

# Exploring the Mediating Role of Organizational Commitment in the Relationship Between CSR's Economic and Legal Dimensions and Employee Performance: Evidence from Beijing's Universities

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**Abstract.** This study delves into the intricate dynamics between CSR's economic and legal dimensions and employee performance in Beijing's universities, emphasizing organizational commitment's mediating role. It presents an innovative model within the Corporate Social Performance (CSP) model, exploring how CSR impacts employee outcomes in a developing country's educational sector. The findings suggest that CSR activities related to economic sustainability and legal compliance positively influence employee performance, mediated by enhanced organizational commitment. This research contributes to the understanding of CSR's multifaceted benefits in the educational sector, offering insights into its broader applicability in non-Western contexts.

**Keywords:** Corporate Social Responsibility, organizational commitment, employee performance, educational sector.

## 1. Introduction

Corporate social responsibility (CSR) has evolved beyond legal compliance to strategically enhance societal welfare and minimize business operations' negative impacts. Although research in education and higher education sectors has grown, it predominantly focuses on financial outcomes, neglecting employee metrics (Cheng *et al.* 2014; Du *et al.* 2018). Prior studies highlight CSR's effect on consumer metrics like brand loyalty and satisfaction, urging a deeper investigation into CSR's societal effects, especially in education (Martinez & Rodriguez 2013).

Historical CSR research in higher education overly concentrated on external outcomes, such as student enrollment and reputation, overlooking the significant

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impact of CSR on employee performance, a crucial element for student satisfaction and institutional success (AledoRuiz *et al.* 2022; Azizi & Sassen 2023; Hayter & Cahoy 2018). The literature has underrepresented the importance of employees' perceptions of CSR, pivotal for appreciating CSR's broader societal contributions (Rupp *et al.* 2006). Recent calls in academia advocate for a shift towards exploring CSR's social benefits, particularly its potential to improve employee well-being and performance, suggesting a broader research agenda that encompasses CSR's social dimensions within educational settings (Podgorodnichenko *et al.* 2022; De Roeck *et al.* 2014). This shift towards a more inclusive understanding of CSR emphasizes the need for a strategic CSR engagement that benefits both society and employee well-being within the educational sector.

In the academic and practical realms, organizational commitment is increasingly recognized as pivotal for employee performance across sectors. In the academic and practical realms, organizational commitment is increasingly recognized as pivotal for employee performance across various sectors, including education. This emphasis includes Corporate Social Responsibility (CSR) with economic and legal focuses, which significantly affect organizational outcomes (Glavas & Kelley 2014). The importance of employee performance for institutional vitality and economic growth has been well documented. High employee performance is critical for universities to achieve their educational and research objectives (Luthra *et al.* 2023). This study focuses on the economic and legal dimensions of Corporate Social Responsibility (CSR) and their impact on employee performance, mediated by organizational commitment. However, research on CSR's influence, particularly its economic and legal aspects within Beijing's academic institutions, is scant (Zhang *et al.* 2012), despite the critical challenges academic staff face, including job security and legal protection, highlighting the necessity for further exploration into CSR's impact on performance (Adu-Gyamfi *et al.* 2021).

Existing literature suggests organizational commitment mediates the relationship between CSR practices and employee performance outcomes, with economic and legal CSR initiatives enhancing perceptions of institutional integrity and fairness, thereby boosting commitment and performance (Mowday *et al.* 2013; Aguinis & Glavas 2019). In this study, organizational commitment is treated as a unidimensional construct, as conceptualized by Mowday *et al.* (1979), which provides a holistic view of the employee's psychological attachment to the organization. Nonetheless, the specific mediating role of commitment in linking CSR's economic and legal dimensions with employee performance in education, particularly in Beijing's universities, remains underexplored (El-Kassar *et al.* 2023). This study seeks to address this gap by investigating organizational commitment's mediating effect between CSR's economic and legal dimensions and employee performance, utilizing empirical data from Beijing's universities.

Scholarly discourse reveals a significant gap in research on the practical application of CSR's economic and legal aspects within Beijing's academic sector, emphasizing cultural distinctions between Western and Asian educational systems as delineated by Hofstede (2001). Research on CSR has predominantly focused on developed countries, with scant attention to developing ones, despite growing interest in CSR within higher education in such contexts (Tilt 2016). Studies in Asian academic environments, including South Korea (Kim & Park 2011) and China (Wei *et al.* 2018), have mainly examined CSR's cultural impacts on perceptions rather than its effects on university employee performance. The influence of CSR's economic and legal dimensions on university staff performance in Beijing remains underexplored, even though evidence suggests that employees in collectivist and high-power distance societies may face performance-related challenges (Chen *et al.* 2011), which are often overlooked, worsening their performance impact (Li *et al.* 2011).

Furthermore, a narrow focus on cultural influences when analyzing CSR in Beijing's universities has led to premature generalizations. Jamali and Karam (2018) viewed CSR as a Western concept with limited applicability in improving the developing world's educational sectors. Some researchers argue that unconventional behaviors, informed by cultural nuances, might enhance performance in Chinese universities (Adu-Gyamfi *et al.* 2021), highlighting the need for comprehensive research into CSR's economic and legal dimensions and their impact on employee performance in Asian educational settings, particularly Beijing's universities. This research gap underscores the importance of nuanced studies to determine CSR's relevance and applicability in these contexts, moving beyond generalized and partial findings based on cultural interpretations of employee responses to CSR and performance challenges.

Addressing gaps in research, this study leverages the Corporate Social Performance (CSP) framework to examine the impact of CSR on employee performance in Beijing's educational sector, focusing on its economic and legal dimensions (Wood 1991). CSP's application to CSR activities aims to enhance organizational effectiveness and employee performance, underpinning the importance of organizational commitment in this relationship. This approach is crucial in China, where the focus on organizational outcomes has often come at the expense of employee well-being, potentially leading to unethical behaviors due to increased pressure and lack of support (He *et al.* 2019). By integrating CSR's economic and legal facets with organizational commitment, the model proposes a novel pathway to improve employee performance, thereby advancing organizational goals. This investigation contributes to the field by exploring the specific influences of CSR dimensions on employee outcomes within an Eastern context, marking a pioneering effort in the educational sector of Beijing (Aguinis & Glavas 2019).

## 2. Literature Review

### 2.1. CSR Economic and Legal Dimensions and Employee Performance

Corporate Social Responsibility (CSR) has become integral in guiding organizational practices and enhancing employee performance within both economic and legal frameworks. Schwartz & Carroll (2003) highlight that a firm's economic responsibilities extend beyond profit generation to align with societal norms and ethical standards, benefiting shareholders. Legal responsibilities, as outlined by Carroll & Shabana (2010), necessitate adherence to laws and regulations, emphasizing the role of compliance and ethics in corporate behavior. The strategic incorporation of these CSR dimensions indicates a commitment to societal expectations, potentially improving employee performance through a supportive, ethical work environment (Aguinis & Glavas 2012).

Empirical studies support the positive impact of aligning organizational practices with CSR's economic and legal aspects on employee outcomes. For example, perceptions of organizational justice and ethical conduct, associated with CSR's legal dimension, significantly contribute to employee satisfaction and performance (Sarfraz *et al.* 2018). The economic dimension's emphasis on fair compensation and job security correlates with heightened employee motivation and engagement (Gond *et al.* 2017). Nonetheless, the specific mechanisms through which CSR influences employee performance, especially considering organizational commitment's mediating role, warrant further exploration, particularly in sectors like academia (De Roeck *et al.* 2014).

Within the CSP framework, using Social Exchange Theory (SET) as a lens, the economic dimension of CSR focuses on contributing to economic development while upholding ethical standards, potentially boosting employee performance through enhanced pride and motivation (Wood 1991; Blau 2017; Cook *et al.* 2013). On the other hand, the legal dimension emphasizes adherence to regulations, which fosters a culture of trust and security, thereby positively influencing employee performance. Research by Glavas & Kelley (2014) demonstrates that CSR initiatives related to economic contributions and legal compliance significantly affect employee engagement, satisfaction, and performance. These studies suggest a direct correlation between effective CSR implementation and improved employee performance, positing hypotheses on the positive impacts of CSR's legal and economic dimensions on employee outcomes.