CSR.

In terms of Organisational Culture, the highest mean is Customer-oriented Organisational Culture construct at 5.9843 (SD=0.75), suggesting that most of the organisations the respondents work in are customer focused in terms of Organisational Culture. Innovation-oriented Organisational Culture comes second with mean at 5.7120 (SD=.84), whilst Outcome-oriented

Organisational culture comes third with mean at 5.5689 (SD=.85), both with relatively uneven distributions, suggesting companies have high and low degrees of the said Organisational Culture. Least employees feel that they work in companies with Organisational Culture that is employee-oriented, with mean at 5.4773 (SD=.63), which is relatively even with the distribution when compared with the standard deviations of the other three Organisational Culture.

Employee Loyalty has a mean of 5.6171 (SD=.65), suggesting that respondents are moderately loyal to the companies on the whole, although the distribution of responses are also moderately uneven, implying that within the sample populations there are a moderate spread of responses indicating high and low Employee Loyalty. Considering the sample population consists employees from several different companies, it is expected and accepted that they are from companies of different make up of different types of Organisational Culture and thus, with moderate Standard Deviation in the Means testing.

The Means and Standard Deviation results are presented in the table below.
(Table 16)

Means and Standard Deviation		
	Mean	Std. Deviation
loy	5.6171	.64589
csr_env	5.8595	.55050
csr_prod	5.8237	.88821
csr_corp	6.1361	.56233
csr_emp	5.4878	.68798
oc_out	5.5689	.84823
oc_emp	5.4773	.63202
oc_cus	5.9843	.75240
oc_inn	5.7120	.83816

Table 16 Means and Standard Deviation

4.6.3 Uni-dimensionality, Exploratory Factor Analysis and Reliability Test

In the main study with the full set of data of 382 responses, Exploratory Factor Analysis was again conducted to analyse the underlying factorial structure between the variables intended to be measured, and to confirm if any items were to be modified or deleted based on the factor loading values.

CSR was operationalized into 4 constructs representing 4 different types of CSR, namely Environmental-related CSR, Product and Service-related CSR, Corporate Governance-related CSR and Employee-related CSR, which were initially represented by 3 items each. Items of environmental-related CSR (CSR_ENV) have factor loadings between 0.773 and 0.839; Items of product-related CSR (CSR_PRD) have factor loadings between 0.768 and 0.827; Items of corporate governance-related CSR (CSR_CRP) have factor loadings between 0.788 to 0.816; Items of employee-related CSR (CSR_EMP) have factor loadings between 0.793 and 0.830. As no item with factor loading less

than 40% or with high cross-loading, no items were eliminated. Table 20 (Table 17) shows the final items.

Organisational Culture was operationalized into 4 constructs (OC_OUT, OC_EMP; OC_CUS; OC_INN) representing 4 different profiles of Organisational Culture, namely Outcome-oriented Organisation Culture, Employee-oriented Organisation Culture, Customer-oriented Organisation Culture and Innovation-oriented Organisation Culture. Each of the construct was originally represented by 3 items. Items of Outcome-oriented Organisational Culture (OC_OUT) have factor loadings between 0.778 and 0.805; Items of Employee-orientated Organisational Culture (OC_EMP) have factor loadings between 0.744 and 0.838; Items of Customer-orientated Organisational Culture (OC_CUS) have factor loadings between 0.695 to 0.850; Items of Innovation-oriented Organisational Culture (OC_INN) have factor loadings between 0.825 and 0.844. As no item with factor loading less than 40% or with high cross-loading, no items were eliminated. The final items are presented in the below table (Table 17).

The below table (Table 17) summarises the results of the Exploratory Factor Analysis for the constructs of OC, CSR, LOY.

Similar to the pilot study, reliability is then once again tested with the calculation of Cronback's alpha coefficients to test for reliability, due to the data being collected in the study were of scaled responses. In Reliability test the degree of consistency between various measurable items that are designed

to measure a concept is assessed and determined (Hair, et al., 2010). The test aims to examine internal consistency and how closely items are related. In the reliability tests in the main studies, only items with alpha values greater than 0.7 are accepted as items measuring the same constructs (George and Mallery, 2002).

A Cronbach's alpha analysis was conducted on employee perception of CSR subscale of the Environmental-related (CSR_ENV) survey. It was found that the subscale's alpha level was .728, indicating that there is a sufficient level of inter-item reliability in the subscale. Moreover, it was found that the removal of any of the items would not increase the alpha level significantly.

Next, a Cronbach's alpha analysis was conducted on Product and service-related CSR (CSR_PRD) survey. It was found that the subscale's alpha level was .760, indicating that there is a sufficient level of inter-item reliability subscale. Again, it was found that the removal of any of the items would not increase the alpha level significantly.

Third, a Cronbach's alpha analysis was conducted on Corporate Governance-related CSR (CSR_CRP) survey. It was found that the subscale's alpha level was .708, indicating that there is a sufficient level of inter-item reliability in the subscale. The removal any of the items does not raise the alpha level significantly hence all three items were kept.

Fourth, a Cronbach's alpha analysis was conducted on employee perception of CSR subscale of the Employee-related CSR (CSR_EMP)) survey. It was found that the subscale's alpha level was .755, which again indicates that there is a sufficient level of inter-item reliability subscale. Moreover, it was

found that the removal of any of the items would not raise the alpha level significantly. The results are presented in the following table (Table 17).

After, a series of Cronbach's analysis were conducted on Employee perception of Organisational Culture subscale of the Outcome-orientated Organisation Culture Profile (OC_OUT), Employee-orientated Organisation Culture Profile (OC_EMP), Customer-orientated Organisation Culture Profile (OC_CUS), Innovation-orientated Organisation Culture Profile (OC_INN) accordingly. It was found that the alpha level for the subscales of Outcome-oriented, Employee-oriented, Customer-oriented, and Innovation-oriented Organisational Profiles are at .715, .724, .738, .785, respectively. The findings indicates that all of the Organisational Culture Profile subscales have sufficient levels of inter-item reliability, as all Cronbach's alpha values are above .7, which is deemed to be the threshold for being considered as acceptable. The results are presented in the following table (Table 17).

Last, a Cronbach's alpha analysis was also conducted on Employee Loyalty. Five items were measured initially, however, it was found that the subscale's alpha level was .625, which is lower than .7 to be considered acceptable. It was found that if one item (LOY_4) is deleted, the subscale's Cronbach's alpha level increased to .775, which indicates that the subscale has a sufficient level of inter-item reliability. As a result, item LOY_4, which corresponds to the questionnaire item of "I would be happy to work at my company until I retired" was removed in subsequent analysis, which 4 other items remained on the scale. The results are presented in the following table (Table).

Factor Loadings and Reliability			
		Factor Loading	Cronbach Alpha
oc_out_1	My company is result oriented	0.778	0.715
oc_out_2	My company rewards good performance with high pay	0.780	
oc_out_3	My company has high expectations of the outcomes of the business activities it engages in	0.805	
oc_emp_1	My company provides opportunities for professional advancements	0.781	0.724
oc_emp_2	My company offers stability fairness at work	0.838	
oc_emp_3	My company is supportive to its employees	0.744	
oc_cus_1	My company has good reputation	0.850	0.738
oc_cus_2	My company puts emphasis on quality of the products or services it offers	0.820	
oc_cus_3	My company promotes sharing information freely with customers	0.695	
oc_inn_1	My company supports creativity and innovation	0.844	0.785
oc_inn_2	My company promotes flexibility and adaptability at work	0.825	
oc_inn_3	My company values risk taking in the decision making process	0.828	
csr_env_1	My company is engaged in non-polluting production	0.733	0.728
csr_env_2	My company adopts energy efficiency programs in production	0.839	
csr_env_3	My company is committed to waste reduction	0.825	
csr_prd_1	My company's products or services meet the minimal legal and compliance requirements	0.768	0.760
csr_prd_2	My company communicates its ethical standards to suppliers, customers, and significant others that have a relationship	0.831	
csr_prd_3	My company's products or services are described in misleading ways or without companies used in unauthorized ways	0.827	
csr_crp_1	My company is committed to perform ethics audits	0.789	0.708
csr_crp_2	My company is committed to comply with laws, regulations and court rulings	0.816	
csr_crp_3	My company is committed to work by business ethics	0.788	
csr_emp_1	My company systematically supports employees who decide to pursue further training and education financially	0.793	0.758
csr_emp_2	My company systematically adopt procedures and policies to provide healthy and safe working conditions for all employees	0.821	
csr_emp_3	My company systematically provides initiatives and policies to support employees to maintain work life balance	0.830	

Table 17 Factor Loadings and Reliabilities of Organisational Culture and CSR Items

Reliability Analysis		Cronbach Alpha
loy_1	I feel a strong sense of belonging to my company	0.775
loy_2	I am proud to tell others I work at my company	
loy_3	Working at my company has a great deal of personal meaning to me	
loy_5	I really feel that problems faced by my company are also my problems	

Table 19 Reliability Analysis of Employee Loyalty Items

4.6.4 Regression Analysis, Chi-Square Test, and Hierarchical Regression Analysis

A multiple regression analysis was then next conducted with Environmental-related CSR (CSR_ENV), Product and Service-related CSR (CSR_PRD), Corporate Governance-related CSR (CSR_CRP) and Employee-related CSR (CSR_EMP) as predictors and Employee Loyalty as the outcome variable to explore the prediction effects of the CSR constructs to Employee Loyalty. As indicated in the guidelines in Cohen (Cohen, 1988), R^2 values at 0.010-0.299 indicates low explanations by the predictor variables; R^2 values at 0.300-0.499 indicates medium explanation by the predictor variables; and R^2 values of greater than 0.500 indicates strong explanations by the predictor variables. In the regression summary table presented below (Table 18), the R^2 value indicated the model that, for 49.2% of the variation in the dependent variable, Employee Loyalty (LOY) can be explained by the independent variables, indicating moderate variability is explained by this model.

Regression Analysis of CSR Predictors (Dependent Variable: LOY)	
R	.701
R Square	.492
Adjusted R Square	.487

Table 18 Regression Analysis of CSR Variables and Dependent Variable LOY

The coefficient of regression summary is presented in table (Table 19). To understand the strengths of correlations between the individual predictor variables and the outcome variable, the key data to be interpreted in the model is the standardized coefficients Beta (β). In the case of applied psychology, where measurements of attitude is concerned, as indicated by Bosco et al. (Bosco, et al., 2015), effect size greater than 0.40 is considered as large; 0.18 to 0.39 can be classified as medium effect; and 0.10 to 0.24 can be classified as low). In this model, $\beta_{\text{csr_emp}}=0.562$, $p<0.001$, which indicates a significantly large effect of Employee-related CSR to Employee Loyalty. Product and Service-related CSR also shows a statistically significant and moderate effect to Employee Loyalty, at $\beta_{\text{csr_prd}}=0.276$, $p<0.001$. Environmental-related CSR and Corporate Governance-related CSR, however, do not show statistically significant effects with Employee loyalty, with p-value over 0.05, at 0.728 and 0.502 respectively, bringing into questions of the effectiveness of employing Environmental-related CSR and Corporate Governance-related CSR in generating the outcome of Employee Loyalty. As such, it can be suggested that Employee-related CSR is the greatest predictor to Employee Loyalty, whilst Environmental-related CSR has the lowest effect to Employee Loyalty. Of the all four types of

CSR, only Employee-oriented CSR and Product and Service-related CSR show statistically significant correlations with Employee Loyalty. With the above findings, it can be interpreted:

H1. CSR (Environmental, Product and Service-related, Corporate Governance-related, Employee-related) positively correlate with Employee Loyalty, is therefore only partially supported.

H2. Strength of relationship between Employee Loyalty and Employee-related and Product and Service-related CSR are stronger than Environmental-related and Corporate Governance-related CSR, is supported.

Coefficients of Regression of CSR Predictors (Dependent Variable: LOY)					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.614	.338		4.782	<.001
csr_env	.024	.070	.021	.348	.728
csr_prd	.201	.040	.276***	5.086	<.001
csr_crp	-.034	.050	-.029	-.672	.502
csr_emp	.528	.036	.562***	14.655	<.001

Table 19 Coefficients of Regression of CSR Predictors and Dependent Variable LOY

A Correlation Analysis was conducted to understand the correlations between CSR constructs and Organisational Culture constructs. The results are presented in the table below (Table 20). It was found that Environmental-

related CSR correlates positively with all Organisational Culture, with its correlations with Employee-oriented Organisational Culture and Customer-oriented Organisational Culture most significant, with $r(382)=.315$, $p<0.001$ and $r(382)=.321$, $p<0.001$, respectively. Both with p-value less than 0.05, showing that the correlation is significant.

Product and Service-related CSR shows positive correlations with Employee-oriented and Customer-oriented Organisational Culture, with $r(382)=.344$, $p<0.001$ and $r(382)=.177$, $p<0.001$, respectively. It however shows negative correlations with Innovation-oriented and Outcome-oriented Organisational Culture, with $r(382)=-.156$, $p=0.002$, <0.05 and $r(382)=-.049$, $p=.337$, >0.05 , respectively. The corresponding p-values indicates that its negative correlations with Innovation-oriented Organisational Culture is significant whereas with Outcome-oriented Organisational Culture is not.

In the Corporate Governance-related CSR dimension, it was found that it has positive correlations with all Organisational Culture profiles. With Outcome-oriented Organisational Culture it shows $r(382)=.172$, $p<0.001$; With Employee-oriented Organisational Culture it has $r(382)=.163$, $p=0.001$, <0.01 ; With Customer-oriented Organisational Culture it has $r(382)=.182$, $p<0.001$; and finally with Innovation-oriented Culture it has $r(382)=.086$, $p=.094$, >0.05 . The correlations are positive albeit low in values, and are all significant with p-value less than 0.05, except for Innovation-oriented Organisational Culture.

And finally in the Employee-related CSR dimension, positive correlation can only be found with Employee-oriented Organisational Culture, with

$r(382)=.313$, $p<0.001$. Negative correlations was found with Outcome-oriented Organisational Culture, with $r(382)=-.143$, $p=0.005$, <0.01 ; and with Innovation-oriented Organisational Culture, with $r(382)=-.214$, $p<0.001$. Its correlations with Customer-oriented Organisational Culture is also negative, with $r(382)=-.001$, $p=.977$, >0.05 , although it is not statistically significant.

With the above finding, since only some of the CSR variables positively correlates with Organisational Culture variables,

H3. Employee perception of CSR (Environmental-related, Product and Service-related, Corporate Governance-related, Employee-related) positively correlates with employee perception of Organisational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented) is only partially supported.

Correlations Matrix between CSR Variables and Organisational Culture Variables									
		csr_env	csr_prod	csr_corp	csr_emp	oc_out	oc_emp	oc_cus	oc_inn
csr_env	Pearson	1	.680***	.438***	.219***	.057	.315***	.321***	.080
	Correlation Sig. (2-tailed)		<.001	<.001	<.001	.264	<.001	<.001	.120
csr_prod	Pearson	.680***	1	.065	.285***	-.049	.344***	.177***	-.156**
	Correlation Sig. (2-tailed)	<.001		.204	<.001	.337	<.001	<.001	.002
csr_corp	Pearson	.438***	.065	1	.034	.172***	.163**	.182***	.086
	Correlation Sig. (2-tailed)	<.001	.204		.511	<.001	.001	<.001	.094
csr_emp	Pearson	.219***	.285***	.034	1	-.143**	.313***	-.001	-.214***
	Correlation Sig. (2-tailed)	<.001	<.001	.511		.005	<.001	.977	.000
oc_out	Pearson	.057	-.049	.172***	-.143**	1	.045	.224	-.125
	Correlation Sig. (2-tailed)	.264	.337	<.001	.005		.382	<.001	.014
oc_emp	Pearson	.315***	.344***	.163**	.313***	.001	1	.338***	.061
	Correlation Sig. (2-tailed)	<.001	<.001	.001	<.001	.984		<.001	.271
oc_cus	Pearson	.321***	.177***	.182	-.001	.224***	.338***	1	.059
	Correlation Sig. (2-tailed)	<.001	<.001	<.001	.977	<.001	<.001		.247
oc_inn	Pearson	.080	-.156**	.086	-.214***	-.125*	.061	.059	1
	Correlation Sig. (2-tailed)	.120	.002	.094	<.001	.014	.231	.247	

Table 20 Correlations Matrix between CSR Variables and Organizational Culture Variables

Next, a multiple regression analysis was also conducted with the four dimensions of Organisational Culture, Outcome-oriented Organisational Culture (OC_OUT), Employee-oriented Organisation Culture (OC_EMP), Customer-oriented Organisational Culture (OC_CUS) and Innovation-oriented Organisation Culture (OC_INN) as predictors and Employee Loyalty as the outcome variable, to investigate the predicting effect of Organisational Culture constructs to Employee Loyalty.

In the regression summary table presented below (Table 21), the R^2 value indicated the model with Organisational Culture as predictors, that, for 29.2% of the variation in the dependent variable, Employee Loyalty (LOY) can be explained by the independent variables. Compared with the

regression model of CSR as dependent variables, this model shows a lower variability in explaining the relationship with Employee Loyalty.

Regression Analysis of Organisational Culture Predictors (Dependent Variable: LOY)	
R	.540
R Square	.292
Adjusted R Square	.284

Table 21 Regression Analysis of Organisational Culture Variables and Dependent Variable LOY

The coefficient of regression summary between the Organisational Culture predictors and Employee Loyalty is presented in table (Table 22). Again, the standardized coefficients Beta (β) is interpreted to understand the strengths of correlations between the individual predictor variables and the outcome variable. In this model, it is worth noting that, $\beta_{oc_emp}=0.443$, $p<0.001$, which indicates a significantly large effect size between Employee-oriented Organisational Culture and Employee Loyalty. Outcome-oriented Organisational Culture however, shows a statistically significant, moderately strong but negative effect to Employee Loyalty, at $\beta_{oc_out}=-0.296$, $p<0.001$. Innovation-oriented Organisational Culture, interesting, also shows a statistically significant, low but negative effect to Employee loyalty, with $\beta_{oc_inn}=-0.179$, $p<0.001$. As such, amongst the Organisational Culture Profiles, it can be suggested that while on the whole, the effects size of the four Organisational Culture Profile to Employee Loyalty are varied according to expectations, three of the four Organisational Culture Profile constructs show significant links to outcome of Employee Loyalty, apart from Customer-oriented Organisational Culture. The strongest effect

Organisational Culture Profile has on Employee Loyalty is unsurprisingly, the Employee-oriented Organisational Culture Profile. Customer-oriented Organisational Culture Profile comes in second while both Innovation-oriented Organisational Culture and Outcome-oriented Organisational Cultures display negative effects to Employee Loyalty.

Coefficients of Regression of Organisational Culture Predictors (Dependent Variable: LOY)					
	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	4.907	.374		13.129	<.001
oc_res	-.226	.034	-.296***	-6.592	<.001
oc_emp	.453	.047	.443***	9.615	<.001
oc_cus	.045	.041	.052	1.106	.269
oc_inn	-.138	.034	-.179***	-4.068	<.001

Table 22 Coefficients of Regression of Organisational Culture Predictors and Dependent Variable LOY

Following the preliminary investigations and understanding between the predictive natures of the CSR constructs and Organisational Culture constructs with Employee Loyalty separately, a hierarchical regression analysis was also conducted with the Organisational Culture predictors as control, to confirm the moderating effect of Organisational Culture to the relationship between CSR and Employee Loyalty.

The model summary is presented below in table (Table 23). In the first model with the control variables of Organisational Culture predictors, the model accounts for 29.2% of the variation in the dependent variable, Employee Loyalty (LOY) can be explained by the independent variables. In

the second model with the effects of both Organisational Culture predictors and CSR predictors are considered, the model accounts for 54.6% of the variation in the dependent variable, Employee Loyalty (LOY) can be explained by the independent variables. Both models are statistically significant with $p < 0.001$. With R Square change at 0.263, hence, it can be suggested that there is significant moderating effect by the control variables of Organisational Culture to the relationship between employee perception of CSR and Employee Loyalty.

Regression Analysis for Employee Loyalty, Controlling Organisational Culture				
Predictors	B	R Square	Adjusted R Square	R Square Change
Step 1				
Control variables ^b			.292	
Step 2				
Predictors ^c		.555	.546	.263***
csr_env	.002			
csr_prod	.160***			
csr_corp	-.031			
csr_emp	.463***			

a. n=382, b. Predictors: (Constant), oc_our, oc_emp, oc_cus, oc_inn

c. Predictors: (Constant), oc_out, oc_emp, oc_cus, oc_inn, csr_env, csr_prod, csr_corp, csr_emp

*** $p < .001$

Table 23 Regression Analysis for Employee Loyalty, Controlling Organisational Culture

The coefficient of regression summary of the hierarchical regression analysis is presented in table (Table 24). While it is important to look when all effects are taken considerations, that, Employee-related CSR (CSR_EMP) and Product and Service-related CSR (CSR_PRD) show statistically significant, and strong and moderate effects to predict Employee

Loyalty (LOY), with $\beta_{\text{csr_emp}}=0.493$, $p<0.001$ and $\beta_{\text{csr_prd}}=0.219$, $p<0.001$ respectively, we can also observe a change in the strength of effects with Outcome-oriented Organisational Culture (OC_OUT) and Employee-oriented Organisational Culture (OC_EMP) between the controlled model and the model with all CSR and Organisational Culture predictors were entered into the regression analysis. This indicates that there is the change of the strength of effects when both CSR and Organisational Culture predictors are considered in relations to Employee Loyalty.

In the first model where Organisational Culture predictors were controlled, Outcome-oriented Organisational Culture (OC_OUT) shows a strong and negative effect to Employee Loyalty at $\beta_{\text{oc_out}}=-0.296$, $p<0.001$, which was statistically significant. In model 2 when all predictors, including CSR variables', effects were considered, Outcome-oriented Organizational Culture (OC_OUT)'s standardized coefficients Beta (β) value increased to $\beta_{\text{oc_out}}=-0.181$, $p<0.001$. Similarly but conversely, it can be observed that for Employee-oriented Organizational Culture (OC_EMP), the standardized coefficients Beta (β) value decreased from $\beta_{\text{oc_emp}}=0.443$, $p<0.001$ to $\beta_{\text{oc_emp}}=0.197$, $p<0.001$. From this, it can be suggested that there are potential effects of Organisational Culture to employee perception of CSR, which interferes with the relationship between employee perception of CSR, to the outcome of Employee Loyalty. Thus,

H4. Organisation Culture that is Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented moderates the relationship between employee perception of CSR and Employee Loyalty is supported.

Coefficients of Regression, Controlling of Organisational Culture Predictors (Dependent Variable: LOY)					
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	4.907	.374		13.129
	oc_out	-.226	.034	-.296***	-6.592
	oc_emp	.453	.047	.443***	9.615
	oc_cus	.045	.041	.052	1.106
	oc_inn	-.138	.034	-.179***	-4.068
2	(Constant)	1.686	.407		4.147
	oc_out	-.138	.028	-.181***	-4.877
	oc_emp	.202	.042	.197***	4.833
	oc_cus	.057	.034	.066	1.687
	oc_inn	-.006	.030	-.008	-.204
	csr_env	.002	.070	.001	.022
	csr_prd	.160	.040	.219***	4.017
	csr_crp	-.031	.048	-.027	-.653
	csr_emp	.463	.037	.493***	12.582

Table 24 Coefficients of Regression, Controlling of Organisational Culture Predictors

Thus, with the aforementioned findings, further investigations to the effects and relationships between the two predicting variables of CSR and Organisational culture is warranted. To investigate this, Chi-Square tests were performed first, followed by finally, a multiple regression analysis with the predictor variables, their interaction terms and Employee Loyalty to examine their respective effects to Employee Loyalty again.

In the next steps, firstly, Chi-Square tests of associations were performed to investigate into each of the relationships between the 4 variables of Organisational Culture and 4 variables of Employee Perception of CSR. The results are presented in the below table (Table 25).

For the dimension of Environmental-related CSR, it was found that for CSR_ENV * OC_OUT, the Chi-Square test is with $p=0.041$, which is lower than 0.05 and is therefore significant. For CSR_ENV * OC_EMP, the Chi-Square test proves the relationship as significant, with $p<0.001$. For CSR_ENV * OC_CUS, the Chi-Square test proves the relationship as significant, with $p=0.007$, <0.05 . For CSR_ENV * OC_INN, the Chi-Square test proves the relationship as not significant, with $p=0.24$, $p>.05$. For CSR_ENV * OC_EMP, the Chi-Square test proves the relationship as significant, with $p<0.001$. As such, the above findings indicate that there is an effect, or potential effect, to Environmental-related CSR, by Outcome-oriented Organisational Culture, Customer-oriented Organisational Culture and Employee-oriented culture.

For the dimension of Product and Service-related CSR, the Chi-Square test proves the relationship not to be significant with OC_OUT, with $p=0.268$, >0.05 . But its relationship with OC_EMP, OC_CUS and OC_INN are significant, with $p<0.001$, $p=0.018$, $p=0.002$, respectively. This indicates that relationships between Product and Service-related CSR with Employee-oriented, Customer-oriented, and Innovation-oriented Organisational Culture are significant and their potential effects to Product and Service-related CSR should be considered in the subsequent analysis.

For the dimension of Corporate Governance-related CSR, when Crosstab Chi-Square tests were conducted between CSR_CRP and Organisational Culture, it was found that the relationship between CSR_CRP and OC_OUT, OC_EMP, OC_CUS, and OC_INN, are all significant, with $p=0.002$, $p<0.001$, $p<0.001$, and, $p=0.005$, respectively. This suggest that

there are significant potential effects to Corporate Governance-related CSR by all Organisational Culture profiles.

And finally for the dimension of Employee-related CSR, when Crosstab Chi-Square tests were conducted between CSR_EMP and Organisational Culture, it was found that the relationship between CSR_EMP and OC_EMP, and OC_INN, are significant, with both at $p < 0.001$. However, the relationships between CSR_EMP and OC_OUT and OC_CUS prove to be insignificant, with p-value at 0.183 and 0.432 which were both higher than the 0.05 threshold, respectively. This suggests that there is potential effect to Employee-related CSR, by Employee-oriented and Innovation-oriented Organisational Cultures, which will be investigated further as their relationships are significant.

Chi-Square Tests Between CSR Variables and Organisational Culture Variables			
	χ^2 Value	df	p-value
csr_env * oc_out	148.16	120	.041
csr_env * oc_emp	251.26***	100	<.001
csr_env * oc_cus	173.25**	130	.007
csr_env * oc_inn	129.72	100	.24
csr_prd * oc_out	166.52	156	.268
csr_prd * oc_emp	246.70***	130	<.001
csr_prd * oc_cus	209.83**	169	.018
csr_prd * oc_inn	180.82**	130	.002
csr_crp * oc_out	134.80***	84	<.001
csr_crp * oc_emp	121.27***	70	<.001
csr_crp * oc_cus	162.56***	91	<.001
csr_crp * oc_inn	104.38**	70	.005
csr_emp * oc_out	146.54	132	.183
csr_emp * oc_emp	203.17***	110	<.001
csr_emp * oc_cus	145.25	143	.432
csr_emp * oc_inn	207.25***	110	<.001
N of Valid Cases	382		

Table 25 Chi-Square Tests Between CSR Variables and Organisational Culture Variables

With the above findings determining relevant sets of predictor variables between CSR and Organisational Culture which show significant potential effects, their respective values are multiplied to compute the values of interaction terms to be entered into multiple regression analysis with the original variables once more, to examine the interaction effects of specific CSR and Organisational Culture predictors in the final procedures of the analysis.

In the regression summary table presented below (Table 26), the R^2 value indicated the model with Organisational Culture as predictors, that, for 61.4% of the variation in the dependent variable, Employee Loyalty (LOY) can be explained by the independent variables. In this model with the additional predictors of interaction terms are considered, the model shows a moderately higher variability that Employee Loyalty (LOY) can be explained by the predictors in the model.

Regression Analysis of Organizational Culture, CSR, Interaction Terms Predictors (Dependent Variable: LOY)	
R	.783
R Square	.614
Adjusted R Square	.588

Table 26 Regression Analysis of Organisational Culture, CSR, Interaction Terms Predictors

The coefficient of regression summary between the centred and interaction terms of Organisational Culture and CSR variables and Employee Loyalty is presented in the following table (

Table . Again, the standardized coefficients Beta (β) is interpreted to understand the strengths of correlations between the individual predictor variables and the outcome variable. In this model, it is worth noting that, $\beta_{\text{csr_emp_centered}}=0.407$, $p<0.001$, which indicates a significantly strong predictive correlations between Employee-oriented Organisational Culture and Employee Loyalty. Product and Service-related CSR also shows a significant, moderate, effects to Employee loyalty, with , $\beta_{\text{csr_prd_centered}}=0.209$, $p<0.001$. As such, it can be suggested that both Employee-related CSR and Product and Service-related CSR have considerable predictive power and effects to Employee Loyalty.

In terms of Organisational Culture, Outcome-oriented Organisational Culture however, shows a statistically significant, low but negative correlation with Employee Loyalty, at $\beta_{\text{oc_out_centered}}=-0.112$, $p=0.007$, $p<0.01$; while Employee-oriented Organisational Culture shows a statistically significant, and moderate correlations to Employee Loyalty, with $\beta_{\text{oc_emp_centered}}=0.180$, $p<0.001$. It can thus be suggested that in companies that are outcome and result focused, there is negative effect on Employee Loyalty whereas in companies that are with employee focused culture, not surprisingly, employees are most likely to display greater loyalty, although the aforementioned effects are relatively low or moderate, compared to with CSR as predictors.

Next, the strengths of correlations with the interaction terms of CSR and Organisational Culture and Employee Loyalty were being examined in details. The Interaction term of Employee-related CSR and Employee-oriented Organisational Culture, shows a statistically significant, low but positive effects to Employee loyalty, with

$\beta_{\text{csr_emp_centered_x_oc_emp_centered}}=0.125$, $p=0.004$, $p<0.01$. The interaction term of Corporate Governance-related CSR and Innovation-oriented Organisational Culture, interestingly, shows a significant low but negative effects to Employee Loyalty, with $\beta_{\text{csr_crp_centered_x_oc_inn_centered}}=-0.191$, $p<0.001$. The interaction term of Product and Service-related CSR and Outcome-oriented Organisational Culture, again interestingly, shows a significant effects to predict Employee Loyalty, with $\beta_{\text{csr_prd_centered_x_oc_out_centered}}=-0.141$, $p=0.025$, $p<0.05$.

It is interesting to note that in the case of Employee-related CSR, its correlation with Employee Loyalty is significant with Standardized Coefficients Beta at 0.407, $p<0.001$. The Standardized Coefficients Beta for Outcome-oriented Organisational Culture predicting Employee Loyalty is negative, at -0.112, $p=0.007$, $p<0.01$. Further, the Standardized Coefficients Betas for Employee-related CSR's interaction terms with Outcome-oriented Organisational Culture (CSR_EMP * OC_OUT) is 0.082, $p=0.066$. When cross-examining the three Standardized Coefficients Beta, thus, it can be observed that the interaction effect of Employee-related CSR and Outcome-oriented Organisational Culture brings a significant change of effect size to predict Employee Loyalty. As such, we can interpret this result as that the combined effects of Employee-related CSR and Outcome-oriented

Organisational culture bring a significantly lower effect to Employee Loyalty than Employee-related CSR alone.

With the combined effect of Employee-related CSR and Employee-oriented Organisational Culture to Employee Loyalty higher (positive) than its combined effects with other types of Organisational Culture, with Standardized Coefficients Beta at 0.125, $p=0.004$, $p<0.01$, compared with $\text{csr_emp_centered_x_oc_out_centered}$ at 0.082, $p=0.066$, >0.05 ; and $\text{csr_emp_centered_x_oc_inn_centered}$ at 0.111, $p=0.010$, <0.05 , we can conclude that the Employee-related CSR correlated with Employee Loyalty with the strongest effect with Employee-Oriented Culture. As such,

H5. The interaction effect of Employee-related CSR and Employee-oriented Organisational Culture is stronger than that with Outcome-related, Customer-related, and Innovation-oriented, Organisational Culture, to Employee Loyalty is supported and accepted.

In the dimension of Product and Service-related CSR, the combined effect of Product and Service-related CSR and Outcome-oriented Organisational Culture yield the strongest inverted relationship with Employee Loyalty, with Standardized Coefficients Beta at -0.141, $p=0.025$, $p<0.05$. However, when compared with the interaction effects of other Organisational Culture, the combined effect of Product and Service-related CSR, as expected, is higher than all the other Product and Service-related CSR with other Organisational Culture, to predicting Employee Loyalty, with $\beta_{\text{csr_prd_centered_x_oc_out_centered}}=-0.141$, $p=0.025$, $p<0.05$ compared with

$\beta_{\text{csr_prd_centered_x_oc_emp_centered}}=0.006, p=0.705, p>0.5$, and

$\beta_{\text{csr_prd_centered_x_oc_inn_centered}}=-0.077, p=0.157, p>0.05$. As such,

H6. The interaction effect of Product-related CSR and Innovation-oriented Organisational Culture is stronger than the interaction effect of that with Outcome-related, Employee-related, and Customer-oriented, Organisational Culture, to Employee Loyalty is also supported.

The combined effect of Corporate Governance-related CSR and Innovation-oriented Organisational Culture yields a moderate negative effect to Employee Loyalty, with Standardized Coefficients Beta at -0.191, $p<0.001$. When we compare the interaction effect of Corporate Governance-related CSR and different types of Organisational Culture, to predicting Employee Loyalty, the strongest effect is of the combined effects of Corporate Governance-related CSR and Outcome-oriented Organisational Culture ($\beta_{\text{csr_crp_centered_x_oc_out_centered}}=-0.006, p=0.899, p>0.05$), followed by the interaction effect of Corporate Governance-related CSR and Customer-oriented Organisational Culture ($\beta_{\text{csr_crp_centered_x_oc_cus_centered}}=-0.005, p=0.908, p>0.5$) and the interaction effect of Corporate Governance-related CSR and Employee-oriented Organisational Culture ($\beta_{\text{csr_crp_centered_x_oc_emp_centered}}=-0.022, p=0.643, p>0.5$). Basing on the above findings, we can also conclude that,

H7. The interaction effect of Corporate Governance-related CSR and Outcome-oriented Organisational Culture is stronger than the interaction effect of that with Employee-related,

Customer-related, and Innovation-oriented, Organisational

Coefficients of Regression with Centred and Interaction Terms of Variables					
(Dependent Variable: LOY)					
	Unstandardized Coefficients	Standardized Coefficients		t	Sig.
		B	Std. Error		
(Constant)	5.593	.026		213.491	.000
csr_env_centered	.008	.068	.007	.118	.906
csr_prod_centered	.152	.042	.209***	3.628	<.001
csr_corp_centered	-.046	.049	-.040	-.930	.353
csr_emp_centered	.382	.041	.407***	9.353	<.001
oc_out_centered	-.086	.031	-.112**	-2.726	.007
oc_emp_centered	.184	.046	.180***	3.953	<.001
oc_cus_centered	.083	.036	.097	2.291	.023
oc_inn_centered	-.024	.031	-.031	-.763	.446
csr_env_centered_x_oc_out_centered	.171	.080	.090	1.453	.147
csr_env_centered_x_oc_emp_centered	-.005	.080	.090	1.453	.147
csr_env_centered_x_oc_cus_centered	.124	.093	.085	1.334	.183
csr_env_centered_x_oc_inn_centered	.112	.080	.086	1.403	.162
csr_prd_centered_x_oc_out_centered	-.122	.054	-.141*	-2.248	.025
csr_prd_centered_x_oc_emp_centered	-.006	.064	-.006	-.100	.920
csr_prd_centered_x_oc_cus_centered	.021	.054	.022	.379	.705
csr_prd_centered_x_oc_inn_centered	-.067	.047	-.077	-1.418	.157
csr_crp_centered_x_oc_out_centered	.007	.053	.006	.127	.899
csr_crp_centered_x_oc_emp_centered	-.041	.088	-.022	-.464	.643
csr_crp_centered_x_oc_cus_centered	-.008	.071	-.005	-.116	.908
csr_crp_centered_x_oc_inn_centered	-.270	.067	-.191***	-4.052	<.001
csr_emp_centered_x_oc_out_centered	.094	.051	.082	1.846	.066
csr_emp_centered_x_oc_emp_centered	.162	.056	.125***	2.882	.004
csr_emp_centered_x_oc_cus_centered	-.032	.56	-.025	-.575	.566
csr_emp_centered_x_oc_inn_centered	.117	.045	.111*	2.596	.01

Culture, to Employee Loyalty is supported.

Table 29 Coefficients of Regression with Centred and Interaction Terms of Variables

4.6.5 Summary of Findings in Quantitative Research

With the above findings, we can conclude the followings:

	Hypotheses	Statistical Results
H1	Employee perception of CSR (Environmental, Product and Service-related, Corporate Governance-related, Employee-related) positively correlate with Employee Loyalty.	Partially Supported
H2	Strength of relationship between Employee Loyalty and Employee-related and Product and Service-related CSR are stronger than Environmental-related and Corporate Governance-related CSR.	Supported
H3	Employee perception of CSR (Environmental-related, Product and Service-related, Corporate Governance-related, Employee-related) positively correlates with employee perception of Organisational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented).	Partially Supported
H4	Organisational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented) moderates the relationship of CSR (Environmental, Product and Service-related, Corporate Governance-related, Employee-related) and Employee Loyalty.	Supported
H5	The interaction effect of Employee-related CSR and Employee-oriented Organisational Culture is stronger than that with Outcome-related, Customer-related, and Innovation-oriented, Organisational Culture, to Employee Loyalty.	Supported
H6	The interaction effect of Product-related CSR and Innovation-oriented Organisational Culture is stronger than the interaction effect of that with Outcome-related, Employee-related, and Customer-oriented, Organisational Culture, to Employee Loyalty.	Supported
H7	The interaction effect of Corporate Governance-related CSR and Outcome-oriented Organisational Culture is positively stronger than the interaction effect of that with Employee-related, Customer-related, and Innovation-oriented, Organisational Culture, to Employee Loyalty.	Supported

Table 27 Summary of Quantitative Study Results

The table above summarises the findings of the Quantitative Study (Table 27). Through the quantitative study we established that, employee perception of CSR, of Employee-related CSR and Product and Service-

related CSR positively correlate with Employee Loyalty (H1). However, H1 is only partially supported in that Corporate Governance-related CSR and Environmental-related CSR are found to be not significant with their impacts on Employee Loyalty. This can be attributed to the influential factor of different levels of expectations of CSR and corporate actions in China, as suggested by Zhao et al. (Zhao, et al., 2019), that in developing countries there are less expectations on environmental CSR. In addition, the relatively less mature or rigorous legal and obligatory frameworks for corporate governance in developing countries such as China also contributes to less expectations for Corporate Governance-related CSR for employees.

Whilst the magnitude and positive direction of effect of Employee-related CSR was expected (H2), the positive correlations between Product and Service-related CSR and Employee Loyalty can be attributed the sense of positive association between employee's sense of 'pride' and engagement, i.e., heightened *emotional benefits*, generated through the delivery of quality and reputable products and services provided by their companies.

We also investigated into the relationships between different types of CSR (employee perception) and Organisational Culture (H3), and found that the correlations vary in strengths and directions. The correlations between Environmental-related CSR and Employee-oriented and Customer-oriented Organisational Culture are the strongest, implying that in these two particular Organisational Culture, Environmental-related CSR is mostly likely practised. This could be attributed to customer focused companies' need to go above merely satisfying regulations and practise responsible production and ethical and honest portrayal of the products to customers.

The same can be interpreted for Product and Service-related CSR in Employee-oriented and Customer-oriented Organisational Culture. With its high correlations with the two Organisational Culture suggesting that when Organisational Culture is more employee or customer focused, the more likely high emphasis on the practice of Product and Service-related CSR.

Corporate Governance-related CSR correlates positively to various degrees with all Organisational Cultures. This is also as expected, as most companies seek to meet their obligations and expectations of external stakeholders.

Conversely and notably, there are significant negative correlations between Employee-related CSR and Outcome-oriented and Innovation-oriented Organisational Culture. Whilst the decrease of expectations of Employee-related CSR in the companies with higher focus on outcomes is expected, the same for Innovation-oriented Organisational Culture is unexpected and is therefore warrant further investigations and understanding.

After we established the moderation effect of Organisational Culture between perception of CSR and Employee Loyalty (H4), we delved deeper into examining the interaction effects between different types of CSR and Organisational Culture, with the aim to uncover which pairs of CSR and Organisational Culture generate largest effects to predict Employee Loyalty. It was discovered that not surprisingly, when practicing employee CSR in Employee-oriented Organisational Culture, the interaction effect is strongest. The alignment of CSR strategy and Organisational Culture proves

the truthful motivations of CSR practices by the company, and amplifying with the *functional benefits* that it provides to employees, generating Employee Loyalty effectively.

The interaction effect between Employee-related CSR and Innovation-oriented Organisational Culture also positively predicts Employee Loyalty (H5), indicating practicing employee CSR within Innovation-oriented Organisational Culture is also favourable in generating Employee Loyalty.

The interaction effect of Product and Service-related CSR and Outcome-oriented Organisational Culture brings negative effect to Employee Loyalty (H6), suggesting that Product and Service-related CSR practices might have some incongruent characteristics with that of the Outcome-oriented Organisational Culture in the perception of Employee, thus affecting Employee Loyalty negatively. This would be investigated further in the following qualitative research and analysis for more insights into the observation.

Whilst the interaction effect of Corporation Governance-related CSR and Outcome-oriented Organisational Culture is positive and stronger than when it's combined with other Organisational Culture (H7), the strength of correlation is low and is not statistically significant, suggesting that the alignment of Corporate Governance-related CSR and Outcome-oriented Organisational Culture is not that effective in generating Employee Loyalty. This could be potentially be attributed to although employees see Corporate Governance-related CSR initiatives are beneficial in relations to business outcomes and therefore aligned with the outcome orientation of their

companies, the general expectations for Corporate Governance is low, and compounded with the relative less rigorous regulatory frameworks in China (less scrutiny), thus providing not enough *meaning and morality benefits* to enhance employee loyalty.

The interaction effects of Corporation Governance-related CSR and Innovation-oriented Organisational Culture, however, significantly predicts Employee Loyalty negatively (H7). This suggest that in Innovation-oriented Organisational Culture, a different approach in adoption Corporation-related CSR, might be needed, if the business outcome is to increase Employee Loyalty.

Although some of the findings are expected, it is deemed that in a research where the core investigation is on individuals' perceptions, the study of lived experience of the individuals would be beneficial to gave more detailed insights into the generalised quantitative findings. Hence, in order to put contexts to the above findings and illustrate, understanding the underlying process ahead of exploring the practical implications, Qualitative Study was conducted as the second component of this study and its rational, procedures and findings are presented in the following chapter.

Chapter 5. Qualitative Study

As indicated in the previous Chapter, a mixed method of research was conducted. Following the presentation of the procedures and findings of the Quantitative research study in the previous chapter, this chapter will present the steps and the analysis and interpretations of data of the Qualitative research study. In the study, the Qualitative study was conducted to meet the aims of, as classified by Greene (Greene, et al., 1989)

1. Triangulation. Results from Quantitative Method and Qualitative Method would be triangulated for correspondence, corroboration and convergence.
2. Complementarity. Qualitative Method employed with the aim to clarify, elaborate and illustrate results from Quantitative Method.

Specifically, the qualitative study within the mixed method research of this study aims to investigate the followings

1. To triangulate quantitative result result in which hypothesis were tested to be supported. (H2, H4, H5, H6, H7)
2. To clarify and elaborate on the result of H1, which is partially supported, that Corporate Governance-related CSR and Environmental-related CSR do not have significant impact to Employee Loyalty
3. To clarify and elaborate on the result of H3, which is partially supported, the certain organisational culture orientations do not have significant relationships with certain types of CSR, namely, Innovation-oriented Organisational Culture and Environmental-related CSR; Innovation-oriented Organisational Culture and

Corporate Governance-related CSR; Outcome-oriented
Organisational Culture and Product and Service-related CSR;
Customer-oriented Organisational Culture and Employee-related
CSR.

For the whole of the research study which a mixed method of Quantitative method and Qualitative method were employed, a post-positivist view of research process was conducted with the first inductive approach of which, Quantitative Method was dominant and core component of the study, and followed by, the second, deductive approach with the Qualitative data supplementing the research inquiry, with the view to explain or clarify the effect first established in the Quantitative study. In the Explanatory Sequential Design approach, quantitative data collection and analysis were performed in the first stage of the study, followed by the commencement of data collection and analysis of qualitative study, to explain and clarify the initial results and findings of quantitative research, enhancing the ‘contextual understanding’ of the research inquiry. (Bryman, 2006)

Semi-structured interviews are to be conducted to gather insights from managers and employees into the findings in Quantitative Research conducted investigating the relationships and interactions between employee perception of CSR, employee perception of Organisational Culture, and Employee Loyalty. 3 managers and 3 employees will be interviewed, for 45 mins each individual and separately, guided by the researcher on the procedures but with the freedom to wander and expand on their opinions to provide greater range of understanding.

Data will be organized, coded and analysed manually, with contents grouped into categories, concepts and themes before the data is analysed for insights.

5.1 Methodology

In the Qualitative Research study, phenomenological approach is employed, with the structure of conscious lived experiences of employees at different levels within their respective organisations explored to form diverse, and in-depth understanding of the relationships between perceptions of Corporate Social Responsibility practices, Organisational Culture and employee loyalty.

Phenomenology is considered as a powerful qualitative research strategy for exploring challenging problems in health professions education researchers. Its approach is to study and learning from the life experiences of the others in the first-person point of view. (Neubauer, et al., 2019). By understanding the experiences of others in a subjective way, one can develop new meanings and appreciation on how we understand that experience. There are two varieties of the philosophies and methodologies of phenomenology: transcendental and hermeneutic.

In this study hermeneutic phenomenology (or interpretive phenomenology) was used. As introduced by Martin Heidegger, interpretive phenomenology focuses on human experience and how it is lived, meaning the relationship between an individual and his/her lifeworld. The hermeneutic phenomenology approach attempts to understand the deeper layers of human experience and how their lifeworld influences their

experience. Hence researchers must take into account for the influences of the individual's background. In addition, hermeneutic phenomenology value the researcher's past experience and knowledge which lead him / her to consider a phenomenon of investigation. Phenomenological research helps to broaden the understanding of complex phenomena involved in learning, behaviour and communication which helps to have a better understanding and proper alignment of the specific research questions and the underlying philosophy (Kafle, 2013).

As Gribch (Grbich, 2007) states that, phenomenology approach can uncover the underlying meaning and the experience together. This approach can uncover deep down to human experience and the original form experienced by the individuals. As per the study from Widodo et al, 2017, this approach includes interviews, conversations, participant observation, action research, meeting etc (Lester, 1999) which can understand what exactly is behind that affect the employers and employees perspective of relationship between CSR and the organization culture rather than just what appears on the surface. Hence it is suitable for studying CSR and Organization culture as employers and employees' perspective plays an important role in setting and implementing CSR in the corporation.

5.1.1 Sample Selection

In contrast to quantitative research with the typical intend of generalisation and thus, more likely to adopt probability sampling, qualitative research commonly adopt purposive sampling which identify and select information-rich subjects in relations to the objectives of the study (Patton, 2002).

Identification of individuals who are knowledgeable and experienced with the phenomenon investigated in the study, in this case, the various dimensions of Corporate Social Responsibility, Organisational Culture, and employee loyalty, is required to provide more insights for analysis in the qualitative study. As such, respondents from certain demographic, knowledge and experiences that might contribute to the understanding of the aforementioned dimensions were preferred and selected as the subjects of the study (Stawiski et al., 2011). In order to do this three groups of respondents from three different demographic backgrounds in terms of position within their organisations were preferred, namely, senior executives, middle managers and knowledge-based employees, to provide diverse, valuable insightful information on strategy and policy formulation and implementation. In addition, the experiences and perceptions of Employee Loyalty were also explored with this particular three groups of respondents through the interviews. The aforementioned purposive sampling strategy aims to complement the probability sampling adopted in the quantitative analysis, to achieve a better balance of internal and external validity. Although initially the desired number of respondents was 15 as this was deemed to be an appropriate size to for the research study (Marshall, 1996), saturation was reached at the 9th interview. To ensure that no new substantial information emerged, the researcher conduct a further 3 interviews as safeguard, bringing the total number of participants to 12.

5.1.2 Data Collection

Semi-structured interviews were conducted to gather insights from managers and employees into the findings in Quantitative Research conducted, investigating the relationships and interactions between

employee perception of CSR, employee perception of Organizational Culture, and Employee Loyalty. Questions are open-ended to allow respondents to express their views and their experiences more freely to gain more insights relating to their experiences. Three senior executives, three middle managers and three employees were interviewed, as we have established previously that different levels of Corporate Social Responsibility is most likely practiced in different capacities, and with different perceptions owing to job levels and functions. Therefore, it is essential to have such set up in order to gain a more comprehensive understandings of different perceptions of Corporate Social Responsibility, Organizational Culture and employee loyalty. The profiles of the respondents are presented in Appendix (D).

Each respondent was interviewed for roughly 45 mins each individually and separately, guided by the researcher on the procedures but with the freedom to wander and expand on their opinions to provide greater range of understanding. The purpose of the study, confidentiality, anonymity and data protection protocols were communicated to the respondents prior to the commencement of the interviews. Respondents were made aware of the nature of the research, and that they have the right to terminate the interview processes, or withdraw any answers they have given, on their wish without any consequences to them.

The interview was divided into four parts. The first part pertaining to demographic information such as the current position within the company, to identify whether the respondents were senior executives, middle managers or front-line employees, fitting to the target population for our

qualitative study. Length of time within the organization as well as local or foreign educational background were also asked in the first part of the interview.

The second part of the interview pertaining to questions that relate to Organizational Culture. Question such as, “What is the Organisational Culture in your company?”, “How important to you is Organisational Culture and why?”, “Can you explain some of the practices that your company has undertaken which you consider the characteristics of the type of Organisational Culture you described?” were asked, to understand respondents’ perceptions of Organisational Culture. Thereafter, questions concerning the impact of Organisational Culture to employee, and Corporate Social Responsibility practices were asked.

In the third part of the interview, questions were asked pertaining to Corporate Social Responsibility. The first two questions relate to the respondents’ perceptions of Corporate Social Responsibility, of their understanding of CSR, the CSR practices that their companies employ, and the respective impacts to the company. Third and fourth questions relate to the barriers and incentives of the CSR initiatives their companies have undertaken, and the impacts of these CSR initiatives to employees. The fifth and last question of this part of the interview was specifically designed to investigate the relationship between CSR and Organisational Culture, in particular response to the Quantitative findings that certain CSR practices yield different effects, positive and negative, when carried out within a particular type of Organisational Culture. The contributing factors behind the Quantitative findings that, there are disparities in the combined effect of

certain types of CSR and Organisational Culture to employee perceptions and consequently employee loyalty, such as varies CSR orientation taken consideration with Innovation-oriented culture, were explored with respondents being encouraged to freely reflect on their experiences relating to CSR together with Organisational Culture.

The fourth and last part of the interview relates to employee loyalty. Five questions such as “What initially attracted you to your organization?”, “Do you feel proud to be a part of your organisation? If so, why?”, “What does it mean to be working for your company?”, “Do you feel that the problems faced by your company are also your problems?”, “Do you feel the company’s performance also your own achievements?” were asked. The concept of loyalty was investigated through respondents’ perception of their company, their identification, sense of achievement, purpose and meanings which they attached to their work, as well as their tendency to tackle work problems as their own. The full list of questions is listed in the Appendix (C).

Since the interviews were conducted in China, interview questions were translated from English to Chinese and thereafter, were verified by a translation specialist before the interviews were carried out. After the interview was conducted, respondents’ answers were then translated from Chinese back to English. Data was then organized, coded and analysed using Nvivo. Subsequently, contents were grouped into categories, concepts and themes before the data was analysed for insights.

5.2 Analysis

The qualitative research was performed with a deductive approach, with predetermined themes of the four Corporate Social Responsibility dimensions, and the four Organizational Culture orientations, as well as the dependent variable, Employee Loyalty, established in the hypothesis and findings of the quantitative research study preceding the qualitative study.

5.2.1 Qualitative Analysis in Relations to Partially Supported Hypothesis (H1) in Quantitative Study

First, a text search query was conducted on employee loyalty, as loyalty is the principle outcome for discussion in this study and it is therefore essential to explore the concept of loyalty from employees' perceptive through qualitative analysis. From the word tree diagram resulting from the text search query on loyalty, as expected, employees generally elicit feelings such as 'a sense of belonging', 'sense of achievement' and 'gratitude' when they are loyal to their companies. Positive emotions such as these help enhance employee loyalty. Further, to elicit these attitudinal affective commitment, ie. loyalty from employees, 'company image' (positive), 'expectations for promotion', 'team' oriented approach, 'compliance' and governance (pertaining to the enhancement of company image), are essential. The word tree diagram on employee loyalty is presented below.

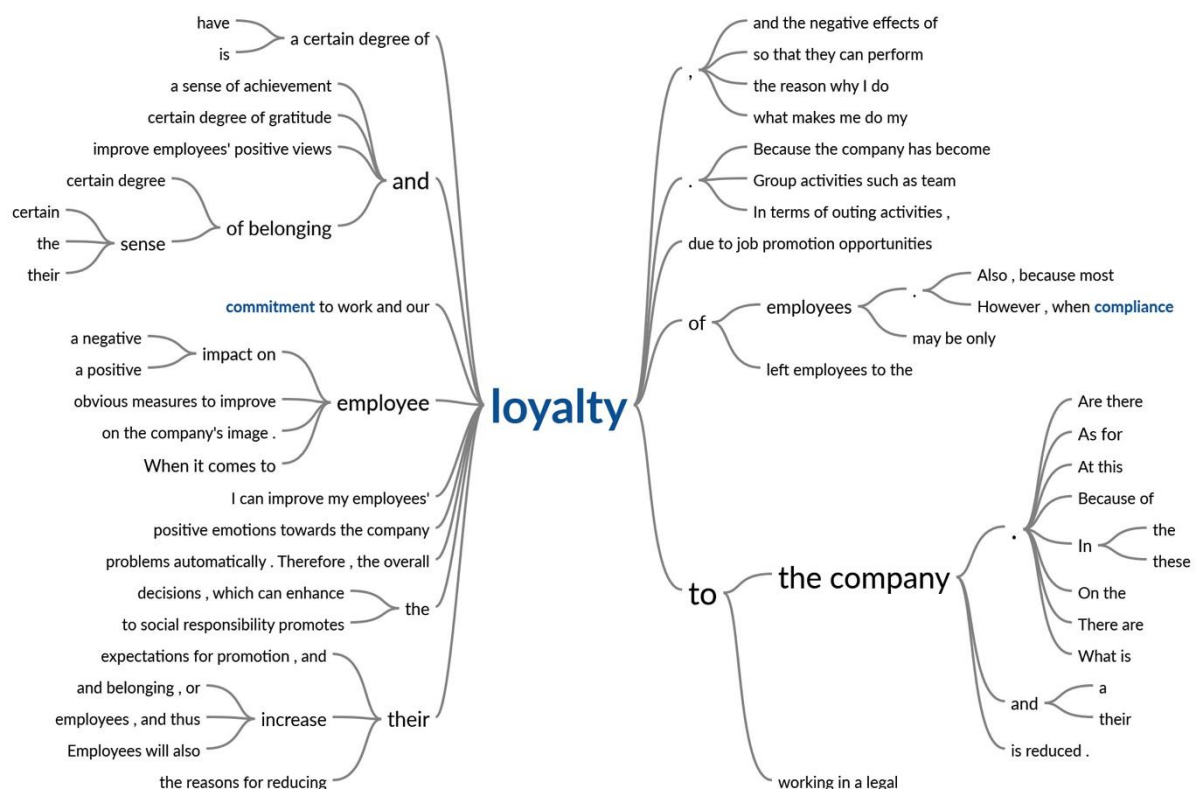


Figure 7 Word Tree of Text Search Query: Loyalty

Next, since there were partially supported hypothesis in the finds of the quantitative study, special attentions were placed when analyzing the interview contents in relations to the related dimensions:

H1. CSR (Environmental, Product and Service-related, Corporate Governance-related, Employee-related) positively correlate with Employee Loyalty, is only partially supported in the quantitative study, with Corporation Governance-related CSR showing negative correlations with Employee Loyalty and Environmental-related CSR showing positive but insignificant correlations with Employee Loyalty, and;

For employees' perceptions of Corporate Social Responsibility, Organizational Culture and Employee Loyalty, ten main themes were established from the deductive approach basing on our research question and the main study with the quantitative method. The identified themes, categories and related concepts are listed out in Appendix (E).

The following table (Table 28), presents the identified themes from different sources and references.

Themes	Sources	References
CSR	12	537
Organizational Culture	12	678
Employee Orientation	12	445
Environmental Orientation	12	94
Product and Service Orientation	12	102
Corporate Governance and Compliance Orientation	12	95
Outcome Orientation	12	262
Customer Orientation	12	61
Innovation Orientation	12	155
Loyalty	12	135

Table 28 Summary of References and Sources of Key Themes

Contents in interviewees' responses under the main themes of CSR and Organizational Culture have 525 and 678 mentions respectively. In the underlying themes within Corporate Social Responsibility, Employee Orientation, Product and Service-Oriented, Corporate Governance and Compliance Orientation, Environmental Orientation, are mentioned with 445, 102, 95, and 94 respectively. This illustrates that Employee Orientation is by far the category of concepts that is the most prevalent when

respondents were asked about their perception of CSR, Organizational Culture and Employee Loyalty, with Corporate Governance and Compliance Orientation and Environmental Orientation comes last.

The relatively lower counts of references for Corporate Governance Orientation and Environmental Orientation indicate that both concepts are less prevalence comparatively to other concepts when respondents were asked about their experiences on these types of CSR orientations and Employee Loyalty. Thus, it gives support to the earlier quantitative findings in this study that both Environmental-related CSR and Corporate Governance-related CSR are insignificant, or have less significance to, correlations to Employee Loyalty.

Environmental-related CSR and Corporate Governance-related CSR and Employee Loyalty

Next, in order to explore in more details of the specific the prevalent concepts which we set out to investigate within the text data from each of the interviews, text search queries were performed to determine the frequencies of related keywords that appears in each of the sources. When a text search query was conducted on keywords relating to Environmental Orientation, a low count of references in single digit (mostly 3, with one higher count on 9) and high counts of double digit on 19, 17 and 10 were recorded for keywords pertaining to environmental considerations, hinting that Environmental-related CSR is of low prevalence.

For keywords pertaining to Corporate Governance considerations, the results of a text search query show low counts of references mostly in teens

(10, 11) and high counts of double digit references on 40, 29 and 25 were recorded. The respective summary of references and coverages are presented in the tables below (Table 29) and (Table 30).

With closer inspection and evaluation of the above data, significantly higher counts of references in relations to Corporate Governance and compliance are found in three respondents who are senior management or management of their respective companies. One interpretation could be that Corporate Governance policy formulations and implementations are more relevant to their roles and scope of responsibilities as management in their respective companies. Next, further readings into the transcripts of higher and counts of references relating to Corporate Governance were performed, to analyse respondents' sentiments to the constructs in order gain more insights into the concepts investigated.

Within the low coverages of references pertaining to Corporate Governance and compliance in their responses, slight negative sentiments were expressed through,

“...In terms of compliance, employees may be involved in the procedure, and some employees will be added to work extra. Generally speaking, employees are not fully actively engaging the process”,

and compliance meetings and trainings

“...may delay the progress of employees' work”,

giving indication that Corporate Governance-related CSR and related procedures impacts on employees' day to day work and as employees might not see relevance to their work with the increased workload. It could be also suggested that with the increased workload, potential functional benefits could be taken away from employees. Further, with the negative sentiments

it is also unlikely Corporate Governance-related CSR would generate *emotional benefits* through pride and reputation, or *meaning and morality benefits* through value congruence. As such, it in turn affects their engagements and loyalty negatively.

	References	Coverage
Respondent A (Knowledge-based Worker)	3	0.16%
Respondent B (Senior Executive)	3	0.14%
Respondent C (Knowledge-based Worker)	5	0.38%
Respondent D (Knowledge-based Worker)	4	0.14%
Respondent E (Middle Manager)	2	0.10%
Respondent F (Senior Executive)	5	0.29%
Respondent G (Senior Executive)	3	0.17%
Respondent H (Middle Manager)	9	0.46%
Respondent I (Middle Manager)	3	0.15%
Respondent J (Senior Executive)	17	0.70%
Respondent K (Middle Manager)	19	0.90%
Respondent L (Knowledge-based Worker)	10	0.73%

Table 29 Summary of Text Search Query of Environmental Orientation

	References	Coverage
Respondent A (Knowledge-based Worker)	18	0.32%
Respondent B (Senior Executive)	10	0.00%
Respondent C (Knowledge-based Worker)	11	0.00%
Respondent D (Knowledge-based Worker)	14	0.03%
Respondent E (Middle Manager)	15	0.32%
Respondent F (Senior Executive)	25	0.78%
Respondent G (Senior Executive)	16	0.34%
Respondent H (Middle Manager)	29	0.52%
Respondent I (Middle Manager)	11	0.00%
Respondent J (Senior Executive)	40	0.70%
Respondent K (Middle Manager)	23	0.14%
Respondent L (Knowledge-based Worker)	15	0.73%

Table 30 Summary of Text Search Query of Corporate Governance Orientation

5.2.2 Qualitative Analysis in Relations to Partially Supported Hypothesis (H3) in Quantitative Study

Next, specific attentions were turned to investigate the quantitative results in relations to H3 as it was only partially supported.

H3. Employee perception of CSR (Environmental-related, Product and Service-related, Corporate Governance-related, Employee-related) positively correlates with employee perception of Organisational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented) is only partially supported in the quantitative study, in which, Product and Service-related CSR show negative relationship with Outcome-oriented and Innovation-oriented Organisational Culture; and

Employee-related CSR shows negative relationships with Outcome-oriented, Customer-oriented, and Innovation-oriented Culture.

Outcome-oriented Organisational Culture and Product and Service-related CSR

In order to further explore the relationship between Product and Service-related CSR and Outcome-oriented Organisational Culture, a text search query was conducted with the keyword of ‘product’ and ‘outcome’, to specifically investigate the underlying mechanism and relationship, if any, between Product and Service-related CSR and Outcome-oriented Organisational culture, as the correlations between the two has been found negative in our quantitative research study. The result summary is presented in the below table (Table 31).

In the transcripts of Respondent J and K with the most references found of the keywords relating to ‘product’ and ‘outcome’ at 97 and 93 respectively. Respondent J, who is a senior executive of his company, mentions that in relations to Outcome-oriented Organisational Culture of his company,

“...each department strictly follows the goals that have been set, the production time will be shortened, the cost will also be reduced, and the production efficiency and productivity will also be improved...”,

implying production time, production efficiency, and productivity are key concerns for his company. This suggests that Product and Service-related CSR, which could include additional communication of product specifications to customers, or perpetual and consistent upgrades to product and service quality, might not be congruent with the objectives of a outcome-oriented organisation which prioritise time cost and production efficiencies. He further elaborated,

“...because of the result-driven culture, we have to improve productivity and efficiency. For us, product attributes and product complexity are relatively low, and therefore, too many product-

related social responsibility measures are attached to our production process is not suitable.”

He further explained that Product and Service-related CSR

“will increase our cost and prolong the production time, which will also lead to the loss of customers.”

Similarly, negative sentiments were detected when Respondent H, who is a middle manager of his company, described his experience with executing Product and Service-related CSR initiatives within the Outcome-oriented Organisational Culture of his company. First, Respondent H described that, the constant process of communications with customers on product specifications

“leads to the increase of workload and prolongs the development and production process of products”.

Second, with his company focuses on outcome, the fact that

“product development and production time is tight and critical”

becomes a key barrier to him and his company implementing Product and Service-related CSR in any meaningful scale. And he further elaborated that, although the company

“pays attention to the quality of the products and the feedback of the customers” [and would] “immediately adjust the products according to the opinions of the customers”, [the improved products] “may not necessarily achieve the set targets” [overall].

This brings us to the third point that Product and Service-related CSR might exceed the expectations and needs for his company, and perhaps as well as his customers.

Similar points were mentioned by Respondent B, who is a senior executive of his company and with a relatively high count of references, 47, of the aforementioned keywords within his interview response. He described in his

experiences of the barriers when conducting Product and Service-related CSR under the result driven culture of his company, that, whilst

“product specifications are disclosed to customers, but in order to shorten product development time, it is impossible to accept customer opinions in every stage of the development”.

In his opinions, Product and Service-related CSR, in general, “increase costs and lengthen development time” and in the process of executing CSR initiatives relating to Product and Service, “it might also cause conflict with customers” when dealing with issues may potential arise in the processes.

‘Cost’ and ‘development time’ were the recurring themes when respondents were discussing Product and Service-related CSR and Outcome-oriented Organisational Culture. Respondent A, who is the front-line knowledge-based worker with the highest references of keywords relating to Product and Result orientations, also mentioned too much multilateral communications on product specifications potentially “increase costs and lengthen product development time”. As such, Product and Service-related CSR initiatives is in critical conflict with, the objectives of their work due to the nature of short development cycle and response time in their work. The above analysis forms credible explanations as to the reason of negative relationship between Product and Service-related CSR and Outcome-oriented Organisational Culture according to the views of the respondents.

	References	Coverage
Respondent A (Knowledge-based Worker)	43	1.33%
Respondent B (Senior Executive)	47	1.29%
Respondent C (Knowledge-based Worker)	13	0.56%
Respondent D (Knowledge-based Worker)	28	0.46%
Respondent E (Middle Manager)	25	0.76%
Respondent F (Senior Executive)	26	0.88%
Respondent G (Senior Executive)	25	0.84%
Respondent H (Middle Manager)	53	1.51%
Respondent I (Middle Manager)	28	0.77%
Respondent J (Senior Executive)	97	2.26%
Respondent K (Middle Manager)	93	2.59%
Respondent L (Knowledge-based Worker)	58	2.51%

Table 31 Summary of Text Search Query of Product and Outcome Orientation

Innovation-oriented Organisational Culture and Corporate Governance-related CSR

Next, in relations to the partially supported H3, pertaining to Innovation-oriented Organisational Culture and Corporate Governance-related CSR, a text search query was performed with the keyword Innovation. The summary of references and coverages of Innovation as a keyword in the respondents' interview transcripts were presented in the below table (Table 32).

	References	Coverage
Respondent A (Knowledge-based Worker)	15	0.59%
Respondent B (Senior Executive)	4	0.14%
Respondent C (Knowledge-based Worker)	10	0.56%
Respondent D (Knowledge-based Worker)	17	0.47%
Respondent E (Middle Manager)	11	0.44%
Respondent F (Senior Executive)	9	0.40%
Respondent G (Senior Executive)	12	0.49%
Respondent H (Middle Manager)	12	0.45%
Respondent I (Middle Manager)	17	0.64%
Respondent J (Senior Executive)	25	2.26%
Respondent K (Middle Manager)	32	2.59%
Respondent L (Knowledge-based Worker)	19	2.51%

Table 32 Summary of Text Search Query of Innovation Orientation

There is a more even spread of references across the respondents when a text search query is performed for keywords relating to Innovation. First, analysis the of the references and coverages in the interview transcripts from front-line knowledge-based workers was performed to understand the implications of Innovation to their work. The front-line knowledge-based worker Respondent L recorded 19 references of “innovation” in his transcript whereas, Respondent A and Respondent D, who is also a front-line knowledge-based worker, recorded 15 and 17 references respectively of ‘innovation’ in their transcripts.

A closer look at the transcript texts revealed that innovation initiatives often interfere or hinder these front-line workers’ work, increasing difficulties for

their work and heightening risks for producing errors. In the transcript of Respondent L, for example, negative sentiments were expressed when describing his experience relating to innovative culture. Although his department was given the freedom to make decisions and to innovate, he felt that

“the probability of these products (under the innovation programs) being adopted by customers is still relatively uneven”.

And as a result of that, he expressed concerns of innovation culture impacting the overall performance of the department. Second, concerns of his department not in alignment with his company’s overall directions and objectives were raised, as the innovative policy entrusting the division to become more ‘creative’ and given the autonomy in decision making, thus potentially marginalised his department to the rest of the company.

From the word tree diagram generated through text search query of innovation, we can also deduce that under certain specific contexts Innovation-oriented Organisational Culture impact employee perceptions of CSR in different ways. For example, corporate governance related initiatives interferes with innovation culture, and in addition, with negative influence to loyalty; whilst innovation practices might be particularly receptive in R&D departments as they are more relevant to the functions and tasks of those departments, thereby potentially helping employees within those departments perform their job tasks more effectively and efficiently, and as a consequence, enhance their performance to reach the companies’ business objectives, which in turn enhance their loyalty. On the contrary, when innovation practices do not fit into the departmental functions or employees’ job tasks, they might hinder employees’ work and

consequently, lead to negative sentiments towards the organisational culture or the CSR practices.

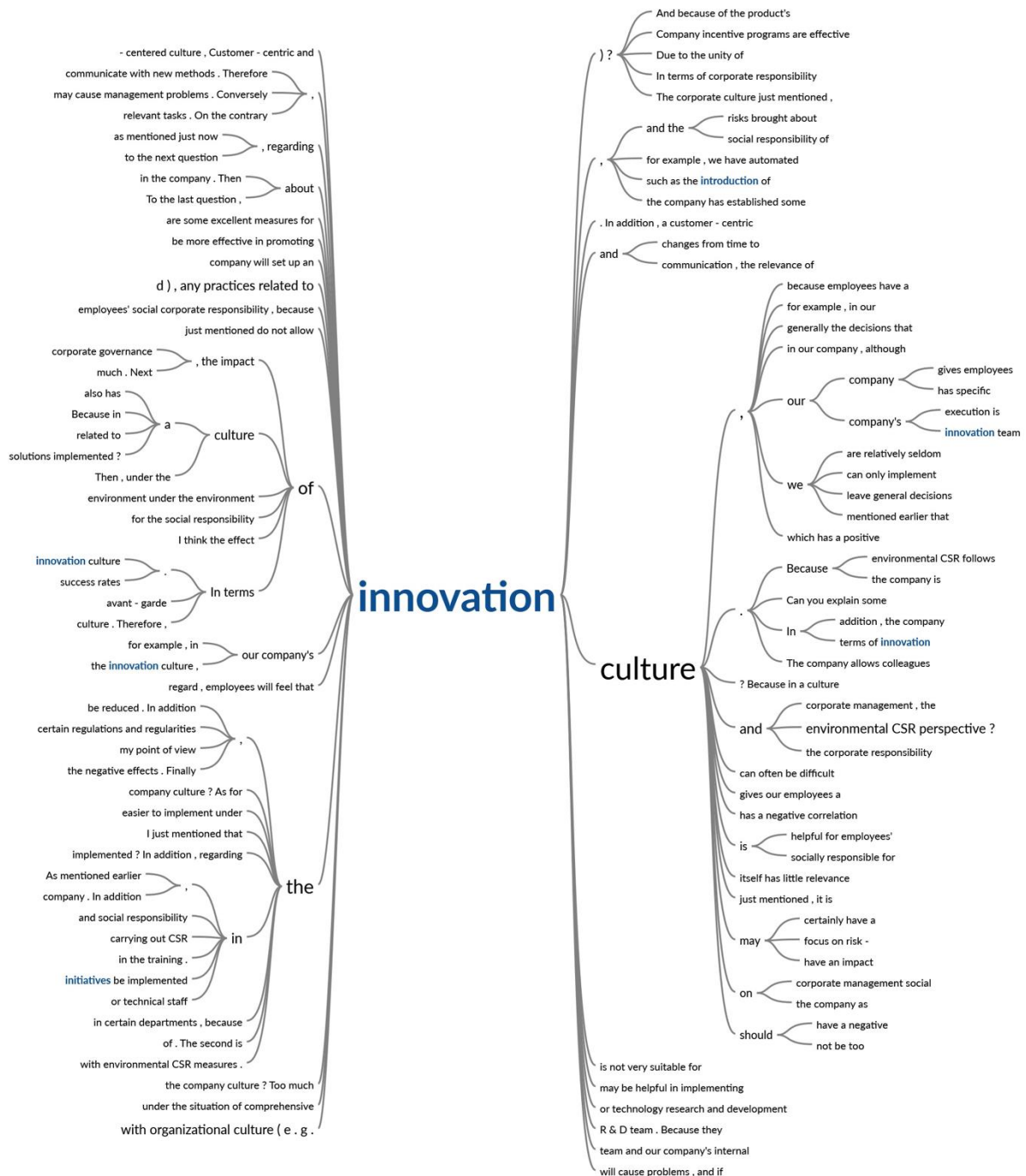


Figure 8 Word Tree of Text Search Query: Innovation and Employee Loyalty

Further, when considering Innovation-oriented Organisational Culture in management levels are generally negative in relations to the contexts of

work related and governance issues, with the most identified barriers to innovation implementations being ‘increased cost and prolongment of production timeline’, ‘potential compliance problems’, ‘increased risks’, ‘governance, chain of command issues’, etc, which poses as barriers to implement Corporate Governance-related CSR activities.

Innovation-oriented Organisational Culture and Environmental-related CSR

A text search query of keywords relating to environmental orientation was also performed, with the results presented in the following table (Table 33).

	References	Coverage
Respondent A (Knowledge-based Worker)	3	0.16%
Respondent B (Senior Executive)	3	0.14%
Respondent C (Knowledge-based Worker)	5	0.38%
Respondent D (Knowledge-based Worker)	4	0.14%
Respondent E (Middle Manager)	2	0.10%
Respondent F (Senior Executive)	5	0.29%
Respondent G (Senior Executive)	3	0.147%
Respondent H (Middle Manager)	9	0.46%
Respondent I (Middle Manager)	3	0.15%
Respondent J (Senior Executive)	17	0.70%
Respondent K (Middle Manager)	19	0.90%
Respondent L (Knowledge-based Worker)	10	0.73%

Table 33 Summary of Text Search Query of Environmental Orientation

In the transcripts of Respondent A and G with relatively high counts of references found of the keywords relating to ‘innovation’ and low count of references relating to ‘environment’ at 15 and 3, and 12 and 3, respectively. Respondent I, who is a knowledge-based worker in his company, mentions that in order to provide customers with quality and innovative products, his

company has a specific department that is responsible for innovation.

However, due to the experimental nature of the innovative process, there are certain difficulties in relations to environmental measures such as energy saving and recycling. He elaborated that environmental initiatives might be

“conflicting with their job functions”, [as] “the development process may require a lot of materials and there is no way to avoid producing excessive wastage”.

For knowledge-based worker Respondent A, feasibility and work function considerations are the obstacles to Environmental-related CSR in the innovation culture in his company.

For Respondent G, who is a senior executive of his company, mentioned cost and initial outlay in resources and raw materials management is a key concerns and obstacle to implementing Environmental-related CSR in his company, while recognising the long-term positive impact that environmental-related CSR initiatives might have on cost control and material management.

Customer-oriented Organisational Culture and Employee-related CSR

Investigations into Employee-related CSR and Customer-oriented Organisational Culture was also conducted since their relationships were tested as non-significant in the quantitative study. A text search query was also conducted with customer orientation to explore respondents' experiences of Customer-oriented Organisational Culture. The result summary of references and coverages relating to customer orientation is listed in the following table (**Error! Reference source not found.**).

Most references in relations to Customer Orientation are found with 37, 33, 31 respectively in Respondent J, Respondent K, and Respondent H's transcripts. Third most references were found with 31 count of references of

Respondent H's transcript. Incidentally, references relating to Employee-oriented CSR is at the low end of the spectrum with 23. Respondent H, who is a middle manager of his company, described within the customer-centric culture in his company, that, because of emphasis have been put on communicating and responding to customers' needs,

“overall work pressure is very high”

for the general employees. In order to serve customers' need the company set various progress indicators and

“...in order to achieve work targets, employees often have to work overtime to complete their work.”

References relating to Employee-related CSR such as employee trainings in Respondent H's transcript is the lowest amongst all of the other respondents, suggesting that Customer-oriented Organizational Culture may not be conducive to implementing Employee-related CSR in particular employee training, as the culture creates a high pressure environment to meet customers' need and quick responses to customers are required from departments and employees, leaving little time and resources to implement employee training and other Employee-related CSR initiatives.

Similarly for Respondent I, who is also a senior executive in his company, his customer-centric company prefers to implement recruitment strategies of talent matching different experience and skills to different departments and jobs so they are more equipped to deal with clients more efficiently.

Outsourcing certain functions is also an approach preferred to internal training of employees in his company so as to more quickly meet customers' needs. He further elaborated,

“The most important consideration is that in order to meet the needs of customers, we may have to give up internal training and directly hire contract employees or outsource a certain part of the project to quickly achieve the purpose of satisfying customers.”

	References	Coverage
Respondent A (Knowledge-based Worker)	16	0.56%
Respondent B (Senior Executive)	14	0.46%
Respondent C (Knowledge-based Worker)	0	0.00%
Respondent D (Knowledge-based Worker)	11	0.27%
Respondent E (Middle Manager)	14	0.48%
Respondent F (Senior Executive)	5	0.19%
Respondent G (Senior Executive)	6	0.22%
Respondent H (Middle Manager)	31	0.99%
Respondent I (Middle Manager)	19	0.60%
Respondent J (Senior Executive)	37	0.98%
Respondent K (Middle Manager)	33	1.02%
Respondent L (Knowledge-based Worker)	26	1.25%

Table 37 Summary of Text Search Query of Customer Orientation

	References	Coverage
Respondent A (Knowledge-based Worker)	33	1.21%
Respondent B (Senior Executive)	31	1.01%
Respondent C (Knowledge-based Worker)	9	0.37%
Respondent D (Knowledge-based Worker)	29	0.58%
Respondent E (Middle Manager)	24	0.75%
Respondent F (Senior Executive)	20	0.70%
Respondent G (Senior Executive)	23	0.83%
Respondent H (Middle Manager)	23	0.74%
Respondent I (Middle Manager)	26	0.68%
Respondent J (Senior Executive)	29	0.76%
Respondent K (Middle Manager)	34	1.06%
Respondent L (Knowledge-based Worker)	23	0.98%

Table 38 Summary of Text Search Query of Employee-related CSR

5.2.3 Employee-related CSR and Outcome-oriented Organisational Culture

Next, we turned the attentions to supported hypothesis with elements of specific interests in relations of the Chinese contexts, ie., the tendency for and potential heightened impact from Outcome-oriented Organisational Culture, Employee-related CSR, owing to the influence of guanxi, harmony, hierachy and respect.

Since negative correlation is found between Employee-related CSR and Outcome-oriented Organizational Culture in the quantitative research study, further investigations into respondents' experiences of Outcome-oriented Organizational Culture were conducted.

When a text search query was performed in relations to outcome orientation, highest number of references of 53, 40 and 30 was found in Respondent J, Respondent K, and Respondent F's transcript. Incidentally, on closer examination, Respondent F, who is a senior executive in his company, his transcript also has the second lowest count on references relating to Employee-related CSR amongst the executives.

Respondent F's company attached great importance to results and in turn, the performance of employees. As such, the company has taken an approach to invest in hiring rather than training, as

“the company feels it is more efficient and effective to invest resources in hiring the right people than internal training”.

Further, performance evaluation systems were set up with the focus of improving employees' “overall work effectiveness” rather than promoting engagement to their work. The company's over-emphasis on result reduced the capacity for implementing any other types of CSR activities that are in

conflict with its fundamental concerns of ‘cost’ and ‘efficiencies’. CSR initiatives that do not reflect in short term performance, such as employee training, improving working conditions and employee well-beings, are contradictory considerations in these types of outcome focused culture, thus providing explanation to the negative correlations between the two as identified in the quantitative study findings in the previous chapter.

	References	Coverage
Respondent A (Knowledge-based Worker)	14	0.38%
Respondent B (Senior Executive)	26	0.75%
Respondent C (Knowledge-based Worker)	2	0.10%
Respondent D (Knowledge-based Worker)	28	0.54%
Respondent E (Middle Manager)	26	0.91%
Respondent F (Senior Executive)	30	1.18%
Respondent G (Senior Executive)	14	0.48%
Respondent H (Middle Manager)	24	0.75%
Respondent I (Middle Manager)	17	0.46%
Respondent J (Senior Executive)	40	0.93%
Respondent K (Middle Manager)	53	1.55%
Respondent L (Knowledge-based Worker)	24	1.01%

Table 39 Summary of Text Search Query of Outcome Orientation

	References	Coverage
Respondent A (Knowledge-based Worker)	33	1.21%
Respondent B (Senior Executive)	31	1.01%
Respondent C (Knowledge-based Worker)	9	0.37%
Respondent D (Knowledge-based Worker)	29	0.58%
Respondent E (Middle Manager)	24	0.75%
Respondent F (Senior Executive)	20	0.70%
Respondent G (Senior Executive)	23	0.83%
Respondent H (Middle Manager)	23	0.74%
Respondent I (Middle Manager)	26	0.68%
Respondent J (Senior Executive)	29	0.76%
Respondent K (Middle Manager)	34	1.06%
Respondent L (Knowledge-based Worker)	23	0.98%

Table 34 Summary of Text Search Query of Employee-related CSR

5.2.3 Employee-related CSR and Innovation-oriented Organisational Culture

Since Employee-related CSR and Innovation-oriented Organisational Culture show negative correlations in the quantitative research findings early, specific investigations into respondents' experiences in innovation orientation culture and employee-related CSR are explored in another text search query.

Another closer inspection of Respondent K's transcript where the highest count of references found in both Innovation Orientation and Employee-related CSR on 32 and 34 respectively, he suggested with the implementation of new technology in the production processes requires his company to employ workers with relevant experience and level to operate the new equipment. As such, in this instance with the technology his company deploy the demand of internal re-training is low.

In Respondent D's transcript, with the most references on 'innovation' at 17, Respondent D described that within the innovative culture in his company, mentorship and communication with senior leaderships were actively promoted as an innovative strategy, engaging employee seeking out senior executives for help and to solve problems relating to their work. This potentially mitigate the need for organization-wide training and employee training and related Employee CSR are not as prominent as in the companies of other respondents. When extra trainings are indeed required in certain departments such as the sales department, Respondent D mentioned that,

“there is the possibility that the training will hinder the work employees have on hand, as employees often have work targets to meet”.

And although some trainings were able to be conducted from home, Respondent D elaborated,

“for employees who feel that they need to rest on weekends, and there will be some resistance to these programs”.

As the company promoted work life balance through flexible work arrangements, these Employee-related CSR with added responsibilities on the employees' part potentially conflicts with the essence of the innovative culture which the company promotes, and thus, explaining the inverted relationship found in the quantitative study pertaining to Employee-related CSR and Innovation-oriented Organizational Culture.

5.2.4 Innovation-oriented Organisational Culture, its interaction effect with CSR and Employee Loyalty

In the quantitative research study the interaction effects between Innovation-oriented Organisational Culture and different types of CSR orientation,

barring Employee-related CSR an exception, have inverted relationships with Employee Loyalty.

In relations to Corporation Governance-related CSR, Respondent D described singularly the Innovation Culture in her company moderate negative sentiment was expressed in relations to “obstacles or risk related to the implementations of certain initiatives of innovation culture...”. In her views innovation initiatives such as allowing workers to work from home poses potential risk in company data or confidential materials being leaked which the company must find ways to mitigate, thus affecting the implementations of certain Corporate Governance policies.

In terms of Employee-related CSR, whilst respondent B’s company Organisational Culture is predominantly employee-oriented, the characteristics of Innovation-oriented Organisational Culture are equally prevalent. Respondent B’s company “gives employees flexible working hours”, and to foster a “pleasant and open working environment”, Respondent B elaborated, “except for the finance department, all departments of the company work in cross-departmental open workspaces”. According to Respondent B, this is basing on the rationale that,

“...an open work environment fosters mutual support among employees and solves problems together. Only by arranging work and designing the working environment according to the needs of employees, can employees be more engaged in the company and more engaged in their work.”

This is also in agreement with the findings of the quantitative study that, when taking into consideration together with employee-related CSR, Innovation-oriented Organisational Culture also generate significant positive effect to Employee Loyalty.

In relation to Product and Service-related CSR, negative sentiments were also detected when considering Product and Service-related CSR and Innovation-oriented Organisational Culture together. Respondent H, who is the middle manager of his company, explained in his experience that “innovation projects” often resulted in product failure. It is “difficult to implement” Product and Service-related CSR under Innovation Culture, as innovative initiatives “bring a lot of uncertainty” and “generate many problems. For the respondent with the second highest references on Product and Innovation Orientation, Respondent A, who is a front-line knowledge-based worker in his company, replied that “products need to meet many specifications” and Innovation-oriented Organisational Culture potentially provides obstacle in fulfilling this core objective as the division that his company implements innovation culture sometimes “fail to meet some standards”. These, as respondents indicated, impacted employees performance in-directly and subsequently driving their engagement, and identification, lower and impacted their loyalty negatively.

5.2.5 Employee-oriented Organisational Culture and Employee-related CSR and Employee Loyalty

In the subsequent analysis a text search query was performed with employee and loyalty, with the highest number of references, 104 references. 104 references found in the interview transcript of one general knowledge worker employee and 181 references found in the interview transcript of a senior executive. A closer analysis at the transcript of the employee was conducted subsequently, and it was found that in the employee’s perception

the company is an employee-oriented company and is a company that practice innovation in particular in relation to human management and communication within the company. In the employee-orientation perspective, the company

“is human in its approach to handling employee and considers its employees from their perspectives. In terms of reward system, the company first survey employees' interests, and orientations, and the company will try their best to meet with employees' preferences and expectations.”

With this approach of first surveying employees' needs and expectations before integrating these considerations into the formulation of organisational human management strategies, the execution of these organization systems become more effective and as a result, increasing employees' engagement and satisfaction. Several other employee-oriented initiatives were also mentioned in addition to the incentive system, such as, establishing channels for any level of staff to connect with C-suite executives for problem solving and 'mentorship', appropriate forms of trainings in relation to job functions, flexible working hours, special work arrangements for employees with young child, setting up compassionate funds and donations for employees with extenuated circumstances. As such, we can deduct that although there are certain characteristics of other Organisational Culture present in the respondent's company, which is by and large expected, the prominent Organisational Culture in the respondent's company is employee-orientation as well as innovation-orientation. Under the influences of these cultures Employee-related Corporate Social Responsibility policies were deployed effectively, generating a high level of Employee Loyalty as a result.

The respondent, hereafter Respondent B, mentioned that his company make great effort in creating an open and comfortable environment for employee to work in, and as a result, employees are more “comfortable, efficient and engaged at work”. In relations to the effects of the considerations of work environment, employees also

“feel that an open and open office environment can make communication easier, solve problems easier, and reduce work pressures as a result as well.”

Social activities such as various types of social gatherings such as company dinners, movie appreciation sessions, etc, also help employees amongst each other to establish closer bonding outside of work. Trainings are also provided according to employees’ job needs, to “empower employees to get the job done”. This is also consistent with the quantitative findings that Employee-oriented Organisational Culture, Employee-related CSR, along with the combined effect of Employee-oriented Organisational Culture and Employee-related CSR together, generate positive effect to Employee Loyalty.

Next, the transcript of the highest number of references in relations to Employee Orientation and Loyalty in a senior executive at 181, was examined in more detail. Respondent J mentions that employee-centred culture facilitates initiatives relating to team building within the company, with activities such as ‘parent-child and other family activities’ for the employee, that are beneficial to promote a sense of ‘harmoniousness’ and ‘sense of belonging’ to the company.

His company also engages employees to career building and job development, within the employee-centred culture which puts the employee first, also has a positive impact to the loyalty of staff.

	References	Coverage
Respondent A (Knowledge-based Worker)	39	1.38%
Respondent B (Senior Executive)	46	1.50%
Respondent C (Knowledge-based Worker)	27	1.36%
Respondent D (Knowledge-based Worker)	104	2.48%
Respondent E (Middle Manager)	43	1.49%
Respondent F (Senior Executive)	46	1.75%
Respondent G (Senior Executive)	51	1.93%
Respondent H (Middle Manager)	46	1.52%
Respondent I (Middle Manager)	33	1.10%
Respondent J (Senior Executive)	181	4.99%
Respondent K (Middle Manager)	109	3.42%
Respondent L (Knowledge-based Worker)	65	3.12%

Table 35 Summary of Text Search Query of Employee Orientation and Employee Loyalty

5.3 Discussion

The purpose of the above qualitative study is to supplement the main quantitative study in order to generate a more in-depth understanding of the impact of Corporate Social Responsibility, together with Organisational Culture, to Employee Loyalty, through the triangulation of the results and analysis of the two studies. The qualitative research consisted of the interviews of 12 participants, providing insights into their lived experiences in relations to the three main constructs of investigation in this thesis. Eight categories emerged to provide support to the findings of the Quantitative study. This sub-chapter will discuss the categories, as well as suggestions and limitations in details.

Interview data was analysed to generate a better understanding of how Corporate Social Responsibility actions and Organisational Culture, as well as their interaction effects, affect Employee Loyalty This was accomplished by:

- a) Identifying the vantage points from senior executives of how companies implement CSR practices under different Organisational Culture
- b) Generating more in-depth understanding of the implementations of CSR practices, the drivers and barriers, and effects, under the companies' Organisational Culture, through the practical perspective of middle managers
- c) Exploring how CSR policies aligns with Organisational Culture and its impact on employee loyalty through *functional benefits*, *emotional benefits*, and *meaning and morality benefits*
- d) Exploring how CSR policies aligns with Organisational Culture and its impact on employee loyalty through *functional benefits*, *emotional benefits*, and *meaning and morality benefits*

Participants, regardless of their position within their companies, acknowledge that business results in terms of profit is essential to the sustainability of the business. Participants expressed diverse perspectives as to how certain CSR initiatives their companies incorporated, such as establishing relationship with clients, promoting compliance measures, generating employee engagement, and implementing environmental measures, support the business strategy and the business objectives of maintaining and generating new business

through increased profitability, regulatory approval and recognition by customers.

Participants accept the reality that in order for their companies to be profitable and the business sustainable, their employers must engage CSR as a component of business strategy. However, participants also scrutinize employer's position when using CSR as part of their business strategy, whether it is in agreement, or in conflict with the predominant organizational culture of the companies. In the case of CSR strategy in alignment with organizational culture, employees feel more connected to the company, and as a result, more loyal to the company beyond the pay and remuneration their companies offered them. More positive attitudes as well as pride are generated.

However, as opposed to in the case of CSR strategy in conflict with the characteristics and objectives of the organizational culture, where the CSR practices are viewed as artificial efforts and employees feel more conflicted and therefore view their companies and the corporate actions that their companies have taken as not credible.

5.3.1 Phenomenon of Employee Loyalty generated by employee experience of CSR

Basing on the above findings and analysis, in order to generate positive impact to increase loyalty from employees in the Chinese context, Corporate Social Responsibility initiatives must first and foremost address the basic concerns of the employees in terms of work-related issues, empowerment and career development (*functional benefits*). Second, companies should

also engage in CSR initiatives that would enhance corporate reputation and image, as *emotional benefits* can also have positive influence to employee loyalty. Third, owing to in the Chinese context employees are more likely to take their companies' objectives as their own, alignment of CSR values and organisational culture, or the business intentions of the companies, is seen to take precedence to value congruence in terms of *meaning and morality benefits* under Collectivist the influence of guanxi, harmony, hierarchy and respect. As such, the alignment of CSR values to organizational culture can be considered as even more critical in CSR-generated employee loyalty in the Chinese context.

5.3.2 Alignment of Organisational Culture and CSR Initiatives

The research data shows that employees perfectly understand employers have the obligation to increase bottom line, generate new business opportunities as well as improve productivity as a business. In Outcome-oriented Organizational Culture, CSR initiatives that are more favorable in obtaining the companies desired business outcome, such as performing good governance practice and meeting environmental obligations, are more likely to generate positive attitude from employees. In contrast, employees are skeptical of, in an industrial environment where speed of delivery and cost control are overriding concerns, initiatives that involve maintaining higher than required product specifications, accountability and communication between customers carried out by the company. The mismatch of CSR initiatives and organisational culture values draws distrust with the leadership and as a result, as employees see that the CSR initiatives are simply used instruments to project a false image in order for the company to achieve certain business outcomes. This damages the employee perception

of integrity of their companies and thus, impacting employees' focus and willingness to perform work to the highest possible quality. In the more severe cases which the CSR initiatives are in conflict with operational intents within the organisational culture, employees' efficiency at work, as well as their loyalty, are also damaged as a result of the confusions created by the contradictory actions of the CSR initiatives to the company culture. Therefore, having CSR aligning with business intents, and thus, its Organizational Culture, where CSR initiatives are considered as value creation (Chang, et al., 2016) is a strategy that business should practice in the implementation of CSR.

5.3.3 Communication and Experience of CSR in Organisational Context

As per the above findings it also reveals that employees with positive experience of CSR are more likely to show endorsement of the companies' CSR implementations. The positive experiences come from, aside from the alignment of CSR and the business intent within the organisational culture (*meaning and morality benefits*), also come from the improved performance of employee as a direct result skills and experience gained from the implementations of the initiatives (*functional benefits*), well rapport and collaborative support between the stakeholders (*emotional benefits*). A well-designed and well-communicated CSR program prior to the implementations of the initiatives can therefore be considered as critical, as the perception of the alignment of CSR and organisational culture being as vital in the process of employee engagement leading to the tow other forms of benefits that enhance employee loyalty. And as employees in most cases continually assessed and evaluation their companies' intent through the participations in the CSR initiatives, there is also an opportunity which

employers can involve employees in the planning of the initiatives to increase the change of endorsement of CSR implementation by the employees. Further, as erosion of trust and questions on integrity arise when there is a CSR and organizational culture mismatch, companies can counteract by improving communication of the CSR purpose and the companies culture, with a specifically designed CSR toolkit and CSR scorecard to strengthen the understanding of the purpose of the CSR practices the company choose to enforce, how the CSR initiatives are aligned with the company's culture and business intent, and well as the value at individual level to the employees.

5.4 Limitations

The preceding Qualitative Research had several limitations. One limitation was that the initial research sample size of 9, which was extended to 12, is still relatively small and thus limits the generalizability of the findings of the qualitative study. Further, the sample was also divided into sub-groups of pre-defined characteristics (senior managements, middle managers, and knowledge-based workers) to bring in diversity of different perspectives and experiences of CSR and organisational culture. Although the research data collection reached saturation at sample 9, the potential of gaining more "depth" was sacrificed for "diversity" in the study. As the objective of the qualitative study is to complement the main study in the Quantitative Research, different insights into the strategy formulation, implementations, and execution of CSR in different organisational levels of the companies were considered more valuable in the qualitative study and thus, deemed appropriate sampling strategy for the qualitative study.

Finally, the researcher transcribed the recorded interviews and read the transcripts to the participants to validate the transcribed contents, instead of sending out the transcripts in written formats for the participant to scrutinize. This limits the level of detailed examination and scrutiny over the transcribed data.

Chapter 6. Discussion and Conclusion

The purpose of this study is to identify the interactions amongst employee perception of CSR, employee perception of Organisational Culture and employee loyalty in the Chinese context. Through empirically measuring the effects of various types of CSR initiatives (perceived), the effect of Organisational Culture (perceived), as well as their interactions, on employee loyalty in the Quantitative Research study, more understanding on any specific types of CSR, under the corporate context of Organisational Culture, impacts on employee loyalty is developed. The subsequent Qualitative Study provided more understanding and insights into the nature and extent to which these relationships exist, how, from the employees' lived experiences, Corporate Social Responsibility and Organisational Culture impacts their level of loyalty to their companies. This discussion and conclusion chapter will summarise the existing literature and synthesize the findings of this study to examine the relationships between the three constructs in the study in more depth. This chapter will explore the underlying mechanism between these relationships to provide greater understanding on how employee loyalty can be more effectively generated through the implementation of CSR and the cultivation of certain contextual conditions and organizational culture within the Chinese contexts. Further, this chapter will also explore wider research and managerial implications, as well as acknowledging its limitations and setting out scope for future research.

6.1 Result

As presented in the previous chapters, empirical findings on the effects of different types of Corporate Social Responsibility initiatives, different types

of Organisational Culture, on Employee Loyalty were examined from the Quantitative Research analysis; whilst, themes and meanings were extracted from the interview data in the Qualitative Research study basing on the recurrence of certain keywords, the underlying sentiments, and their significance to offer insights and understandings on the relationships between the three constructs of this study. By interconnecting the findings and analysis a more holistic understanding of the nature and extent of interactions effects between the constructs is possible.

To summarise, in H1, in which it was proposed that employee perception of CSR positively correlate with employee loyalty, it was partially supported by the quantitative findings. It was found that while Environmental-related CSR, Product and Service-related CSR, and Employee-related CSR all showing a positive correlation with employee loyalty, Corporate Governance-related CSR does not. It is in line with previous analysis that due to the potential less expectations of Corporate Governance-related CSR and less rigorous or extensive regulatory frameworks in China, as a consequence providing less *emotional benefits*, and *meaning and morality benefits* to employees. Further, Corporate Governance-related CSR is also less likely to generating *functional* to employee as its relevance to employees' job functions is relatively low broadly speaking. Employees are more likely to see Corporate Governance-related CSR as regulatory requirements and rules enforced by their companies.

In the qualitative study it was also revealed that in terms of Environmental-related CSR and Product and Service-related CSR, engaging in environmental and sustainable initiatives, as well as the delivery of quality and reputable products enhances companies' reputation and thus, generating

a sense of ‘pride’ and as a result enhancing employee’s loyalty. And since Employee-related CSR is mostly directly associated with employee’s benefit, as expected yield positive relationship with employee loyalty also. This is largely in line with previous studies such as Bhattacharya et al, Valentine & Fleischman (Bhattacharya, et al., 2011; Valentine & Fleischman, 2007).

In H2, in which it was proposed that the strength of relationship between employee loyalty and Employee-related and Product and Service-related CSR are stronger than Environmental-related and Corporate Governance-related CSR, it was fully supported. This could be attributed to the analysis in the previous literature review section that, CSR-generated employee loyalty is mostly impacted by their participation level which is in turn greatly influenced by the perceived *functional* and *emotional benefits*. From the qualitative interview we also established that within the companies’ respondents work in, the environmental-related CSR largely relating to energy saving and waste reduction policy that the companies implement; in the perspective of Corporate Governance-related CSR it is mostly related to industry compliance that the companies are required to follow, both of which requires very little employee participation. In the case of Employee-related and Product and Service-related CSR, in the qualitative interviews it was revealed that employee training, as well as market research workshops and the implantations of communication and reporting procedures or systems that enhance product and service quality and communication are generally employed. These are initiatives that required participations of employee and as employees see *functional* and *emotional benefits* acquired

from these initiatives, their motivation and loyalty to the company thus increase accordingly,

Separately, in H3, in which it was proposed that the 4 different types of CSR, namely, Environmental-related CSR, Corporate Governance-related CSR and Employee-related CSR positively correlates with the 4 different types of organisational culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented), it was only partially supported. It was found that Product and Service-related CSR negatively correlates with Outcome-oriented and Innovation-oriented culture. This is supported by the qualitative study result that Product and Service-related CSR often involved extra communication channels to be established and within the short production cycle most of the companies of the industry are involved in, the implement of such procedures often results in the substantial increase of cost or the prolongment of the product development and production timeline. As such, the more outcome focused the company is, the less prevalence of the implementation of Product and Service-related CSR. Further, in companies that are focused in promoting innovation, they are either involved in decentralisation the decision-making process to employees or invest in automation in order to gain efficiencies. These approaches also to a certain extend act as barriers for the wide-spread adoption of Product and Service-related CSR.

Employee-related CSR was also found to have a negative relationship with Outcome-oriented, and Innovation-oriented organisational culture. This is again supported by qualitative research finding that, with the added training

and career development for the employees, it increase the companies' investment in human resources management. In the case of outcome-oriented, or innovation-oriented culture, certain companies prefer a more short-term human management strategy in hiring employees with a more precise skills profile than offering existing employee training or opportunities for further career development. This can be potentially attributed to the competitiveness of the industry with the ever compressed product timeline for profits which, companies prefers to allocate their resources to combat the fast changing nature of the industry.

In H4, it was proposed that Organisational Culture moderates the relationship of CSR and Employee Loyalty. The quantitative findings uncovered that different strengths of standardised coefficients betas were observed from a model where organisational culture predictors were controlled, and a model which the predictors were constant, suggesting that different types of organisational culture do interfere with the relationship between employee perception of CSR and employee loyalty. Quantitative interviews reveal that negative sentiments generally arise when company cultures with a certain set of procedures that might not be conducive to certain types of CSR initiatives, as employees often under these circumstances see the initiatives as extra burdens that decrease their productivity and thus, lowering their engagement and as a result affecting their loyalty negatively to their companies.

In H5, it was proposed that the interaction effect of Employee-related CSR and Employee-oriented organisational culture, is stronger than that of

Employee-related CSR with Outcome-oriented / Customer-oriented / Innovation-oriented organisational cultures, to employee loyalty. It was fully supported in the quantitative findings. In addition, in the qualitative interviews it is indicated that employee welfare, along with training and re-training relating to job specifications, as well as career progress and developments are essential component in increasing employee's loyalty to their companies. The qualitative interviews also reveal that in other types of organisational cultures such as outcome-oriented, customer-oriented and innovation-oriented cultures, their respective companies may have other obligations or priorities to fulfil other than employee-focused initiatives. In such circumstances, employees may feel that aligning their goals in efficiently fulfilling their job functions, rather than their own benefits, are more important and relevant to them under the respective organisational culture. On the contrary, whilst other combination of CSR initiatives and organisation culture might yield positive influences in employee loyalty, such as that of Product and Service-related CSR and Customer-oriented organisational culture, Environmentally-related CSR and Outcome-oriented organisational culture and so on, since employee-oriented culture are most conducive to employee-related CSR initiatives, it is more likely and significantly, for employee to generate employee-related CSR loyalty towards their company under the employee-oriented culture.

In H6, it was originally proposed that the interaction effect between Product and Service-related CSR and Customer-oriented organisational culture, is stronger than that of Product and Service-related CSR and Outcome-oriented / Employee-oriented / Innovation-oriented organisational cultures, through the quantitative research finding this is also fully supported. In the

qualitative research result it also indicates that while in the industry value creation is largely coming from the product or service that a company provides, it is only in customer-oriented company, in which customers are the focus of the company, that Product and Service-related CSR has the amplifying effect with the organisational culture to enhanced employee loyalty. In other organisational culture, cost, prolongment of development and production timeline, are often obstacles to implement product and service-related CSR in a more prevalent basis. Further, in an industry that more streamlined processes are preferred, Product and Service-related CSR potentially make the processes and reporting mechanism more complex. Compliance and industry regulations are also in place already to ensure certain specifications or product quality to be reached, hence, further Product and Service-related CSR are deemed unnecessary and are detrimental to their work efficiency from the employee perspectives.

In H7 concerning the interaction effect between Corporate Governance-related CSR and Outcome-oriented organisational culture, is stronger than that of Corporate Governance-related CSR with all the other types of organisational culture, is also supported in the quantitative results. In the qualitative interviews, respondents generally take pride of the business performance of their companies to their own. From this perspective, it can be explained that the amplifying effect of the CSR-culture fit is induced by employee's collectivistic characteristic as discussed previously in the literature review section, while employee takes on the objectives of their organisation as their own. Further, most of the respondents, regardless of levels of employment, see the good governance of their companies is not only the key to achieve business success, but also a necessity to enable their

companies to operate in sound and efficient manners, providing a stable and productive environment for the employees to conduct their work more effectively and efficiently. This performance related enhancement greatly increased their sense of pride and loyalty to their company, reducing their intension to leave substantially.

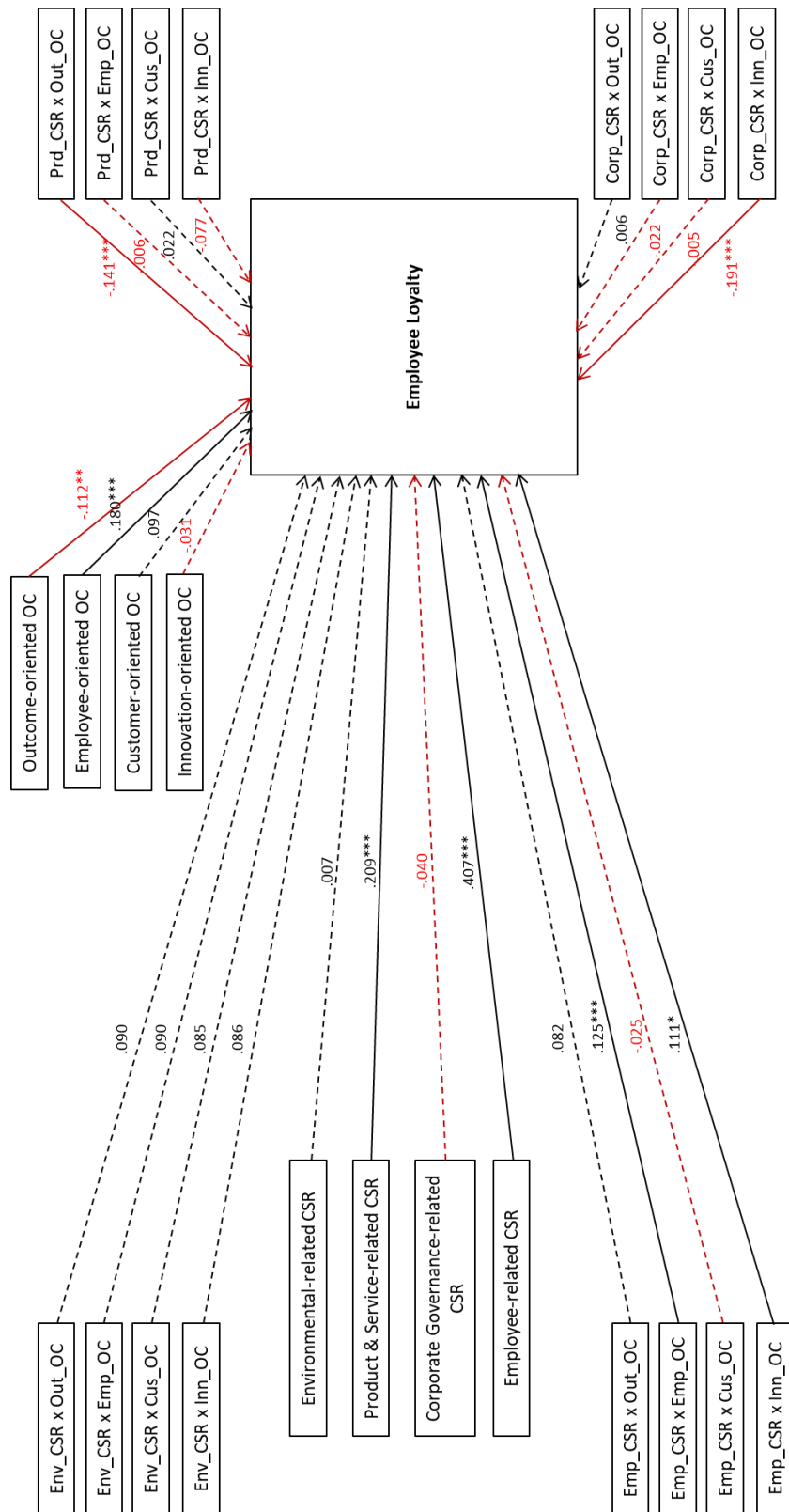
The summary of the quantitative and qualitative results in relations to the hypothesis, as well as the resulting Structured Equation Modelling are presented in the following table and diagram.

Hypotheses	Statistical Results	Qualitative Results
H1 Employee perception of CSR (Environmental, Product and Service-related, Corporate Governance-related, Employee-related) positively correlate with Employee Loyalty.	Partially Supported	Supported quantitative findings. Corporate Governance-related CSR alone does not enhance employee loyalty, as it is seen as 'necessity' for the survival of business from employees' perspective.
H2 Strength of relationship between Employee Loyalty and Employee-related and Product and Service-related CSR are stronger than Environmental-related and Corporate Governance-related CSR.	Supported	Supported quantitative findings. Interviews further reveals that Employee-related and Product and Service-related CSR most likely generate perceived functional and emotional benefits, which promotes employees' participation and engagement, and as a result increase their loyalty to their companies.
H3 Employee perception of CSR (Environmental-related, Product and Service-related, Corporate Governance-related, Employee-related) positively correlates with employee perception of Organisational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented).	Partially Supported	Supported quantitative findings. Product and Service-related CSR have low prevalence in Outcome-oriented and Innovation-oriented culture due to the nature of the industry with short product development and production cycle, providing barrier to implement Product and Service-related CSR which potentially can be cost and time intensive. Employee-related CSR likewise is less prevalent in Outcome-oriented and Innovation-oriented organisational culture for similar reasons.
H4 Organisational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented) moderates the relationship of CSR (Environmental, Product and Service-related, Corporate Governance-related, Employee-related) and Employee Loyalty.	Supported	Supported quantitative findings. Negative sentiments arisen when a company of set procedures under certain organisational culture implements CSR initiatives that employees see as incompatible, employee sees these initiatives as irrelevant or burden to them, thus affecting their engagement and loyalty as a result.
H5 The interaction effect of Employee-related CSR and Employee-oriented Organisational Culture is stronger than that with Outcome-related, Customer-related, and Innovation-oriented, Organisational Culture, to Employee Loyalty.	Supported	Supported quantitative findings. Employees' perceived functional and emotional benefits are best felt within Employee-related Organisational Culture, enhancing employee loyalty as a result. In other types of organisational culture however, as employees tend to align their own goals with their companies objectives, employee-related CSR therefore do not illicit the same level of impacts under the respective organisational cultures.

Table 42a Summary of Quantitative and Qualitative Results

Hypotheses	Statistical Results	Qualitative Results
H6 The interaction effect of Product and Service-related CSR and Customer-oriented Organisational Culture is stronger than the interaction effect of that with Outcome-related, Employee-related, and Innovation-oriented, Organisational Culture, to Employee Loyalty.	Supported	Supported quantitative findings. In Customer-oriented Organisational Culture where more resources are put in place in establishing communication with customers or systems that ensure product and service quality, Product and Service-related CSR has the most positive impact to employee loyalty under this set circumstances. In other orientations of organisational culture which the support system or resources are not there, implementing Product and Service-related CSR is seen to be unnecessary or barriers for employees to work efficiently or is detrimental to their own performances.
H7 The interaction effect of Corporate Governance-related CSR and Outcome-oriented Organisational Culture is positively stronger than the interaction effect of that with Employee-related, Customer-related, and Innovation-oriented, Organisational Culture, to Employee Loyalty.	Supported	Supported quantitative findings. Surveyed correspondents from different levels of work all in agreement that good governance of their companies is key to achieve business success. Employees see the success of their companies, as well as the good images of their companies, as their own, thereby increasing their sense of pride being associated as a member of the organisation, enhancing their loyalty as a result.

Table 42b Summary of Quantitative and Qualitative Results



Black solid paths denotes positive and significant correlations; Black dotted paths denotes positive non-significant correlations
 Red solid paths denotes negative and significant correlations; Red dotted paths denotes negative non-significant correlations

Figure 9 Resulting SEM Model of CSR, Organisational Culture and Employee Loyalty

Alongside the identification of correlations of employee perceptions between different types of Corporate Social Responsibility, different types of organisational culture, as well as the measurements of the strengths of the aforementioned relationships, one of the prime objectives of this study is to measure the interaction effects between different types of CSR and different types of organisational culture to employee loyalty. Whilst some of the interaction effects as the study found out are not significant, the change of magnitude, or in some cases the strengths of the relations, when CSR and organisational culture are considered together as opposed to when they are considered independent, gives us enough reason cause and purpose to consider its implication at managerial and organisational levels.

Organisation should be aware of its own organisational culture and whether the CSR initiatives it seeks to implement is conducive under its organisational culture in order to enhance CSR-generated employee loyalty.

6.1.1 Corporate Social Responsibility's Primary Influence on Employee Loyalty

In the initial stages of the quantitative research study it was established that Corporate Social Responsibility initiatives have significant relationship with employee loyalty. This finding is in accordance with a number of existing studies that have identified a positive relationship between Corporate Social Responsibility and employee loyalty (Bhattacharya, et al., 2011; Valentine & Fleischman, 2007). As expected, Employee-related CSR shows the biggest positive impact to employee loyalty, whilst Product and Service-related CSR also shows a considerably moderate positive impact to

employee loyalty. With CSR that enables training and acquisitions and developments of skills of the employees, aside from the tangible benefits of skills developments and performance increase as a result, there are also intangible benefits such as the reduction of barriers to promote sustainable behavior at the workplace.

As discussed earlier in previous chapter of literature review, Employee-related Corporate Social Responsibility initiatives, which encompass employee training, career development, as well as the initiatives that benefit the well-beings of employees, most likely will generate *functional benefits* to the employees enabling them to acquire and develop their skills, as well as achieve better work-life integration. As a consequence, on one hand, employees deliver better performance on their job, enabling them to be rewarded or recognized by their outcome-focused employers, thereby increasing the pride and pleasure felt by the employees elicited from their increased contributions to the company, resulting from the employee-focused CSR initiatives. On the other, as Davis pointed out in his studies, employees in this instance feel empowered and encouraged to participate and develop themselves within their organisations, and thus increasing their loyalty in exchange (Davis, 2018).

In relations to Product and Service-related CSR, the raising of brand and organisation reputation from the improved quality and communication on the products and services increase identifications from employees through providing *emotional benefits* to employees. Employees are therefore more likely to identify themselves both as members of the organisation and as private individuals, and generate pride working for their companies. As a

result, employees are more likely to be proud of telling others about the companies they work for. As Kim et al. puts it, the perceived external prestige is positively associated with employee's sense of belongings towards the company (Kim et al, 2010).

6.1.2 Organisational Culture's Primary Influence on Employee Loyalty

In the quantitative research findings, it was also discovered that as expected, employee-oriented organisational culture has the biggest positive influence to employee loyalty. In the qualitative research that follows reveals that employees felt more empowered in employee-focused organisation culture, more willing to tackle problems they face at work as well as to contribute to organisational goals and achievements, showing a heightened level of engagement and dedication to their work. As a result, as Deci pointed out, employee are more likely to see their organisations as an inspiring place which in turn leads to the fostering and reinforcing of their loyalty to their companies (Deci, 1975).

6.1.3 Corporate Social Responsibility's Influence on Organisational Culture

Although the ultimate investigation of the study does not focus on the relationship between CSR and Organisational Culture as it has been well discussed in previous research studies and literatures, as part of the process and procedures of analysis of data preceding the investigation of the interaction effects between CSR, Organisational Culture on employee loyalty, a correlation analysis between Corporate Social Responsibility and Organisational Culture was also conducted.

Some of the findings are as expected such as that of the Outcome-oriented Organisation, its relationships with Corporate Governance-related CSR are the most positively significant. This can be attributed to the fact that governance and legal compliance are the integral factors in the success of business and have direct influence on the survival of the business. As suggested by O'Reilly et al, the Outcome-oriented Organisational Culture is heavily influenced by achievement-oriented values and as such, organisations as well as employees are more likely to follow legal obligations and fulfilling legal and economic responsibilities as a side effect of its business activities for the sake of profitability.

In contrast, Outcome-oriented Organisational Culture's relationship with Employee-related CSR although significant, is the most negative. It was confirmed and further explained by the Qualitative Study that in most instances, corporate governance and compliance are essential for firms to obtain their business and financial objectives and with result-driven firms with economic objectives as their primary concerns, it is more likely that in the Outcome-oriented environment it is more conducive to foster culture that facilitate Corporate Governance-related CSR. However, under the same conditions in an outcome-focused environment where time and cost control are fundamental factors and considerations in a firm's business decision making process, it is more likely that there are added barriers to implement initiatives that yield longer term benefits such as Employee-related CSR, as the benefits of these initiatives might not be visible or be reflected in tangible financial and economic outcomes in the short term.

As expected and in-line with previous studies, Employee-oriented Organisational Culture is most conducive to Corporate Social Responsibility

practices. Within the Employee-oriented Organisational Culture in which employees feel sufficiently empowered and supported by their organisations to develop themselves in the work place, it is more likely to create an environment and culture that is more receptive to the implementations of Corporate Social Responsibility Practices. This reinforces Wong & Gao's findings that, when employees are being with treated with the rights protected as well as higher involvement in the decision-making processes, they are more likely to be motivated to perform their tasks in a socially responsible way (Wong & Gao, 2014).

Falling in line with the expectations that environmental considerations, product specifications and integrity relating to the communication of product information being integral to fulfilling customer expectations, Customer-oriented Organisational Culture is more likely to have positive relationship with Environmental-related CSR and Product and Service-related CSR. And since customer oriented considerations are mostly external considerations, Customer-oriented Organisational Culture as a result, is more likely to have a negative relationship with Employee-related CSR which require more internally focused considerations.

Innovation-oriented Organisational Culture on the other hand, was revealed to have negative relationships with Product and Service-related CSR and Employee-related CSR. This is in stark contrast with previous literature within the Western contexts. In the Qualitative part of the study provides some explanations that, the types of innovation initiatives relating to 'risk-taking' and 'delegation of decision-making' practiced by firms might potentially complicate the communication process with customers or put at

risk the quality or specifications of the products or services. It was also revealed that while most employees' attitude towards Innovation-oriented Organisational Culture is neutral, technologies that are deployed by their companies may not always translate to increase productivity for the employees, or that for short term result gain, companies prefer to hire new specialists to operate the new technologies adopted, or to execute the innovative strategies, rather than training existing employees to perform those roles. This points to the necessity for firms to have better alignment of its innovation culture with its business intents and when firms decide to adopt or transit to innovation-driven culture, it potentially is required to take a longer view when measures of technology adoptions or of innovative culture are taken.

6.1.4 The Interaction Effect of Corporate Social Responsibility,

Organisational Culture on Employee Loyalty

In contrast with other previous studies, in our study Environmental-related and Corporate Governance-related CSR on the one hand do not show any significant correlations with employee loyalty. However, when the interaction effect of Outcome-oriented Organisational Culture is considered, the two aforementioned types of CSR effects on employee loyalty turned significant. As discussed in the literature review section, this can be explained by the Confucian Collectivistic influence which is specific to the Chinese context that, employees in China, are more prone to manifest interdependence and see organisational goals as their personal goals, as well as demonstrating obedience to the result-driven mentality in their organisations. As respondents explained in the qualitative study that they

see Environmental-related and Corporate Governance-related CSR as crucial factors which lead to positive business outcomes for their companies, employee see fulfilling these CSR initiatives as action that is in-lined with the business intent of the Outcome-oriented Organisational Culture of their company and thus, consider it as ‘collective responsibility’ (Ahmed & Zhang, 2017). This in turns help Chinese employees build ‘Guanxi’ and ‘Harmony’ and boost their job satisfaction and sense of belonging to their companies.

In summary and to put the results of this study into perspective, within the Chinese context, employee-oriented organisational culture is the type of organisational culture that companies in China should foster in order to provide better platform in implementing CSR activities to increase employee loyalty. Corresponding to O’Reilly’s Organisational Culture Profile (OCP), companies need to be more people-oriented and team-oriented, to take employees into considerations as well as to foster a more collaborative environment, to stand a better chance in engaging employees in the participation, as well as the formulations, of CSR initiatives to drive positive outcomes in employee attitudes.

Outcome-oriented organisations on the other hand, as discussed in previous sections that the category of generalisation most Chinese Operated Organisations (COOs) fall in to, corresponding to OCP’s outcome-oriented and aggressiveness profile, should focuses more on environmental-related CSR. This is in contrary to O’Reilly’s evaluation of the outcome orientation dimension where legal and governance-related CSR might be more relevant with the organisational culture due to obligations to compliance. This can be

attributed to, on one hand, legal and compliance are essential obligations for the companies and in outcome-oriented culture, employees hold no negative attitudes towards the implementation of Corporate Governance-related CSR as the obligations to comply are essential to the business operation. On the other hand, in the perspective of the employees, environmental initiatives which have more visibilities to external stakeholders, are increasingly seen as a strategic tool to gain business advantages in getting more orders, raising corporate profile attracting more investments. As outcome-oriented organisational Culture prioritises results, in the perspective of the Chinese employee environmental-related CSR is most likely to help drive business outcomes and as Chinese employees are more likely to see the companies' successes as their own, they are more inclined to engage in environmental-related CSR in outcome focused organisations as a result.

Further, customer-oriented companies, should spend their resources in diversifying CSR initiatives in environmental-related CSR and product and service-related CSR. Companies with more prominent innovation-oriented culture, as described by O'Reilly as the culture that brings about innovative processes and experimentations, however, should focus their resources in environmental-related CSR and employee-related CSR, to maximise the benefits of increased employee loyalty and engagements.

6.2 Managerial Implications

This study proposed a framework based on the Social Identity Theory, Stakeholder Theory to explore the interacting effect of CSR and Organisational Culture, and how they affect employee loyalty in the Chinese

contexts. The major findings of the mixed method study was that the interaction effects of CSR and Organisational Culture are indeed significant in the Chinese contexts, with some of the effect potentially attributed to Chinese ‘Confucian collectivism’, when specific types of Corporate Social Responsibility are implemented under a specific type of organisational culture, its effect to employee loyalty would compound or diminished as a result of the interaction. The findings of this study add to the limited body of understanding of the dynamic relationships between the three constructs and provide various insights and directions as to how organisations should align Corporate Social Responsibility initiatives with organisational culture to enhance level of loyalty from employees and ultimately benefiting the companies. It is concluded that there is an opportunity for organisations to implement Corporate Social Responsibility initiatives that are in alignment with their business intents and characteristics of their respective organisational culture to generate higher employee engagement and loyalty. As employees recognise the reality that for their companies to survival companies need to be engaged in business activities that are profitable, companies can capitalize on the compounding effect of conducting Corporate Social Responsibilities that are in accordance with its business intents to reinforce its organisational culture and by extension, the identification factor of the employees.

Second, transparent communication regarding the implementation of CSR strategies and the intents behind the business activities the companies conduct are also essential to foster better understanding of the intentions behind theses implementations from the employee’s perspectives.

Third, employee empowerment and participation in these implementation of CSR practices that are in alignment with the culture of the organisation to a

considerable extend will also enhance their identification to the companies as well as their engagement and loyalty, thus increasing their sense of responsibility at work, raising their productivity as well as reduction of barrier to other socially responsible activities and the reduction of intention to leave. Thus, it is essential for companies to apprehend its unique cultural characteristics at organisation level, or even at department levels, to be able to formulate corresponding appropriate and effective Corporate Social Responsibility frameworks and strategies.

Despite all of the aforementioned benefits that are eventuate translate into business performance and competitive advantages for the companies, organisations should also recognise the individual values of, and the immediate benefits to, employees, as there is indications that these considerations significantly impact the effectiveness of CSR-generated loyalty of employees. To successfully achieve this balance, it is proposed that organisations should

1. Improve communication of the purpose of CSR, the companies business intentions and its organisational culture through internal communications channels as well as town hall meetings, periodical internal publications, to dispense information from management to front line employee, as well as to gather and integrate front line employees' suggestions and responses to initiatives taken by the companies to refine and enhance future initiatives.
2. Design and implement CSR toolkits and scorecards for different departments, to strengthen the understanding of the purpose of the CSR practices the company implemented, evaluating the alignment

of the CSR practices to of the sub-cultural and business intents of individual departments, as well as measuring and monitoring the direct and indirect benefits to the performance of individual divisions within the organisation and individual employees to strengthen the purpose and meanings of implementing these practices, as well as to help increase their participation, of implementing these practices.

3. As Employee-related CSR and Employee-oriented Organisational Culture are most prominent combination of CSR and organizational culture in generating CSR-related employee outcome such as employee loyalty, companies can attempt to align their company culture by providing ‘soft training’ to employees, such as, outward market research activities which aside of increasing the market awareness of the employees, also enhance the bonding and communications between them, as well as fostering creativity in individual employee. Activities such as these combine the *functional benefits* and *emotional benefits*, making employee feels benefited in their well-being as well as their career development, thereby amplifying their satisfaction in their participation and enhancing their loyalty as a result.

Through the above-mentioned recommendations, there is a greater possibility that employees are more likely to participate voluntarily and positively in the CSR practices and in the process, build a deeper sense of trust with their companies and see their companies as an inspiring place to be and as a result, strengthening their identification with the companies and form a deeper emotional bond with their companies.

6.3 Limitations and Future Studies

This aim of this study was to foster a more holistic understanding of the relationships between employee perceived Corporate Social Responsibility, Organisational Culture, as well as the nature and extent of the interaction effect of the two, to employee loyalty. The quantitative research findings reinforced some previous findings as well as discovered some new findings of the relationships; whilst the qualitative research findings providing some insights as to why and under what conditions that some of these relationships existed. However, there are several limitations to this study to be recognized.

First, the study focuses on the employee perceptions of the CSR practices rather than the actual CSR practices their companies implemented. The actual outcomes of the CSR practices were also not included in the analysis. And as respondents were basing their answers on their perceptions, assumption was made that accurate and truthful information were given. Nonetheless, SIT suggests that, as explained by Peterson (Peterson 2004), in relation to organisational commitment, employee perception is more important than social performance of other measures.

Second, while within the study the key contextual factor, such as organisational culture, was examined, other contextual factors might not have been fully explored although the researcher set out to reduce this limitation by ensuring to the best of his ability the diversity of background and experiences of the respondents. Further, other demographic factors of

gender, and age, to the relationships were not examined as they lie outside the scope of the study. For example, employees' length of service to the company might influence their loyalty to the company; or the gender makeup and distribution within an organisation might influence the culture within the organisation, etc. Future studies can potentially extend this study further by examining the nature and extend of the effects of these demographic factors on the relationships of the three constructs.

The third limitation of the research study was that the research was conducted in the relatively newly developed economic and industrial region. Conducting the research in other more economical and industrial established regions in the country such as Shanghai, Zhejiang, may yield different findings. Future research could be broadened to include samples from other regions in China to improve the power of generalization.

'Chinese-style' Individualism

Despite the many theoretical frameworks in academia to explore organisational culture and employee loyalty, it is not rational to generalise the construct of employee loyalty and various OCBs due to varying behaviour patterns and cultural differences among individuals and organisations. On the personal level, cultural differences exist and come in the form of beliefs, values, and attitudes that influence how one behaves, performs, thinks and perceives. For the 'organisation' aspect, organisational cultures may vary due to multiple factors in the organisational construct, such as organisational structure, the type of organisations, management norms, leadership style and power distance. These factors can lead to

varying influences on employee behaviour, satisfaction, commitment, organisational culture and OCB ultimately. As an illustration, it is found that individuals who work at foreign-owned organisations (FOOs) and joint ventures (JVs) – with the two groups of respondents reported showing similar patterns in Garg and Ma's study (2005) - demonstrated more satisfaction and confidence in the performance of their organisations than those who work at Chinese owned and operated organisations (COOs).

Some researchers suggest that through benchmarking and the exposure to the Western ways of managing business, organisational behaviour in Chinese employees are shifting. In such an analysis as Kari (2000), who suggested four types of benchmarking, which comprise strategic, product, process, and competency, observed that with more access to information and news from across the globe, the exposure to Western ways of operating and managing businesses may lead to the adoption of Western values among employees in China (Garg & Ma, 2005), thus 'westernizing' behaviours of Chinese employees.

The researchers concerned benchmarking culture in Chinese organisations, noting that there might be a potential shift away from collectivism due to the Western influences through the benchmarking culture (Garg & Ma, 2005). From their study, it is revealed that Chinese organisations are adapting to a more market-oriented economy, thus are shifting away from the collectivistic culture and adopting new operational and management styles focusing on open market systems. This observed phenomenon has hinted at the concept of 'Chinese-style' individualism. However, it could also be argued that the suggested shift of operational and management style is

primarily manifesting at organisational level. Further, one could argue that the level and degree of diffusion of Western values to Chinese culture, although the external influence is evidenced, the social structures within China provide great force of resistance of change or integrations of cultural traits internally. As such, at individual level, i.e. where employees are concerned, their behaviour are still significantly influenced by Confucian-collectivism and display relevant characteristics. However, the very dynamic nature of the contextual influence and cultural diffusion in relations to behaviour in organisation level and individual level, could be elements of focus in future studies to extend on the holistic nature of the analysis and findings of this study.

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Appendix A

Research Introduction and Consent Form (English and Chinese Translation)

The Impact of Corporate Social Responsibility on Employee Loyalty in Chinese Firms: Evaluating the Mediating Effect of Organization Culture

Kavan Lau

University of Wales Trinity Saint David

Information for participants

Thank you for considering participating in this study. This information sheet outlines the purpose of the study and provides a description of your involvement and rights as a participant, if you agree to take part.

1. What is the research about?

This research study is part of a doctorate thesis exploring the relationships between Corporate Social Responsibility, Employee Loyalty and Organization Culture in Chinese firms. Through the study the researcher Kavan Lau aims to advance the theoretical understanding of the dynamic relationship between CSR, Employee Loyalty and Organization Culture, which will assist leaderships to better access CSR-organization fit through evaluating and reshaping of the Organization Culture and in turn, improving the human resources management of their firms.

2. Do I have to take part?

It is up to you to decide whether or not to take part. You do not have to take part if you do not want to. If you do decide to take part I will ask you to sign a consent form which you can sign and return in advance of the [interview / submission of questionnaire] or sign at the meeting.

3. What will my involvement be?

[Interview]

[You will be asked to take part in an interview in person or over the phone to answer 15 questions relating to your experience on Corporate Social Responsibility, Employee Loyalty and Organization Culture. It should take approximately an hour.]

[Submission of questionnaire]

[You will be surveyed about your experience/knowledge of Corporate Social Responsibility, Employee Loyalty and Organization Culture. There are a total of 30 questions and it should take approximately 15 minutes to complete.]

4. How do I withdraw from the study?

You can withdraw from the study at any point until the publication of the data, without having to give a reason. If any questions during the interview make you feel uncomfortable, you do not have to answer them. Withdrawing from the study will have no effect on you. If you withdraw from the study I will not retain the information you have given thus far, unless you are happy for me to do so.

5. What will my information be used for?

I will use the collected information solely for my doctorate thesis on the impact of Corporate Social Responsibility on Employee Loyalty in Chinese firms.

6. Will my taking part and my data be kept confidential? Will it be anonymised?

The records from this study will be kept as confidential as possible. Only me, my supervisor and Director of Studies will have access to the files and any audio recordings. Your data will be anonymised – your name will not be used in any reports or publications resulting from the study. All digital files, transcripts and summaries will be given codes, encrypted and stored

and separately from any names or other direct identification of participants. Any hard copies of research information will be kept in locked files at all times.

Limits to confidentiality: confidentiality will be maintained as far as it is possible, unless you tell us something which implies that you or someone you mention might be in significant danger of harm and unable to act for themselves; in this case, we may have to inform the relevant agencies of this, but we would discuss this with you first.

7. Who has reviewed this study?

This study has undergone ethics review in accordance with the UWTSD Research Ethics Policy and Procedure.

8. Research Data Management Policy

The UWTSD Research Data Management Policy can be found at:

<https://www.uwtsd.ac.uk/media/uwtsd-website/content-assets/documents/strategies-policies/Research-Data-Management-Policy-27.01.16.pdf>

The legal basis used to process your personal data will be legitimate interests. The legal basis used to process special category personal data (e.g. data that reveals racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, health, sex life or sexual orientation, genetic or biometric data) will be for scientific and historical research or statistical purposes.

To request a copy of the data held about you please contact: kavanlauc@gmail.com

9. What if I have a question or complaint?

If you have any questions regarding this study please contact the researcher, Kavan Lau, via kavanlauc@gmail.com.

If you have any concerns or complaints regarding the conduct of this research, please contact the UWTSD Postgraduate Research Office via pgresearch@uwtsd.ac.uk.

If you are happy to take part in this study, please sign the consent sheet attached below.

CONSENT FORM

The Impact of Corporate Social Responsibility on Employee Loyalty in Chinese Firms: Evaluating the Mediating Effect of Organization Culture

Kavan Lau

PARTICIPATION IN THIS RESEARCH STUDY IS VOLUNTARY

I have read and understood the study information dated [DD/MM/YY], or it has been read to me. I have been able to ask questions about the study and my questions have been answered to my satisfaction.	YES / NO
I consent voluntarily to be a participant in this study and understand that I can refuse to answer questions and that I can withdraw from the study at any time up until XXX, without having to give a reason.	YES / NO
I agree to the interview being audio recorded.	YES / NO
I understand that the information I provide will be used for Kavan Lau's thesis and that the information will be anonymised.	YES / NO
I agree that my (anonymised) information can be quoted in research outputs.	YES / NO
I understand that any personal information that can identify me – such as my name, email, will be kept confidential and not shared with anyone other than the researcher.	YES / NO

Please retain a copy of this consent form.

Participant name:

Signature: _____ Date _____

Interviewer name:

Signature: _____ Date _____

For information please contact: Kavan Lau via kavanlauc@gmail.com

中国企业中企业社会责任对员工忠诚度的影响：评估企业文化的中介效应
刘俊

英国威尔士三一圣大卫大学

参与者须知

感谢您考虑参与此项研究。本须知简单概括了此项研究的目的，并对您作为参与者（如果您同意参与）的参与内容和权利进行说明。

1. 此项研究的内容是什么？

此项研究将作为博士论文的一部分，旨在探讨中国企业中企业社会责任、员工忠诚度与组织文化之间的关系。研究者刘俊希望通过此项研究增进人们对企业社会责任、员工忠诚度和组织文化之间动态关系的理论认识，从而帮助企业的领导层通过评估和重塑组织文化，更好地实现企业社会责任与组织的契合，进而改善企业的人力资源管理水平。

2. 我是否必须参加此项研究？

由您自己决定是否参加。如果您不愿意，则不一定必须参加；而如果您决定参加，则需要签署一份同意书，并在提交调查问卷之前签署并交回，或者直接在会面时签署。

3. 我将参与哪些内容？

您的员工需要填写一份关于企业社会责任、员工忠诚度和组织文化方面的经历/看法的调查问卷。一共有 30 个问题，大约需要 15 分钟完成。

4. 我如何退出研究？

在数据公布之前，您可以在任何时候无理由退出此项研究。在访谈过程中，如果有任何问题让您感到不舒服，您可以拒绝回答。退出研究对您没有任何影响。如果您退出此项研究，您迄今为止所提供的一切信息将会被清除，除非您同意保留。

5. 我的信息将作何用途？

此项研究收集到的所有信息将仅用于撰写我的博士论文，该论文研究了中国企业中企业社会责任对员工忠诚度的影响。

6. 我参与研究的信息及个人数据是否会被保密处理？是否做匿名化处理？

我将对此项研究的记录内容做最大限度的保密处理。只有我、我的导师和研究主任具有获得相关文件和音频录音的权限。我将对您的数据做匿名化处理，也就是说，您/参与者的姓名将不会出现在任何有关本研究的报告或出版物中。我将对所有的数字文件、访谈笔录和摘要进行编码、加密和储存，且不包含参与者的姓名或其它直接辨识信息。任何包含研究信息的纸质材料都将永久加锁保存。

保密条款的限制：我们将最大限度地保护您的个人信息，除非您所告知的事情意味着您或您提到的某人可能面临严重伤害的危险，且无法自行解决；在这种情况下，我们可能必须通知有关机构，但我们会事先与您沟通这一问题。

7. 谁负责审查此项研究？

已经按照英国威尔士三一圣大卫大学的研究伦理政策和程序，对此项研究进行了伦理审查。

8. 研究数据管理政策

英国威尔士三一圣大卫大学的研究数据管理政策可参见以下网站内容：

<https://www.uwtsd.ac.uk/media/uwtsd-website/content-assets/documents/strategies-policies/Research-Data-Management-Policy-27.01.16.pdf>

在此项研究中处理参与者个人数据的法律依据分别为：处理个人数据是基于合法权益；处理特殊类别的个人数据（例如，表明种族或族裔出身、政治观点、宗教或哲学信仰、工会会员资格、健康状况、性生活或性取向、基因或生物特征的数据）则是基于科学和历史研究或统计目的。

如需获得有关您个人数据的副本，请联系：kavanlauc@gmail.com

9. 如果我有问题或想投诉怎么办？

如果您对此项研究有任何疑问，请通过 kavanlauc@gmail 联系研究者刘俊。

如果您对此项研究有任何疑虑或希望投诉，请发送邮件至 pgresearch@uwtsd.ac.uk，联系英国威尔士三一圣大卫大学的研究生研究办公室。

如果您愿意参加此项研究，请签署下方同意书。

同意书

中国企业中企业社会责任对员工忠诚度的影响：评估企业文化的中介效应

刘俊

本人自愿参与此项研究。

本人已经阅读并知悉日期为[日/月/年]的研究内容，或者已经向本人宣读了该信息。本人已经提出关于此项研究的问题，且得到了令我满意的答复。	是/否
本人自愿参与此项研究，且知晓可以拒绝回答某些问题，以及可以在 XXX 之前的任何时候无理由退出此项研究。	是/否
本人/参与者同意对访谈进行录音。（如有需要）	是/否
本人知悉所提供的信息将会用于刘俊的论文，且有关信息将会被匿名化处理。	是/否
本人同意个人（匿名）信息在研究成果中被引用。	是/否
本人知悉，任何可以识别本人/参与者身份的个人信息，例如本人的姓名、电子邮件等，将被保密处理，不会与除研究者以外的任何人共享。	是/否

请妥善留存此同意书副本。

企业名称： _____

企业地址： _____

企业负责人姓名：

签名： _____ 日期： _____

访谈调查员姓名：

签名： _____ 日期： _____

如需了解相关信息，请通过kavanlauc@gmail联系刘俊。

Appendix B

Quantitative Study Questionnaire (English and Chinese Translation)

Questionnaire

The Impact of Corporate Social Responsibility on Employee Loyalty in Chinese Firms: Evaluating the Mediating Effect of Organization Culture

Kavan Lau

UNIVERSITY OF WALES TRINITY SAINT DAVID

Aim : This questionnaire aims to understand the relationships between your perception on Corporate Social Responsibility, loyalty, and Organization Culture in your organization.

Guidance : After completing the demographic information, consider your experiences in your current organization and circle the number you think best describes your perceptions and experiences.

Scale : 1 = Strongly Disagree; 7 = Strongly Agree

DEMOGRAPHIC INFORMATION

Which category below includes your age?

19-24	25-34	35-44	45-54	55-64	65 or older

What is your gender?

Female	Male

What is the location you acquire your last highest education?

China	East Asia	UK	Europe	U.S.	Australia	Other

Which location have you lived the longest?

China	East Asia	UK	Europe	U.S.	Australia	Other

What is your year of work experience?

0-3	4-7	8-12	13-20	21+

How many layers of managements before you in the decision making process in your company?

How many number of people directly supervised by each manager in your company?

Which of the following category best describe the sector your company is in?

Manufacturing	Services	Others

What is the ownership nature of your company?

State-owned enterprise	Private-owned enterprise	Foreign-funded enterprise

SURVEY QUESTIONS

Organization Structure

	Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strong-ly Agree
	1	2	3	4	5	6	7
(1) In my company we are all stimulated to offer suggestions to enable us to anticipate the future.							
(2) There are clearly established procedures for decision making, which must be followed strictly in my company.							
(3) In my company the decision-making capacity tends to be located at the lowest possible level of hierarchical scale							

Organization Culture

	Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strong-ly Agree
	1	2	3	4	5	6	7
(4) My company is result oriented.							
(5) My company rewards good performance with high pay.							
(6) My company has high expectations of the outcomes of the business activities it engages in.							
(7) My company provides opportunities for professional advancements.							
(8) My company offers stability fairness at work.							
(9) My company is supportive to its employees.							
(10) My company has good reputation.							
(11) My company puts emphasis on quality of the products or services it offers.							
(12) My company promotes sharing information freely with customers.							
(13) My company supports creativity and innovation.							
(14) My company promotes flexibility and adaptability at work.							
(15) My company values risk taking in the decision-making process.							

Perception of Corporate Social Responsibility

	Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strong-ly Agree
	1	2	3	4	5	6	7
(16) My company is engaged in non-polluting production.							
(17) My company adopts energy efficiency programs in production.							
(18) My company is committed to waste reduction.							
(19) My company's products or services meet the minimal legal and compliance requirements.							
(20) My company communicates its ethical standards to suppliers, customers, and significant others that have a relationship.							
(21) My company's products or services are described in misleading ways or without companies used in unauthorized							

ways.							
(22) My company is committed to perform ethics audits.							
(23) My company is committed to comply with laws, regulations and court rulings.							
(24) My company is committed to work by business ethics.							
(25) My company systematically supports employees who decide to pursue further training and education financially.							
(26) My company systematically adopt procedures and policies to provide healthy and safe working conditions for all employees.							
(27) My company systematically provides initiatives and policies to support employees to maintain work life balance.							

Perception of Loyalty

	Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strong-ly Agree
	1	2	3	4	5	6	7
(28) I feel a strong sense of belonging to my company.							
(29) I am proud to tell others I work at my company.							
(30) Working at my company has a great deal of personal meaning to me.							
(31) I would be happy to work at my company until I retire.							
(32) I really feel that problems faced by my company are also my problems.							

Source: O'Reilly et al., 1991; Carroll, 1991; Allen & Meyer, 1990

DBA 论文调查问卷

中国企业中企业社会责任对员工忠诚度的影响：评估企业文化的中介效应

刘俊

英国威尔士三一圣大卫大学

目的：本调查问卷旨在了解您对企业社会责任、忠诚度的看法以及贵公司组织文化之间的关系。

指南：在完成人口统计信息的填写之后，请根据您在当前所在企业的经历，圈出您认为最能描述自己看法和经历的数字。

评分：1 = 强烈反对；7 = 强烈赞同

人口统计信息

您的年龄在下列哪一区间？

19-24	25-34	35-44	45-54	55-64	65 或以上

您的性别是什么？

女性	男性

您在下列哪个地方获得了最高学历？

中国	东亚	英国	欧洲	美国	澳大利亚	其它国家/地区

您在下列哪个地方生活的时间最久？

中国	东亚	英国	欧洲	美国	澳大利亚	其它国家/地区

您的工作经验是多少年？

0-3	4-7	8-12	13-20	21+
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在贵公司的决策过程中，在您之上还有几级管理阶层？

--

贵公司每个经理直接管理的人数是多少？

--

以下哪个类别最能描述贵公司所处的行业？

制造业	服务业	其它行业

贵公司的所有制属性是什么？

国有企业	私营企业	外资企业

调查问题

组织架构

	Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7
(1) 我的公司鼓励员工提出建议，展望未来。							
(2) 我的公司有明确的决策程序，必须严格遵守。							
(3) 我的公司的决策能力更多体现在最基层员工的身上。							

组织文化

	Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7
(33)我的公司以结果为导向。							

(4) 我的公司通过提供高薪来奖励表现优异的员工。							
(5) 我的公司对其业务活动的成果抱有很高的期望。							
(6) 我的公司提供职业发展的机会。							
(34)我的公司提供稳定、公平的工作环境。							
(7) 我的公司对其员工给予支持。							
(8) 我的公司享有良好的声誉。							
(9) 我的公司重视所提供产品或服务的质量。							
(10)我的公司奉行与客户自由分享资讯。							
(11)我的公司鼓励创造性思维和创新能力。							
我的公司提倡工作中的灵活性和适应性							
(12)我的公司重视决策过程中的风险承担。							

对企业社会的看法

	Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strong-ly Agree
	1	2	3	4	5	6	7
(13)我的公司从事无害化生产。							
(14)我的公司在生产中实施能效计划。							
(15)我的公司致力于在生产过程中减少废料。							
(16)我的公司所提供的产品或服务满足最低的法律和合规要求。							
(17)我的公司将其道德标准告知给供应商、客户和其他关系密切的重要人士。							

(18) 我的公司所提供的产品或服务存在误导性描述，或以未经授权的方式使用。							
(19) 我的公司致力于开展道德审查。							
(20) 我的公司承诺遵守法律、法规和法院裁决。							
(21) 我的公司奉行按照商业道德规范开展工作。							
(22) 我的公司为决定继续接受培训和教育的员工提供系统性的经济支持。							
(23) 我的公司采用系统性的程序和政策，为所有员工提供健康和安全的工作条件。							
(24) 我的公司提供系统性的措施和政策，支持员工保持工作和生活的平衡。							

对员工忠诚度的看法

	Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strong-ly Agree
	1	2	3	4	5	6	7
(25) 我对我的公司有强烈的归属感。							
(26) 我很自豪地告诉别人我在这家公司工作。							
(27) 在我的公司工作对我个人来说意义重大。							
(28) 我很乐意在我的公司工作直到退休。							
(29) 我真的把公司所面临的问题当作自己的问题解决。							

Appendix C

Qualitative Study Interview Questions (English and Chinese Translation)

Interview Questions

Part 1: Demographic Information

- a) Current position within the company and job scope?
- b) Length of time spent as an employee at your current organization?
- c) Education background, local or foreign?

Part 2: Concerning Organizational Culture

- a) How would you define the Organizational Culture (Outcome-oriented, Employee-oriented, Customer-oriented, Innovation-oriented) in your company?
- b) Can you explain some of the good practices that your company has undertaken which you consider the characteristics of the type of Organizational Culture you defined?
- c) In what ways do you think these good practices impact the different levels of employees in your organizational chart?
- d) Do you think the defined Organizational Culture linking up with the 7 CSR dimensions and practices. Please provide examples.
- e) Among the examples provided of d) , any practices related to Innovation Culture and environmental CSR perspective? What were the barriers in implementation and solutions implemented ?

Part 3: Concerning Corporate Social Responsibility (CSR)

- a) What is your understanding of CSR? (What it means, what it entails?)
- b) Can you explain some of the practices that your company has undertaken which you believe to be an aspect of CSR (Environmental-related, Product and Service-related, Corporate Governance-related, Employee-related)? What are their impacts to the company?
- c) Are there any barriers or drivers when implementing these practices?
- d) Do these practices impact on the employee and how?
- e) What are your views on companies of different company cultures carrying out CSR activities? For example, with companies that promote innovative culture, that support flexible hours and risk taking in decision making process; or companies; or in companies that is result focused? Are there any barriers or incentives to implement CSR practices under the company culture?

Part 4: Concerning Employee Loyalty

- a) What are the factors making you work loyally to your organization?
- b) Do you feel proud to be a part of your organisation? If so, why?
- c) Please provide good practices driving your company implemented CSR successfully with organizational culture (e.g. innovation)?
- d) How would you link up your performance with your organizational culture?

访谈问题

第一部分：个人背景资料

- a) 您现就职公司的岗位名称及岗位职责是什么？
- b) 您在现就职公司的工作年限？
- c) 您在国内还是海外接受教育？

第二部分：关于企业文化

- a) 您如何解读贵公司的企业文化（以结果为导向，以客户为导向，以员工为导向，以创新为导向）？
- b) 您能否详细讲述一些贵公司所采取的符合您眼中企业文化类型特点的优秀举措？
- c) 在您看来，这些优秀举措是如何影响贵公司组织架构中不同级别的员工的？
- d) 您是否认为企业文化与企业社会责任（CSR）的七个维度及举措息息相关，请举例说明。
- e) 在您刚刚提到的例子中，有没有与创新文化和企业对环境的有关的社会责任有关的举措？在实施过程中，有哪些障碍？解决办法是什么？

第三部分：关于企业社会责任

- a) 您如何理解企业社会责任？（企业社会责任的涵义是什么，它要求企业承担哪些责任？）
- b) 您能否详细讲述一些贵公司所采取的践行企业社会责任（环境企业社会责任，产品与服务企业社会责任，企业管理企业社会责任，员工企业社会责任）的举措？这些举措对公司有什么影响？
- c) 在推行这些举措时，是否存在任何阻碍或激励因素？
- d) 这些举措对员工是否有影响，有哪些影响？
- e) 您如何看待拥有不同企业文化的公司所开展的企业社会责任活动？例如，那些提倡创新文化、支持弹性工作制和在决策过程中敢于冒险

的公司，以及那些以结果为导向的公司？在不同的企业文化下，推行企业社会责任举措是否存在任何阻碍或激励因素？

第四部分: 关于员工的忠诚度

- a) 有哪些因素可以让您尽心竭力地为公司服务？
- b) 您是否为能成为公司的一员而感到自豪? 如果是，原因有哪些？
- c) 请您列举在企业文化（例如创新文化）指导下推动贵公司成功践行企业社会责任的优秀举措？
- d) 您的工作绩效与贵公司的企业文化是否存在关联性？

Appendix D

Table of Qualitative Study Respondent Profiles

Respondent	Sex	Nationality	Location Respondent acquire last Highest Education	Location Respondent Lives the Longest	Year of Experience in the Company	Job Description	Industry Sector	Company Ownership
Respondent A	F	Chinese	China	China	10	Employee	Manufacturing and Service	Private
Respondent B	M	Chinese	China	China	8	Operation Director	Manufacturing	Private
Respondent C	F	Chinese	China	China	5	Employee	Manufacturing	Private
Respondent D	F	Chinese	China	China	6	Employee	Manufacturing Service	Private
Respondent E	M	Chinese	China	China	11	Manager	Manufacturing	Private
Respondent F	M	Chinese	China	China	9	Senior Executive	Manufacturing	Private
Respondent G	F	Chinese	China	China	3	Executive	Manufacturing	Private
Respondent H	F	Chinese	China	China	4	Manager	Manufacturing	Private
Respondent I	M	Chinese	China	China	12	Manager	Manufacturing and Service	Private
Respondent J	F	Chinese	China	China	15	Executive	Manufacturing	Private
Respondent K	M	Chinese	China	China	8	Manager	Manufacturing and Service	Private
Respondent L	F	Chinese	China	China	6	Employee	Manufacturing	Private

Appendix E

Table of Qualitative Study Themes and Categories

Themes	Categories
Loyalty	- Sense of belonging - Sesne of achievement - Sense of pride - Willingness to tackle company's problems - Proactiveness at work
Environmental CSR	- Energy saving - Waste reduction - Recycling - Community services - Charity initiatives
Employee CSR	- Safe working environment - Training - Professional development - Employee benefit - Fair pay - Fair Treatment
Product and Service CSR	- Product quality - Product specification - External communication
Corporate Governance CSR	- Compliance - Legal responsibility - Industry regulations - Industry standards
Outcome-oriented Organisational Culture	- Business goals - Organisation system & management - Productivity - Cost - Time - Resource management
Customer-oriented Organisational Culture	- Customer communication - Customer involvement - Product quality - Product specifications
Employee-oriented Organisational Culture	- Work environment - Training - Professional development - Well-being - Team collaboration - Social bonding - Sense of care
Innovation-oriented Organisational Culture	- Flexible work arrangement - Decentralised decision making - Risk taking - Technology adoption