Causal Investigation of Corporate Social Responsibility to Environment on Employees’ Satisfaction and Commitment to the Organization in Construction Industry of UAE

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Authors’ contributions
This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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ABSTRACT
As the dawn of industrialization and globalization has begun in 1950s’, the initial victims are society and environment. In addition, external social responsibility programs tend to create a much stronger organizational commitment, which will move employees to get better performance at work. However, CSR does not show up as strong in UAE as compared to many other Western nations. The aim of this particular academic research is to investigate the role corporate social responsibility to environment on the employees’ satisfaction and commitment among employees of construction industry of UAE. The model have three variables, CSR to environment, employees’ job satisfaction, and employees’ commitment to the organisation, and three direct relations to be assessed. The study designed as a scientific research that argues specific hypothesis and drive through to accept or reject it. The study is using quantitative approach, which has been applied on a collected primary dataset that collected by the researcher by using a well-defined questionnaire. The usable sample size, after data cleaning, is 457 cases, found to be reliable and valid based on a variety of SmartPLS assessments. The results shows that employees’ commitment and satisfaction are at below average.
level. CSR to environment found to be a strong cause of the low employees’ commitment and CSR to environment is found to be a strong cause of the low employees’ job satisfaction. Overall, the findings shows that CSR to environment in UAE is influencing the employees’ job satisfaction and commitment to the organisation, and it is for sure one of the causatives of the low employees’ commitment. Projected future research are to investigate other constructs of CSR.

Keywords: CSR; CSR to environment; job satisfaction; employee satisfaction; employee commitment; UAE; construction industry.

1. INTRODUCTION

As the dawn of industrialization and globalization has begun in 1950s’, the initial preys are society and environment [1]. As asserted by Ridley-Duff and Bull (2015), since 1950, corporate social responsibility (CSR) has become an interesting concern for researchers and an interesting requirement from organizations. There is incremental change in social responsibility expectations, especially towards environment, which has resulted in tremendous emphasis on social equity, inclusive growth, and affirmative action. Correspondingly, all the businesses are under continuous surveillance for demonstrating their engagement in those actions, which are termed as corporate social responsibility (CSR) [1,2].

Most of the research on corporate social responsibility (CSR) revolves around financial performance, consumer behavior and impact on the environment [3]. Many studies were likely to support the positive effects of social responsibility for consumers’ behavior such as [4-6].

More importantly, external social responsibility programs tend to create a much stronger organizational commitment, which will move employees to get better performance at work, thereby enhancing their motivation to work for your organization and productivity. By activating external social responsibility, companies can strengthen the positive image to the public and its employees and create better connections with the government and local communities [6]. In fact, it is possible to expect a link between organizational commitment and social activities that directly provide employee needs [7]. However, it has not yet fully understood how social activities, which refer to external stakeholders such as community or environment, affect the employee commitment to the Organization. In literature, Yang and Peterson Study (2004) support the idea that such actions affect the obligation of an organizational commitment. But there is no clear evidence that offers social responsibility to external stakeholders may influence the employee commitment to the Organization. Therefore, it is essential for companies to understand the effect of the external social responsibility for the commitment of workers to the organization. The employee perception of social responsibility can be affected by social responsibility for the environment also [4]. The processes that are sensitive to society in a natural and large environment have a positive effect on the emotional organizational commitment, but this effect grows when employees embrace the values of social responsibility. If organizations are concerned with the environment during their operational activities, employees may feel they are concerned about the environment, which creates a sense of belonging with the organization. Therefore, social responsibility for the environment is an important factor in the employee’s commitment to the organization.

According to existing circumstance of overseas CSR trends, it’s critical to understand the present form of business responsibility of the UAE. Moreover, this specific idea is very considerable and appropriate the nation’s corporate sector. The majority of the analysis scholars concur that that society’s expectations from business differ significantly between countries. Considering the distinction in each and every country’s culture, present an excellent impact on choosing ways of producing an alternative business platform. Dubai has lofty blueprints for development in the future years [8]. The regulatory and business environment is created to encourage economic development. Achieving sustainable development which is economically effective & socially answerable requires Dubai business to follow CSR policies as well as actions [9].

The aim of this particular academic research is to investigate the role corporate social responsibility to environment on the employees’ satisfaction and commitment among employees of
construction industry of UAE. In order to achieve the proposed aim, the following objectives are projected for this study:

- To assess the employees’ perceptions of CSR to environment, employees’ commitment to the organizational, and employees’ job satisfaction.
- To examine the relation between CSR to environment and employees’ commitment to the organizational.
- To examine the relation between CSR to environment and employees’ job satisfaction.
- To examine the relation between employees’ job satisfaction and employees’ commitment to the organization.

1.1 CSR to Environment in UAE

Presently, handful of Arab nations is in the procedure of interpersonal change, transformation, and diverges in conflicting and intricate quite fashion. Several nations are in transition phase of macro-economic and political instability. For instance in 2010, not one of the nations had been deemed to have political balance by the World Bank besides UAE. It's frequently argued that as a result of the provided terrible overall performance of governments of the area, business does not have any option but step in to lower the social stress, gain legitimacy and develop a more secure environment to do business. In support of probable conversation, majority of philanthropic tasks supported the training and schools, building hospitals, and research, along with other activities that are undersupplied. Based on the article by, Global Education Research Network (2011), of all the activities of CSR methods are: a) multinational subsidiaries running in UAE, funded CSR oriented to VGOs, b) philanthropic pursuits centered on supporting education, other flaws and healthcare in the social welfare, c) business groups as well as business funded Civil Society Organizations (CSOs) encouraging the idea of CSR instead of the Grassroots Civil Society Organizations, d) problem of dishonesty and unregistered economic climate is existing, e) an upsurge of completely new regulations and laws in the region including labor and environment connected provisions, f) companies which providing product to European retailers have to stick to overseas codes of conduct, and finally, g) least contributions of regional businesses funded the VGOs.

The statement additionally says that, CSR however doesn't show up as strong in UAE as compared to many other Western nations. Though business leaders in UAE accept, and also start embracing, corporate social responsibility, vast majority of businesses showed limited comprehension of the idea of CSR. Few businesses have responded by creating methods for dealing with the possibilities and also the risks related to CSR. Instead, several companies in UAE seem directly focused on financial efficiency, charitable activities and legal compliance, and fulfilling additional stakeholders' expectations. Based on Rettab, Brik, and Mellahi (2009), there are six primary stakeholders that affect businesses to follow CSR. These stakeholders are; a) clients, b) workers, c) investors/shareholders, d) ecological pros, e) vendors, and lastly, f) participants of the neighborhood [10].

1.2 Proposed Model Development

The model have three variables, CSR to environment, employees’ job satisfaction, and employees’ commitment to the organisation, and three direct relations to be assessed in this study. The following is the discussion and support for the relations from the previous studies.

The organisation's responsibility is to protect the environment. Many organizations do this on a voluntary basis. As a result, the environmental aspect of CSR can be defined as the duty to cover the environmental implications of the company’s operations, products and facilities; eliminate waste and emissions; maximize the efficiency and productivity of its resources; and minimize practices that might adversely affect the employment of the country’s resources by future generations. Davenport (2000), and (Mitchell, Agle, & Wood, 1997) added environmental activities to their CSP frameworks to demonstrate a commitment to the environment and to sustainable development (Davenport, 2000; Mitchell, Agle, & Wood, 1997). The theoretical background of the relationship between environmental performance and corporate performance reveals several important arguments. Elsayed and Palton (2005) pointed out the belief of the win-win scholars [13] is that environmental improvement or protection can be in the interest of the company as well as helping wider society. Later, many scholars debated this claims such as [14,15]. However, Palmer (1995) suggested that companies can be observed to be
making a trade-off (at least in the short term) between environmental performance and corporate performance [16]. McWilliams and Seigel (2000) supported this argument, stating the optimal level of investment in corporate social responsibility for a company can be evaluated in the same way as any other investment—by considering the marginal costs and benefits [17]. Nevertheless, studies of Elsayed and Paton (2005), and McWilliams and Seigel (2000) have suggested a positive relationship between company social performance or company environmental performance and financial performance. If an organization attempts to engage such activities, its employees can be proud of being members of this organization [13,17].

When contemplating the increasing attention of individuals on the global green issues in the latest times, folks working for such a company are able to feel an increasing commitment to it. On the flip side empirical findings also revealed CSR directed towards the surroundings is positively correlated to employee commitment to the Organization [18]. Studies of CSR impact on intra organizational actions - e.g. organizational commitment [7] or maybe job satisfaction [19] propose that employees highly identify with companies that are regarded as socially responsible. Probably the most widely kept place in the literature is the fact that job satisfaction influences organizational commitment [20-25]. Thus it's hypothesized in this particular study that;

**H1:** There is positive association between CSR to environment and employees' commitment to the organizational.

**H2:** There is positive association between CSR to environment and job satisfaction.

**H3:** Job satisfaction positively influences employees’ commitment to the organization.

Fig. 1 shows the conceptual model, relations, and hypotheses associated with this study.

### 2. RESEARCH METHODOLOGY

The study designed as a scientific research that argues specific hypothesis and drives through to accept or reject it. The study is using quantitative approach, which has been applied on a collected primary dataset that collected by the researcher by using a well-defined questionnaire.

A common used sampling size estimation is the Krejcie and Morgan's sampling equation (1970). The base sample size is the number of respondents we must get back when we conduct our survey [26]. However, since everyone will not respond, there is a need to increase our sample size [27]. The numbers of sample size in 5% margin of error and 95% confidence level for a population of 50,000 is 381 and the sample of 300 million is 384. As there is no accurate number for total number of employees, the study will assume the highest sample of 384. In reality, the actual valid and reliable dataset is 457 cases.

The population for this research is all the project management staff who is working in construction industry in UAE. It is very difficult to give every single member of the study population the same opportunity to be one of the chosen sample. As the study is focusing in a specific category, “project management staff”, and there are a large number of organizations, which host the population. Therefore, stratified random sampling is the sampling technique suitable for this research [28].
In stratified random sampling, the strata are a pool of members who shared the same attributes. In this study, Strata of selective construction companies is chosen carefully. In addition, random sampling refer to the random equal opportunity for all the member within the strata to be sampled [29]. In its basic form, random sampling method can be applied by collecting the data from the available cases at the time of data collection [30].

Information was collected during 2018. The researcher with the facilitation of other 4 persons disperse the survey and also records it an immedia method. Division of the survey took place in sixty companies; and also within every organization the distributions occurred arbitrarily.

The instrument used for data collection was a well-structured questionnaire in Likert-5 style. The first section is asking for demographic characteristics of respondents. The second is the scale of organizational commitment, which have nine question that adapted from the study performed by Turker (2009). The third section is the scale of CSR to environments, which have six questions that adapted from the study performed by Turker (2009). The fourth is the scale of employee job satisfaction, which have nine question that adapted from the studies performed by Hsu (2009) [6,31].

3. FINDINGS AND ANALYSIS

Findings are organized in four main sections, respondents' demographic profile, descriptive analysis of respondents opinion, PLS outer model assessments for reliability and validity, and PLS inner model assessment for relational assessments.

3.1 Respondents' Demographic Profile

The usable sample size, after data cleaning, is 457 cases, which is satisfying the needed sample size. Table 1 shows the summary data of the respondents' characteristics. The majority of employees are males (94.7%), aged between 31 and 50 years (64.8%), having experience between 5 and 10 years (47.3%), having a bachelor degree (91.5%), and working at operational level (72.6%).

3.2 Descriptive Analysis of Respondents' Opinion

The respondents were asked for their perception or onion against three main variables in an ascendant Likert five scale. As seen in Table 1, employee commitment to the organization has nine items and the overall mean value were at 61.7%, which interpreted as a below average perception. Job satisfaction has six items and the overall mean value were at 65%, which interpreted as a below average perception. Last, CSR to environment has six items and the overall mean value was at 62.4%, which interpreted as below average perception.

3.3 Reliability and Validity Assessments

For statistical analysis, the study use the SmartPLS software package. For reliability and validity of the final dataset, four assessments were performed that is following the Hair (2014) rule of thumb.

For indicator reliability, outer loading assessment was performed and the results are summarized in Table 2. The item is reliable if its loading is passing the threshold of 0.708. Five items is waived because of its weak loading.

For composite reliability, Cronbach’s Alpha and composite reliability assessments were performed and the results are summarized in Table 3. The variable has adequate internal consistency if its score is above 0.70. The three proposed variables were at an adequate score and were internally consistent.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR to environment (CSREN)</td>
<td>3.12</td>
<td>62.43</td>
</tr>
<tr>
<td>Employees job satisfaction (EJS)</td>
<td>3.25</td>
<td>65.00</td>
</tr>
<tr>
<td>Employees commitment to the organization (ECO)</td>
<td>3.09</td>
<td>61.70</td>
</tr>
</tbody>
</table>
Table 2. Outer loading assessment of indicator reliability

<table>
<thead>
<tr>
<th>All Items Loading</th>
<th>Proper Items Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSREN</td>
<td>ECO</td>
</tr>
<tr>
<td>CSREN1</td>
<td>0.824</td>
</tr>
<tr>
<td>CSREN2</td>
<td>0.856</td>
</tr>
<tr>
<td>CSREN3</td>
<td>0.845</td>
</tr>
<tr>
<td>CSREN4</td>
<td>0.946</td>
</tr>
<tr>
<td>CSREN5</td>
<td>0.404</td>
</tr>
<tr>
<td>CSREN6</td>
<td>0.949</td>
</tr>
<tr>
<td>ECO1</td>
<td>0.630</td>
</tr>
<tr>
<td>ECO2</td>
<td>0.649</td>
</tr>
<tr>
<td>ECO3</td>
<td>0.726</td>
</tr>
<tr>
<td>ECO4</td>
<td>0.771</td>
</tr>
<tr>
<td>ECO5</td>
<td>0.747</td>
</tr>
<tr>
<td>ECO6</td>
<td>0.926</td>
</tr>
<tr>
<td>ECO7</td>
<td>0.735</td>
</tr>
<tr>
<td>ECO8</td>
<td>0.785</td>
</tr>
<tr>
<td>ECO9</td>
<td>0.800</td>
</tr>
<tr>
<td>EJS1</td>
<td>0.580</td>
</tr>
<tr>
<td>EJS2</td>
<td>0.780</td>
</tr>
<tr>
<td>EJS3</td>
<td>0.908</td>
</tr>
<tr>
<td>EJS4</td>
<td>0.765</td>
</tr>
<tr>
<td>EJS5</td>
<td>0.583</td>
</tr>
<tr>
<td>EJS6</td>
<td>0.903</td>
</tr>
</tbody>
</table>

Table 3. Composite reliability assessments

<table>
<thead>
<tr>
<th>Composite reliability</th>
<th>Cronbachs alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSREN</td>
<td>0.951</td>
</tr>
<tr>
<td>ECO</td>
<td>0.923</td>
</tr>
<tr>
<td>EJS</td>
<td>0.922</td>
</tr>
</tbody>
</table>

Table 3. Composite reliability assessments

For convergent validity, Average Variance Extracted (AVE) assessment was performed and the results are summarized in Table 4. The variable has adequate internal relations if its score is above 0.50. The three proposed variables were at an adequate score and were internally related.

Table 4. Convergent validity assessments

<table>
<thead>
<tr>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSREN</td>
</tr>
<tr>
<td>ECO</td>
</tr>
<tr>
<td>EJS</td>
</tr>
</tbody>
</table>

Table 5. Discriminant validity assessments (Fornell-Larcker criterion analysis)

<table>
<thead>
<tr>
<th>CSREN</th>
<th>ECO</th>
<th>EJS</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.891</td>
<td>0.519</td>
<td>0.796</td>
</tr>
<tr>
<td>0.459</td>
<td>0.673</td>
<td>0.866</td>
</tr>
</tbody>
</table>

3.4 Relations and Predictions Assessments

Predictive power and predictive relevance scores are interpreting the overall model predictions assessments. As seen in Table 6, the predictive power of employee commitment to the organisation is moderate with score of 0.509 and predictive relevance is medium with score of 0.313. In addition, the predictive power of employee job satisfaction is satisfactory with score of 0.211 and predictive relevance is medium with score of 0.157.

Path coefficient related scores shows whether the relation is significant and at what relevance score. For 1-tailed relations, the relation is significant if the P value score is less than 0.05 and T statistics is more than 1.65. As seen in Table 7, the three relations are significant. The path coefficients of predictors of ECO are 0.551 and 0.266 for EJS and CSRCEN in precedence manner. The path coefficient score of the relation between CSREN and EJS is 0.459.
Table 6. Predictive power and predictive relevance assessments

<table>
<thead>
<tr>
<th></th>
<th>Predictive Power</th>
<th>Predictive Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R Square</td>
<td>Status</td>
</tr>
<tr>
<td>ECO</td>
<td>0.509</td>
<td>Moderate</td>
</tr>
<tr>
<td>EJS</td>
<td>0.211</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>

Table 7. Path coefficients assessments

<table>
<thead>
<tr>
<th>Path coefficient</th>
<th>Standard error</th>
<th>T Statistics</th>
<th>P Value (1 Tailed)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSREN -&gt; ECO</td>
<td>0.266</td>
<td>0.035</td>
<td>7.499</td>
<td>0.000</td>
</tr>
<tr>
<td>CSREN -&gt; EJS</td>
<td>0.459</td>
<td>0.040</td>
<td>11.377</td>
<td>0.000</td>
</tr>
<tr>
<td>EJS -&gt; ECO</td>
<td>0.551</td>
<td>0.030</td>
<td>18.295</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Fig. 2. Path coefficients model

4. DISCUSSION

The usable dataset of 457 respondents found to be reliable and valid based on a variety of SmartPLS assessments. Employees evaluate their commitment to the organization and satisfaction at below average levels (61.7% and 65%), which is caused partly by the CSR to environment. The variance of employee commitment to the organization (ECO) can be explained by a rate of 50.9% because of two predictors CSR to environment (CSREN) and employees’ job satisfaction (EJS). EJS has a higher impact than CSREN because EJS beta regression is 0.551 while CSREN beta regression is 0.266. In addition, the variance of employee job satisfaction (EJS) can be explained by a rate of 21.1% as a result of beta regression score of 0.459 for the relation with the predictor CSREN. Overall, all the three proposed direct relations within the model were approved at significance level of 1%. Fig. 2 shows the path coefficients model.

5. CONCLUSIONS

The research assumes that the practices of CSR to environment in UAE construction industry are not in healthy conditions and could be one of the causes of low employees’ job satisfaction and employees’ commitment to the organisation. The results shows that employees’ commitment and
satisfaction are at below average level, which is mapped with previous reports and studies [32]. CSR to environment found to be a strong cause of the low employees’ commitment which is also mapped with previous studies [18]. In addition, CSR to environment is found to be a strong cause of the low employees’ job satisfaction, and the results is mapped with findings of other scholars [6,12,33]. Overall, the findings show that CSR to environment in UAE is influencing the employees’ job satisfaction and commitment to the organisation, and it is for sure one of the causatives of the low employees’ commitment.

6. IMPLICATIONS AND RECOMMENDATIONS

Findings of the study are significant contributions for academic domain, as it provide information regarding the CSR to environment and the relation with employees’ commitment. The concepts, empirical results, and the survey are increasing the knowledge and tools for other scholars.

For UAE, the results are contributing to the knowledge by the specific empirical results. The CSR to environment is found to be a strong causative of low employees’ commitment, so senior management and decision makers must be aware for increasing their environmental friendly practices. Marketing and public relation have to focus in revealing the practice to publics and society to avoid and negative consequences. HR management can motivate employees to be part of the organisation activities of CSR to environment.

7. LIMITATIONS AND FUTURE WORK

The study has two limitations, which open the door for further work towards generalization. Performing the study in UAE limits its results to UAE, thus, scholars are asked for replicating the same model in different countries in the same constriction sector to compare the results. In addition, the study results is limited to construction industry, thus, scholars are asked for replicating the same model in different sectors in UAE or in other locations or countries.

The study examines CSR to environment, but other construct of CSR such as community or customers are out of this study scope. Therefore, further work is to examine the other CSR constructs individually and as a complete set. This examinations are some of the projected future work proceeding this study.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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