Transformational leadership and affective organizational commitment: mediating roles of perceived social responsibility and organizational identification

Gregory W. Allen, Prince A. Attoh and Tao Gong

Abstract

Purpose – *The purpose of this research was to examine the mediating roles of staff-level employee perceptions of corporate social responsibility (PCSR) and organizational identification in the relationship between transformational leadership and affective organizational commitment.*

Design/methodology/approach – *A survey was administered to staff-level employees of private sector companies through social media groups comprising members of the alumni associations of two universities in the northeast of America. A total of 218 responses were received, and the data were analyzed using a serial multiple mediator model.*

Findings – *The research indicates that transformational leadership helps staff-level employees perceive the organization as socially considerate, which in turn adds to their feelings of identification and commitment to the organization. Perceived corporate social responsibility and organizational identification do mediate the relationship between transformational leadership and affective organizational commitment. Leader development programs should consider emphasizing transformational leadership to achieve a win for both organizations and society.*

Originality/value – *This study adds empirical evidence to understand the linkage between transformational leadership and PCSR in staff-level employees. The research provides insight into how leaders can be responsive to stakeholder demands through transformational leadership, how PCSR is engendered at the staff-level, how staff-level employee PCSR contributes organizational value and how PSCR and organizational identification partly explain how transformational leadership effects affective organizational commitment.*

Keywords *Transformational leadership, Affective organizational commitment, Corporate social responsibility, Organizational identification*

Paper type *Research paper*

Gregory W. Allen is a Social Scientist at the Department of Social Sciences, University of Maryland Eastern Shore, Princess Anne, Maryland, USA. Prince A. Attoh is Associate Professor/Director at the Department of Social Sciences, University of Maryland Eastern Shore, Princess Anne, Maryland, USA. Tao Gong is Associate Professor at the Department of Social Sciences, School of the Arts and Professions, University of Maryland Eastern Shore, Princess Anne, Maryland, USA.

Introduction

Internal and external stakeholders of businesses are demanding greater attention to corporate social responsibility (CSR) creating a need to develop leaders who can respond to this emerging area of focus in business management (Carmeli *et al.*, 2007; Baron *et al.*, 2009). CSR has been defined as "the economic, legal, ethical and discretionary expectations that society has of organizations at any given point in time" (Carroll, 1979, p. 500). CSR extends the focus of business beyond economic responsibilities to also cover social and environmental responsibilities (Hansen, 2010). More than ever before, stakeholders of corporations including customers, shareholders, employees, suppliers, local communities, financial institutions, competitors, regulatory bodies and the media are interested in corporate behavior and are deriving satisfaction from being associated with more socially responsible behavior by firms (Brammer *et al.*, 2007; Harris, 2007;

Pruzan, 2001; Waldman *et al.*, 2006). Harris (2007) stated that corporations are primary to economic development and have the power and resources to determine the well-being of communities; therefore, they have the capacity to take the lead role in creating a viable future. However, there is limited research on internal organizational factors, such as leadership practices, and their effect on CSR implementation (Aguinis and Glavas, 2012). In addition, little research has been conducted at the micro level (e.g. individual level) on the indirect effect of CSR on the relationship between visionary transformational leadership and organizational outcomes such as employee organizational commitment (Aguinis and Glavas, 2012).

Guarnieri and Kao (2008) state that there is growing evidence that adopting the principles of CSR creates value for all stakeholders of private sector organizations. Guarnieri and Kao (2008) refer to several studies, including a meta-study by Orlitzky *et al.* (2003), which conclude that there is a positive correlation between CSR and improved financial performance. Guarnieri and Kao (2008, p. 35) stated that leading companies see CSR as "a strategic weapon in the war for talent as well as a vehicle to drive business growth". Singh (2004) suggested that a quarter-by-quarter profit mentality has crowded out a more long-term view on value creation including means of protecting intellectual capital by ensuring employees see the organization as a good actor. Greening and Turban (2000) concluded that firms with higher perceived social performance are seen as more attractive employers than firms with lower perceived social performance and that prospective applicants' job pursuit, probability to interview and probability to accept a job offer are positively associated with a firm's social responsibility performance. However, the mechanisms by which a multitude of organizational implications related to CSR can lead to improvements in organizational performance are not fully understood (Glavas and Kelley, 2014). The purpose of this research was to investigate the extent to which staff-level employee perceptions of corporate social responsibility (PCSR) and organizational identification are statistically significant pathways (mediating variables) leading to affective organizational commitment in the presence of leaders who practice transformational leadership.

Theoretical background and hypotheses

Defining corporate social responsibility

Social responsibility is nebulous (Pruzan, 2001) and relatively new (Guarnieri and Kao, 2008). The theoretical and empirical literature and demand for CSR are burgeoning (McWilliams and Siegel, 2001; Waldman *et al.*, 2006). Guarnieri and Kao (2008) refer to a definition of CSR from the World Business Council for Sustainable Development (2000, p. 8) "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large". Waldman *et al.* (2006) refer to the definition of CSR from McWilliams and Siegel (2001, p. 1703) "actions on the part of the firm that appear to advance or acquiesce in the promotion of some social good, beyond the immediate interests of the firm and its shareholders and beyond that which is required by law".

Guarnieri and Kao (2008) point to the United Nation's Global Compact which states that businesses around the world have a responsibility to model ethical behavior and address the broader needs of the communities in which they operate. The United Nation's Global Compact outlines ten principles of CSR in the areas of human rights, labor, the environment and anti-corruption (Guarnieri and Kao, 2008). Singh (2004) describes a wide range of activities that are examples of contributing to the social welfare of communities, including literacy initiatives, health care, vocational training, afforestation, water management, sports, arts and culture. CSR is concerned with the interests of both internal stakeholders, including employees and external stakeholders, including shareholders, suppliers, customers, community, governments and non-government organizations (Carroll, 1998).

According to Aguinis and Glavas (2012), CSR definitions refer to policies and actions of organizations; however, such policies are influenced and implemented by actors at multiple levels including institutional (e.g. industry), organizational (e.g. individual firm) and individual (e.g. employee) levels.

Linking transformational leadership to corporate social responsibility

Bass (1999) stated that transformational leadership elevates the follower's level of maturity and ideals as well as concerns for achievement, self-actualization, and the well-being of others, the organization and society. Transformational leaders display more citizenship behaviors such as altruism, conscientiousness, sportsmanship, courtesy and civic virtue and also impart those same values on followers (Williams, 1994; Bass, 1999). In particular, the transformational factor of *idealized influence*, which involves being influential about ideals, provides a leadership pathway to the highest level of morality where there are selfless causes such as social responsibility to which leaders and followers may dedicate themselves (Bass, 1999).

Waldman *et al.* (2006) performed a study on the personal attributes or qualities of key decision makers such as chief executive officers (CEOs), which the authors presumed would affect the extent to which firms engage in CSR. The researchers chose transformational leadership as the assessment framework due to its extension beyond the small-group level to a more organizational level. Managers from large-capital firms in the USA and Canada were asked to use the Multifactor Leadership Questionnaire (MLQ), which determines leader strength and weaknesses with regard to transformational leadership, to describe the leadership qualities of the CEO they work for. Based on the response of 125 individuals from 56 different firms, Waldman *et al.* (2006) found that an individual characteristic of CEO transformational leadership, intellectual stimulation, is positively associated with the propensity of firms to engage in CSR. Waldman *et al.* (2006) concluded that CEO's that are intellectually stimulating show greater use of CSR as an integral part of the firm's strategies and that such leaders provide the type of leadership that engenders CSR.

Sulley de Luque *et al.* (2008) also demonstrated that perceiving visionary leadership encourages extra effort by subordinates, which translates into improved performance. Conversely, Sulley de Luque *et al.* (2008) demonstrated that leaders driven by economic factors and the pursuit of profits more than by concerns over social performance are perceived as being more autocratic, which has negative or no effect on subordinate willingness to invest extra effort. Sulley de Luque *et al.* (2008) concluded that leadership that is socially responsible and stakeholder-oriented results in the leader being perceived by subordinates as being more visionary and less autocratic. Accordingly, the first hypothesis is proposed:

H1. Higher transformational leader practices support stronger staff-level employee perceptions of CSR.

Organizational identification

Organizational identification is a critical construct in understanding organizational behavior including individual satisfaction and organizational performance (Ashforth and Mael, 1989). A range of positive organizational outcomes are associated with higher levels of identification including enhanced support, citizenship, intragroup cohesion, positive group evaluations, inclusiveness, cooperation, altruism, effort, loyalty, pride, satisfaction, reduced turnover intentions, internalization of and adherence to group values, extra-role prosocial behavior and norms and homogeneity in attitudes and behaviors (Ashforth and Mael, 1989; Cooper and Thatcher, 2010; Dutton *et al.*, 1994, 2010; Shamir and Kark, 2004). According to Ashforth and Mael (1989), it is widely understood by managers that a positive and distinctive organizational identity attracts the recognition, support and loyalty of not only

organizational members but also other key constituents such as shareholders, customers and job seekers. Such desirable outcomes are enhanced when members feel proud to belong to an organization that has socially valued characteristics, whereas, conversely, undesirable organizational member outcomes such as reduced effort and disengagement can occur when members interpret the external image as socially negative and unfavorable (Dutton et al., 1994; Lange and Washburn, 2012). Glavas and Godwin (2013, p. 17) stated "fostering organizational identification is a critical task for ensuring organizational effectiveness". Organizations, therefore, invest considerable effort in cultivating identification in their members so as to realize these effectiveness outcomes (Kark and Shamir, 2002; Shamir and Kark, 2004).

Transformational leadership and organizational identification

Transformational leadership can lead to stronger identification of followers (Dhawan and Mulla, 2011; Kark et al., 2003; Shamir and Kark, 2004). Transformational leaders exert influence over followers by creating social identification within organizational work units (Kark et al., 2003). The influence of leaders on the social identification of followers is central to the motivational theory of charismatic leadership, which states that charismatic transformational leaders succeed in connecting followers' self-concept to that of the mission or the group (Kark and Shamir, 2002). Charismatic leaders are particularly adept at engendering strong identification (Ashforth and Mael, 1989). Organizational identification is often complemented when individuals seek to frame their self-identities to appease, emulate or vicariously gain the qualities of charismatic leaders (Ashforth and Mael, 1989; Zhu et al., 2012).

Kark and Shamir (2002) suggest that the most significant effect of transformational leadership is influencing followers to transcend their self-interests for the sake of the group, which is accomplished by engaging certain self-concepts including strong moral values. Dvir et al. (2002) concluded that transformational leaders build value congruence between followers and organizations, which ultimately contributes to a collectivist orientation and shared identity within organizations. Trust in the leadership, an outcome supported by transformational leadership, is required for individual willingness to identify with the organization (Bass, 1999). Accordingly, the second hypothesis is proposed:

> *H2*. Higher transformational leader practices will support stronger organizational identification.

Corporate social responsibility and organizational identification

Employees of organizations that are associated with social causes, and who perceive the organization's virtues and character strengths to be inherently good and socially responsible, have increased positive identification (Aguinis and Glavas, 2012; Dutton et al., 2010; Greening and Turban, 2000). Dutton et al. (2010) explained that a work-related identity is positive when the identity content includes virtuous qualities and moral character strengths that align with qualities that distinguish people of good character. People like to feel good about themselves, and they are motivated to identify with groups that are distinguished as socially favorable from others (Dutton et al., 2010). CSR activities that are directed toward internal stakeholders, such as high labor standards and workplace democracy, make employees feel that they are respected and help them to identify with their organizations (Shen and Zhu, 2011). CSR activities that are directed toward external stakeholders, such as community service projects, increase members' regard for the organization and its collective identity (Dutton et al., 2010). Hsieh and Chan (2012) inferred that the more employees recognize their organization's fulfillment of social responsibilities, the more they identify with the organization. Glavas and Godwin (2013) argue that companies should invest in CSR due to the positive impact that such behaviors have on employees' organizational identification. In a study of the impact of CSR on organizational

identification, Glavas and Godwin (2013, p. 16) focused on employee perceptions of CSR because "perception perhaps plays a greater role in determining organizational identification than reality". Several studies have concluded that there is a positive relationship between the attractiveness of an organization's public image and member organizational identification (Fuller *et al.*, 2006). Accordingly, the third hypothesis is proposed:

H3. Higher perceptions of CSR implementation support stronger organizational identification.

Organizational commitment

Organizational commitment refers to an individual's sense of belonging and psychological attachment to the organization or the "emotional attachment to, identification with, and involvement in, the organization" (Allen and Meyer, 1990, p. 1). Organizational commitment is an important measure of job attitude and signals intention to contribute to and stay in the organization (Hsieh and Chan, 2012). Meyer and Allen (1991) viewed organizational commitment as a psychological construct that is characteristic of members' relationship with the organization and is associated with members' continuance decision. They integrated multiple views to identify three dimensions of organizational commitment from which to consider the commitment relationship between employees and the organization. The three dimensions are affective commitment, continuance commitment and normative commitment (Allen and Meyer, 1990; Meyer and Allen, 1991). Affective commitment is an individual's emotional connection to the organization, identification with the organization and involvement in the organization's activities. Members with strong affective commitment to the organization have a high intention to stay with the organization because they want to. Continuance commitment is based on an individual's feeling of a need to continue to be a member of an organization because of benefits such as compensation. Under continuance commitment, members stay with an organization because they need to. Normative commitment refers to internalized normative pressure that makes one feel morally obliged to remain a member of an organization. Under normative commitment, members stay with an organization because they feel they ought to (Meyer and Allen, 1991). Among the three forms of commitment, affective commitment shows the strongest positive correlation to desirable work behaviors including positive organizational citizenship (Meyer *et al.*, 2002) and, therefore, was the focus of this research.

Transformational leadership and organizational commitment

Leadership has been identified as an important contributing factor in the development of organizational commitment (Jackson *et al.*, 2013). The deep and intense relationships between leader and follower that develop when transformational leaders use individual consideration to meet follower needs, transcends economic transactions and contributes to long organizational tenure and strong commitment (Dhawan and Mulla, 2011; Dutton *et al.*, 1994). Numerous studies have found that transformational leadership has a positive effect on affective and normative organizational commitment and a negative effect on continuance commitment (Bass and Riggio, 2006; Farahani *et al.*, 2011; Meyer *et al.*, 2002).

In a meta-analysis of the literature, Jackson *et al.* (2013) found a strong positive relationship between transformational leadership and affective commitment and posited that transformational leaders build affective commitment because they motivate employees through emotional appeal, create a compelling vision, challenge employees to work together in the best interest of the collective, and they are sensitive to and try to satisfy the needs of employees, all of which result in employee perceptions of organizational support. Researchers have concluded that it is worthwhile and commonplace for businesses to invest in leadership development focused on transformational leadership behaviors to build organizational commitment and, therein, retain key talent and boost workforce

competitiveness (Dhawan and Mulla, 2011; Jackson et al., 2013). Accordingly, the fourth hypothesis is proposed:

> *H4.* Higher transformational leader practices will support stronger affective organizational commitment.

Corporate social responsibility and organizational commitment

Hsieh and Chan (2012) found that positive employee perception of CSR effort had a positive effect on organizational commitment. When employees agree with the company's view of CSR, they have higher organizational commitment (Aguinis and Glavas, 2012; Hsieh and Chan, 2012). Meyer et al. (2002) found that when organizations treat employees fairly and demonstrate organizational justice, which are components of social responsibility activities directed toward employees, affective organizational commitment is strengthened. As employees constitute an important stakeholder group for CSR activities, good labor relations are seen as an important CSR issue, and, when socially responsible human resource management is undertaken, affective commitment increases (Shen and Zhu, 2011). Responsible leaders that promote fairness in labor management contribute to maintaining positive organizational cultures, which enhances commitment, performance and organizational effectiveness (Bowen and Ostroff, 2004).

In an empirical study, Brammer et al. (2007) found that employee perceptions of CSR have a major impact on organizational commitment at a level at least as great as job satisfaction. Aguinis and Glavas (2012) suggested this relationship exists because CSR is positively supportive of employee psychological needs related to affiliation, esteem and self-actualization. Accordingly, the fifth hypothesis is proposed:

> *H5.* Higher perceptions of CSR implementation support stronger affective organizational commitment.

Mediation effects of perceptions of corporate social responsibility and organizational identification

Existing literature called for more research to understand PCSR's mediating effects in the context of organizational outcomes (Glavas and Kelley, 2014). One of the significant contributions of this study is to examine the mediating roles that PCSR and organizational identification play in the relationship between transformational leadership and organizational commitment. Based on previous research in transformational leadership, CSR can be engendered as a result of transformational leadership behaviors such as idealized influence and intellectual simulation (Bass, 1999; Waldman et al., 2006). Previous research (Carmeli et al., 2007) demonstrated a link between CSR performance and employee organizational identification in that an individual's social identity is enhanced when the group to which he or she belongs is distinctive and more favorable than comparable groups such as through feelings of positive CSR. According to Ashforth et al. (2008), organizational identification fosters or is an antecedent of affective organizational commitment. The positive effect that transformational leadership has on affective commitment is expected to be strengthened when leader behaviors create higher levels of PCSR and resulting higher levels of organizational identification. The causal chain, therefore, links perceived CSR and organizational identification in such a way to explain the underlying processes of the relationship between transformational leadership behaviors and affective organizational commitment. Thus, the sixth, seventh and eighth hypotheses are proposed:

> *H6.* Transformational leadership indirectly effects affective organizational commitment positively through PCSR.

> *H7.* Transformational leadership indirectly effects affective organizational commitment positively through organizational identification.

H8. Transformational leadership positively effects PCSR, which positively effects organizational identification, which in turn effects affective organizational commitment.
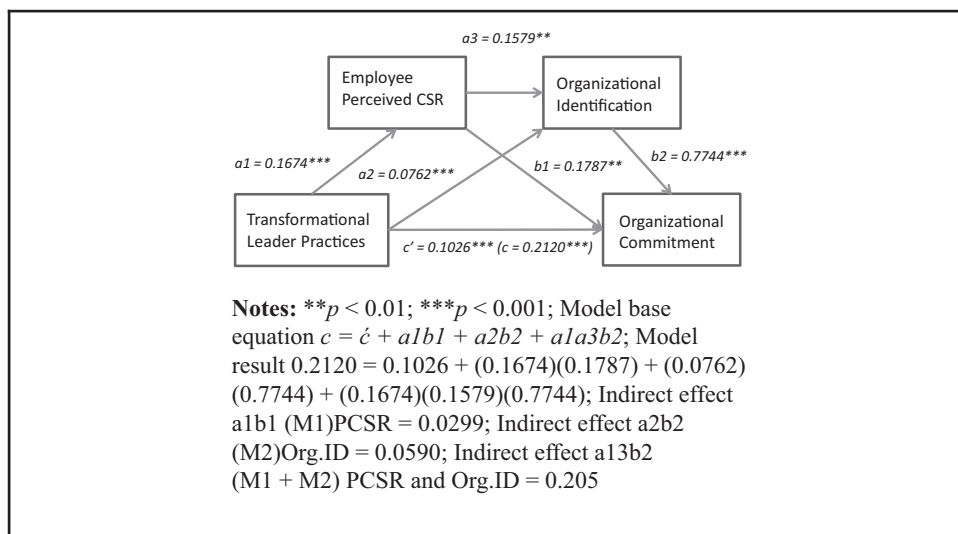
The hypothesized model is depicted in Figure 1.

Method

Participants and data collection procedure

A total of 218 staff-level employees working in non-managerial and non-executive positions at private sector companies voluntarily participated in this study. Among them, 46 per cent were women and 54 per cent were men; 40 per cent working in smaller (<1,000 employees) and 60 per cent in larger (>1,000 members) organizations; 55.5 per cent had been with their firms for less than five years, 34 per cent had been with the firm for 5-20 years and 10.5 per cent had been with the firm for more than 20 years.

Data were collected through an online survey research platform. An invitation e-mail was sent to the members of two university alumni association networks – one located in Washington D.C. and one in Boston, Massachusetts – requesting them to participate in this study. Participants were given an informed consent based on a statement preceding the survey that described what the research is about, who was undertaking and financing it, why it was being undertaken and how it will be promoted and shared. Participants were informed that they could terminate their involvement at any time and for any reason. Multiple methods of promoting participation were used. The primary method involved multiple repeated messages on both universities' LinkedIn and Facebook alumni association web pages. The survey opportunity was offered to all members of the alumni groups that participate in the LinkedIn and Facebook groups to minimize self-selection bias including as a means of limiting the number of respondents that were members of alumni groups with special interest in environmental and sustainability issues. Regular updates and progress reports were added to discussion threads on the social media sites to encourage participation. The participation of group members in the discussion threads, which at times were top-trending discussions on the LinkedIn alumni group pages, helped to encourage participation in the survey.

Figure 1 Results of serial multiple mediator model (unstandardized coefficients)

Notes: **p < 0.01; ***p < 0.001; Model base equation $c = \acute{c} + a1b1 + a2b2 + a1a3b2$; Model result $0.2120 = 0.1026 + (0.1674)(0.1787) + (0.0762)(0.7744) + (0.1674)(0.1579)(0.7744)$; Indirect effect a1b1 (M1)PCSR = 0.0299; Indirect effect a2b2 (M2)Org.ID = 0.0590; Indirect effect a13b2 (M1 + M2) PCSR and Org.ID = 0.205

Instrumentation

The online questionnaire measured staff-level employee views on their immediate supervisor's transformational leadership behavior, PCSR, organizational identification and affective organizational commitment. All survey items are based on a five-level Likert scale ranging from 0 (not at all) to 4 (frequently, if not always).

Transformational leadership. Participants rated transformational leadership behaviors of their immediate supervisors using the MLQ 5X developed by Avolio and Bass (2004). Although the MLQ was designed to measure the full range of leadership, including transformational, transactional and *laissez-faire* forms of leadership, the focus of this research is on the strength of transformational leadership. The MLQ includes 20 items that correspond to the transformational leadership factors of idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Sample items include "The leader helps me to develop my strengths" and "The leader talks optimistically about the future". The instrument in the study demonstrated acceptable reliability with Cronbach's alpha equal to 0.942.

Organizational identification. The perception of a participant's organizational identification was measured using a six-item scale developed by Mael and Ashforth (1992). Sample items include "When someone criticizes the company, it feels like a personal insult" and "When someone praises the company, it feels like a personal compliment". The instrument in this study demonstrated acceptable reliability with Cronbach's alpha equal to 0.802.

Affective organizational commitment. Participants assessed their affective organizational commitment using an eight-item scale, affective commitment scale, developed by Allen and Meyer (1990). The research was limited to measuring affective commitment, as opposed to including the other two components of Allen and Meyer's commitment construct, normative and continuance commitment because affective commitment relates most strongly to the binding forces that influence important organizational outcomes such as absenteeism, job performance, turnover intentions and citizenship behaviors (Jaros, 2007). Sample items include "I would be very happy to spend the rest of my career with this organization" and "I enjoy discussing my organization with people outside it". The instrument in this study demonstrated acceptable reliability with Cronbach's alpha equal to 0.872.

Staff-level employee perception of corporate social responsibility. Employee perception of CSR practice was measured using a survey instrument developed by Glavas and Kelley (2014). The instrument is a psychometrically sound tool that measures employees' perceptions of their organization's social and environmental responsibility. Glavas and Kelley (2014) concluded that CSR stakeholders such as employees can be viewed from a broader perspective where not only is their contribution to financial performance important, but also their well-being. This stakeholder well-being perspective was the basis for the construct of the survey items that measure employee perceptions of the social performance of the organization, one of two sub-scales in the instrument's model. The second sub-scale, perceived environmental performance, follows definitions of CSR that center on whether caring for the environment creates value for the business and whether environmental care is manifested in strategies and operating practices. This led to an eight-item scale in Glavas and Kelley (2014) with four items each for measuring social responsibility and environmental responsibility perceptions. Sample items include "Contributing to the well-being of employees is a high priority at my organization" and "Addressing environmental issues is integral to the daily operations of my organization". When both sub-scales are used together as a congeneric composite scale of PCSR, Cronbach's alpha in this study was acceptable at 0.837.

Data analysis

The hypothetical model in this study (Figure 1) is a serial multiple mediator model which assumes "a causal chain linking the mediators, with a specified direction of causal flow" (Hayes, 2012, p. 14). In the context of this research, the causal chain links perceived CSR and organizational identification to partially explain the underlying processes in the relationship between transformational leadership behaviors and affective organizational commitment. Bootstrapping methodology was conducted to test for the indirect effect of transformational leadership on affective organizational commitment. For this research, 5,000 bootstrap re-samples, as recommended by Hayes (2009), were run using a macro designed to operate within SPSS 22.

Results

Table I provides descriptive statistics, reliability alpha and Pearson correlation coefficients for the summary scores of each study variable.

Serial mediation analysis was performed to test the indirect effect of transformational leadership on affective organizational commitment through two mediators. Serial mediation results are reported in Tables II and III.

Table II indicated that *H1* was supported that transformational leadership increases PCSR, $b = 0.1674$, $p < 0.001$. *H2* was supported that transformational leadership increases organizational identification, $b = 0.0762$, $p < 0.001$. *H3* was supported that PCSR increases organizational identification, $b = 0.1579$, $p < 0.01$. *H4* was supported that transformational leadership increases affective organizational commitment, $b = 0.2120$, $p < 0.001$. *H5* was supported that PCSR increases affective organizational commitment, $b = 0.1787$, $p < 0.01$.

Table III found that *H6* was supported that transformational leadership has a significant indirect effect, 0.0775, on affective organizational commitment through PCSR because the bootstrap confidence interval is entirely above zero, 95 per cent CI [0.0233, 0.1347]. Respondents with higher PCSR formed stronger organizational commitment in the presence of transformational leadership. *H7* was supported that transformational leadership does have a significant indirect effect, 0.1529, on affective organizational commitment through organizational identification because the bootstrap confidence interval is entirely above zero 95 per cent CI [0.0664 to 0.2401]. Respondents with higher organizational identification formed stronger organizational commitment in the presence of transformational leadership. *H8* was supported that there is a specific indirect effect of transformational leadership, 0.0531, on organizational commitment through PCSR and organizational identification in series because the bootstrap confidence is entirely above zero 95 per cent CI [0.0176 to 0.0910]. In the presence of transformational leadership, higher PCSR produces higher organizational identification, which leads to stronger organizational commitment.

The unstandardized coefficients of the total and direct effects of transformational leadership on organizational commitment in Figure 1 are $c = 0.2120$ and $c' = 0.1026$,

Table I Descriptive statistics, reliability and Pearson correlations ($N = 218$)

Variable	Mean	SD	Cronbach's alpha	Correlations 1	2	3
1. Transformational leadership	70.88	16.14	0.942	–		
2. Perceived CSR	29.18	5.42	0.837	0.498***	–	
3. Organizational identification	23.01	4.01	0.802	0.413***	0.367***	–
4. Affective organizational commitment	25.10	3.49	0.872	0.549***	0.471***	0.534***

Note: ***$p < 0.001$

Table II OLS regression for serial multiple mediation pathways (unstandardized coefficients)

Consequent		M1 (PCSR)				M2 (Org. Ident.)				Y (Aff. Org. Commit.)				Y (Aff. Org. Commit.) Total effect		
Antecedent		Coefficient	Standard error	p		Coefficient	Standard error	p		Coefficient	Standard error	p		Coefficient	Standard error	p
X (Trans. Lead)	a1	0.1674	0.0198	< 0.001	a2	0.0762	0.0174	< 0.001	c'	0.1026	0.0213	< 0.001	C	0.2120	0.0219	< 0.001
M1 (PCSR)		–	–	–	a3	0.1579	0.0518	0.0026	B1	0.1787	0.0620	0.0043		–	–	–
M2 (Org. Ident.)		–	–	–		–	–	–	b2	0.7744	0.0798	< 0.001		–	–	–
Constant		17.3111	1.4408	< 0.001		13.0059	1.4178	< 0.001		−3.528	1.9575	< 0.001		11.7565	1.5946	< 0.001
		$R^2 = 0.2482$				$R^2 = 0.2051$				$R^2 = 0.5509$				$R^2 = 0.3018$		
		$F_{(1,217)} = 71.327, p < 0.001$				$F_{(1,216)} = 33.5, p < 0.001$				$F_{(1,215)} = 61.5, p < 0.001$				$F_{(1,217)} = 93.4, p < 0.001$		

Table III	Standardized indirect effects of transformational leadership on affective organizational commitment (5,000 bootstraps)		
Indirect effects	Beta	Boot lower 95% CI	Boot upper 95% CI
TL → PCSR → Aff. commitment	0.0775	0.0233	0.1347
TL → organizational identification → Aff. commitment	0.1529	0.0664	0.2401
TL → PCSR → organizational identification → Aff. commitment	0.0531	0.0176	0.0910
Total	0.2835	0.1891	0.3780

suggesting that the total indirect effect in the serial multiple mediator model accounts for about half of the overall effect c − c' = 0.1094. The standardized coefficients in Table III for the three indirect effect pathways indicate that the indirect effect of transformational leadership on affective organizational commitment through organizational identification is the largest at 0.1529 followed by the path through PCSR at 0.0775 followed by the path through the mediators in series at 0.0531.

Discussion

This study supported *H1* that staff-level employees that give their leaders higher ratings for transformational leadership have higher PCSR. The results extend the findings from Waldman *et al.* (2006), which identified the key role for top management's leadership behaviors in establishing the company's propensity to pursue CSR to the way in which staff-level employees attribute leadership behaviors to the company's CSR practice. *H2* that staff-level employees that see their leaders as more transformational in their behaviors have stronger feelings of organizational identification was supported. This finding is consistent with Kark and Shamir's (2002) study that transformational leaders succeed by engaging certain self-concepts including strong moral values. This study supported *H3* that there is a positive relationship between PCSR and organizational identification based on PCSR's ability to contribute to a positive work-related identity where the identity content includes virtuous qualities and moral character strengths that align with qualities that distinguish people of good character (Dutton *et al.*, 2010). *H4* that transformational leadership is positively related to affective organizational commitment was supported. This finding supports that transformational leaders build affective commitment by motivating employees through emotional appeal, creating a compelling vision, challenging employees to work together in the best interest of the collective and by being sensitive to and satisfying the needs of employees (Jackson *et al.*, 2013). *H5* that staff-level employees that have higher PCSR have stronger feelings of affective organizational commitment was supported. This finding is consistent with Aguinis and Glavas' (2012) study that CSR is positively supportive of employee psychological needs related to affiliation, esteem and self-actualization.

This study supported *H6 – H8* that transformational leadership positively indirectly influences organizational commitment through PCSR and organizational identification. Therefore, the mediating effects of PCSR and organizational identification partly explain the relationship between transformational leadership and affective organizational commitment. The standardized regression coefficients indicate that the path of indirect effect through PCSR is smaller than the indirect effect through organizational identification with organizational identification having approximately twice the indirect effect as compared to PCSR. This is likely due to the strong factorial relationship between organizational identification and affective organizational commitment. The serial multiple mediator effect pathway through both PCSR and organizational identification also was significant. Higher levels of PCSR in turn create higher levels of organizational identification, which provides an indirect step-wise pathway for transformational leadership to enhance affective organizational commitment.

Altogether, the research adds empirical evidence to understand the value of Burns's (1978) transformational leadership theory; first in fostering responsiveness to demands from stakeholders for businesses to be socially considerate and, second, in contributing to overall competitiveness through enhanced organizational well-being. Such CSR and competitiveness demands call for those responsible for developing leaders to understand the value of different forms of leadership in optimizing the building of contemporary leaders (Bass and Steidlmeier, 1999). A greater understanding has also been needed on the general micro-level (e.g. staff-level) dynamics of PCSR in private sector business (Aguinis and Glavas, 2012). The research provides insight into how leaders can be responsive to stakeholder demands through transformational leadership, how PCSR is engendered at the staff-level, how staff-level employee PCSR contributes organizational value and how PSCR and organizational identification partly explain how transformational leadership effects affective organizational commitment.

Practical implications

The research addresses a need to investigate forms of leadership that support organizational responsiveness to stakeholder demands for improved social responsibility (Pruzan, 2001; Waldman *et al.*, 2006) and related CSR outcomes. Organizations whose leaders effectively implement CSR are accruing benefits such as attracting and retaining talent (Baron *et al.*, 2009). This study supported that transformational leadership's tendency to elevate followers' levels of maturity and ideals as well as concern for the well-being of others, the organization and society leading to stronger citizenship behaviors such as altruism and civic virtue (Bass, 1999; Williams, 1994) is at play in forming the measured relationship. The research, therefore, identifies an additional reason for leader development programs to consider an emphasis on building transformational leadership skills and behaviors. Transformational leadership provides a responsive and supportive leadership framework and higher levels of such leadership are associated with stronger PCSR in staff-level employees.

The implications of the research relate first to leader development. The findings identify reasons for organizations with an interest in leader development, including companies, professional associations and business schools to consider emphasizing programs that build transformational leaders. Such leadership contributes positively to firm responsiveness to stakeholder demands for CSR by affecting staff-level employee PCSR. Such CSR responsiveness could be particularly important to consider in industries where CSR implementation is a competitive necessity because other industry competitors have implemented CSR and are, therefore, gaining competitive advantage as well as in industries with lower levels of CSR implementation, where CSR can still provide competitive differentiation. To provide additional impetus for leadership development grounded in transformational leadership, the study shows that transformational leaders elicit stronger organizational identification and organizational commitment in followers, which are organizational outcomes that enhance organizational well-being.

Next, the research provides impetus for organizational leaders to strategically consider means of implementing or enhancing existing CSR programs and policies to build PCSR because PCSR has a positive and significant effect on staff-level employee organizational identification and affective organizational commitment. When PCSR is in place, staff-level employees are more likely to feel congruence between their values and the organization's values, which prompts them to be effective organizational advocates and to give their best effort and to stay on-board through increased levels of affective commitment.

Consistent with Hsieh and Chan (2012), the findings also imply that it is strategically valuable to raise the visibility and awareness of CSR efforts through local and corporate-wide communications to get the greatest value from CSR. For example, seeing the CSR-related actions of colleagues from across the organization is likely to contribute to

www.manaraa.com

member perceptions that they are part of a socially conscientious business, which will strengthen identification and affective commitment. An additional implication is that organizations that are lagging with regard to CSR implementation, and therefore have little to demonstrate positive social performance, will be at a competitive disadvantage as compared to competitors who are succeeding in developing strong PCSR because such CSR implementers are apparently reaping the rewards of improved member identification and affective commitment.

Business leaders have an open invitation to leave a lasting legacy of hope and care and love in the world. Leaders of businesses need not worry whether CSR investments will detract from improving firm competitiveness at least in the important aspect of whether staff-level employees will be more committed as a result of strengthened CSR. This allows business leaders to think beyond the strict constraints of their assignments as corporate officers and to embrace an opportunity to use the power of private sector resources and ingenuity to make the world a better place. This can only be good for leaders themselves. The human experience is bright when people help people and transformational leaders may shine brightest. This and other research is indicating to private sector leaders that social responsibility is serendipitously good for themselves, for the people they lead, for their businesses and for all of society.

Limitations and future research

This study is not without limitations. First, data were collected from two large university alumni associations; thus, a larger sample would be preferred for making generalizations. The survey was promoted mostly through the alumni associations' LinkedIn and Facebook pages, which could have created coverage bias. Only alumni who are users of computers and social networking sites and who chose to join those groups were likely to see the invitations to participate. The net effect may have been a bias toward younger alumni who may be more likely to be users of such web sites. However, the bias is expected to be low in terms of confounding the collection of data from the target population because the intention was to survey staff-level employees who in general are younger and, therefore, social-network savvy. To reduce self-selection bias, respondents were asked to indicate whether they were members of an environmental or social issues focus group such as a green-alumni network. A bias could develop if there had been a greater number of such respondents in the sample than is expected in the larger populations of the alumni bodies. In all, 81 per cent of the respondents indicated they were not members of an environmental or social issues focus group indicating that the data is not biased by self-selected zealots. This study might be subject to social desirability bias. Respondents may want to think of their leaders as visionary and charismatic, and they may want to think of their company as socially responsible, and they may want to have strong identification and commitment to their company. While it is unlikely that this bias created false positive direction in the relationships among variables, it may have contributed to inflating the reported magnitude of the relationships.

Future research could explore which elements of transformational leadership are most conducive to developing PCSR and which forms of CSR activities are most constructive or destructive to PCSR. Answering these questions would provide information to inform a corporation's strategy for designing CSR programs. Leaders in an organization would want to ensure that the full value of their CSR programs are realized internally by featuring those highest PCSR-contributing activities in corporate reports, newsletters and other channels of communication. Knowing where the greatest sensitivities exist for PCSR-destructive behaviors would allow organizations to place special safeguards in those areas and ensure that negative events do not call into question the CSR credibility of the organization.

Conclusions

This study revealed that transformational leadership, which is rooted in transcending personal interests for the greater good and raising followers to a stronger moral state, helps staff-level employees perceive the organization as socially considerate, which in turn adds to their feelings of organizational identification and affective organizational commitment. Transformational leadership provides an effective framework for responding to increased demands for CSR while also contributing to the high-value organizational outcomes of organizational identification and organizational commitment. PCSR positively influences organizational identification and organizational commitment adding to the documented benefits of implementing CSR programs and policies. These outcomes are valuable in maintaining firm competitiveness because they provide benefits such as attracting talent, gaining employee extra effort and retaining knowledge capital through low turnover. This research provides justification for leader training programs to emphasize transformational leadership skill development. Businesses led by transformational leaders that succeed financially while also contributing to the solutions needed for social and environmental problems will promote the organizational well-being that results from strengthened commitment of its members. The potential exists for a win-win outcome for business and society.

References

Aguinis, H. and Glavas, A. (2012), "What we know and don't know about corporate social responsibility: a review and research agenda", *Journal of Management*, Vol. 38 No. 4, pp. 932-968.

Allen, N.J. and Meyer, J.P. (1990), "The measurements and antecedents of affective, continuance and normative commitment to the organization", *Journal of Organizational Psychology*, Vol. 63, pp. 1-18.

Ashforth, B.E. and Mael, F. (1989), "Social identity theory and the organization", *Academy of Management Review*, Vol. 14 No. 1, pp. 20-39.

Ashforth, B.E., Harrison, S.H. and Corley, K.G. (2008), "Identification in organizations: an examination of four fundamental questions", *Journal of Management*, Vol. 34 No. 3, pp. 325-374.

Avolio, B.J. and Bass, B.M. (2004), *Multifactor Leadership Questionnaire: Manual and Sampler Set*, 3rd ed., Mind Garden, Redwood City, CA.

Baron, D.P., Harjoto, M.A. and Jo, H. (2009), "The economics and politics of corporate social performance", Stanford Graduate School of Business Research Paper No. 1993, available at: www.researchgate.net/publication/46479631_The_Economics_and_Politics_of_Corporate_Social_Performance.

Bass, B.M. (1999), "Two decades of research and development in transformational leadership", *European Journal of Work and Organizational Psychology*, Vol. 8 No. 1, pp. 9-32.

Bass, B.M. and Riggio, R.E. (2006), *Transformational Leadership*, Lawrence Erlbaum Associates, Mahwah, NJ.

Bass, B.M. and Steidlmeier, P. (1999), "Ethics, character, and authentic transformational leader behavior", *Leadership Quarterly*, Vol. 10 No. 2, pp. 181-217.

Bowen, D.E. and Ostroff, C. (2004), "Understanding HRM-firm performance linkages: the role of the strength of the HRM system", *Academy of Management Review*, Vol. 29 No. 2, pp. 203-221.

Brammer, S., Millington, A. and Rayton, B. (2007), "The contribution of corporate social responsibility to organizational commitment", *International Journal of Human Resource Management*, Vol. 18, pp. 1701-1719.

Burns, J.M. (1978), *Leadership*, Harper & Row, New York, NY.

Carmeli, A., Gilat, G. and Waldman, D.A. (2007), "The role of perceived organizational performance in organizational identification, adjustment, and job performance", *Journal of Management Studies*, Vol. 44 No. 6, pp. 972-992.

Carroll, A.B. (1979), "A three dimensional conceptual model of corporate social performance", *Academy of Management Review*, Vol. 4, pp. 497-505.

Carroll, A.B. (1998), "The four faces of corporate citizenship", *Business and Society Review*, Vol. 100 No. 101, pp. 1-7.

Cooper, D. and Thatcher, S.M.B. (2010), "Identification in organizations: the role of self-concept orientations and identification motives", *Academy of Management Review*, Vol. 35 No. 4, pp. 516-538.

Dhawan, V. and Mulla, Z.R. (2011), "The role of pay and leadership in developing organizational commitment", *South Asian Journal of Management*, Vol. 18 No. 2, pp. 60-75.

Dutton, J.E., Dukerich, J.M. and Harquail, C.V. (1994), "Organizational images and member identification", *Administrative Science Quarterly*, Vol. 39, pp. 239-263.

Dutton, J.E., Roberts, L.M. and Bednar, J. (2010), "Pathways for positive identity construction at work: four types of positive identity and the building of social resources", *Academy of Management Review*, Vol. 35 No. 2, pp. 265-293.

Dvir, T., Eden, D., Avolio, B.J. and Shamir, B. (2002), "Impact of transformational leadership on follower development and performance: a field experiment", *Academy of Management Journal*, Vol. 45 No. 4, pp. 735-744.

Farahani, M., Taghadosi, M. and Behboudi, M. (2011), "An exploration of the relationship between transformational leadership and organizational commitment: the moderating effect of emotional intelligence", *International Business Research*, Vol. 4 No. 4, pp. 211-217.

Fuller, J.B., Marler, L., Hester, K., Frey, L. and Relyea, C. (2006), "Construed external image and organizational identification: a test of the moderating influence of need for self-esteem", *The Journal of Social Psychology*, Vol. 146 No. 6, pp. 701-716.

Glavas, A. and Godwin, L.N. (2013), "Is the perception of goodness good enough? Exploring the relationship between perceived corporate social responsibility and employee organizational identification", *Journal of Business Ethics*, Vol. 114, pp. 15-27.

Glavas, A. and Kelley, K. (2014), "The effects of perceived corporate social responsibility on employee attitudes", *Business Ethics Quarterly*, Vol. 24 No. 2, pp. 165-202.

Greening, D.W. and Turban, D.B. (2000), "Corporate social performance as a competitive advantage in attracting a quality work force", *Business and Society*, Vol. 39, pp. 254-280.

Guarnieri, R. and Kao, T. (2008), "Leadership and CSR: a perfect match", *People and Strategy*, Vol. 31 No. 3, pp. 34-41.

Hansen, E.G. (2010), *Responsible Leadership Systems: An Empirical Analysis of Integrating Corporate Responsibility Into Leadership Systems*, Springer Publishing.

Harris, N. (2007), "Corporate engagement in processes for planetary sustainability: understanding corporate capacity in the non-renewable resource extractive sector", *Business Strategy and the Environment*, Vol. 16, pp. 538-553.

Hayes, A.F. (2009), "Beyond Baron and Kenny: statistical mediation analysis in the new millennium", *Communication Monographs*, Vol. 76 No. 4, pp. 408-420.

Hayes, A.F. (2012), "PROCESS: a versatile computational tool for observed variable mediation, moderation, and conditional process modeling", available at: www.afhayes.com/public/process2012.pdf (accessed 1 August 2015).

Hsieh, Y.H. and Chan, J.Y. (2012), "Corporate social responsibility: a concern among employees", *Human Systems Management*, Vol. 31, pp. 219-230.

Jackson, T.A., Meyer, J.P. and Wang, F. (2013), "Leadership, commitment and culture: a meta-analysis", *Journal of Leadership and Organizational Studies*, Vol. 20 No. 1, pp. 84-106.

Jaros, S. (2007), "Allen and Meyer model of organizational commitment: measurement issues", *The Icfal Journal of Organizational Behavior*, Vol. 6 No. 4, pp. 7-25.

Kark, R. and Shamir, B. (2002), "The influence of transformational leadership on followers' relational versus collective-self concepts", *Academy of Management Proceedings*, Vol. 2002 No. 1, pp. D1-D6.

Kark, R., Shamir, B. and Chen, G. (2003), "The two faces of transformational leadership: empowerment and dependency", *Journal of Applied Psychology*, Vol. 88 No. 2, pp. 246-255.

Lange, D. and Washburn, N.T. (2012), "Understanding attributes of corporate social responsibility", *Academy of Management Review*, Vol. 37 No. 2, pp. 300-326.

Mael, F. and Ashforth, B.E. (1992), "Alumni and their alma matter: a partial test of the reformulated model of social identification", *Journal of Organizational Behavior*, Vol. 13, pp. 103-123.

McWilliams, A. and Siegel, D. (2001), "Corporate social responsibility: a theory of the firm perspective", *Academy of Management Review*, Vol. 26 No. 1, pp. 117-127.

Meyer, J.P. and Allen, N.J. (1991), "A three-component conceptualization of organizational commitment", *Human Resource Management Review*, Vol. 1 No. 1, pp. 61-89.

Meyer, J.P., Stanley, D.J., Herscovitch, L. and Topolnytsky, L. (2002), "Affective, continuance, and normative commitment to the organization: a meta-analysis of antecedents, correlates, and consequences", *Journal of Vocational Behavior*, Vol. 61, pp. 20-52.

Orlitzky, M., Schmidt, F.L. and Rynes, S.L. (2003), "Corporate social and financial performance: a meta-analysis", *Organization Studies*, Vol. 24, pp. 403-441.

Pruzan, P. (2001), "Corporate reputation: image and identity", *Corporate Reputation Review*, Vol. 4 No. 1, pp. 50-64.

Shamir, B. and Kark, R. (2004), "A single-item graphic scale for the measurement of organizational identification", *Journal of Occupational and Organizational Psychology*, Vol. 77, pp. 115-123.

Shen, J. and Zhu, C.J. (2011), "Effects of socially responsible human resource management on employee organizational commitment", *The International Journal of Human Resource Management*, Vol. 22 No. 15, pp. 3020-3035.

Singh, J. (2004), "Rekindling the heart and soul of management", *Vikalpa*, Vol. 29 No. 2, pp. 55-66.

Sulley de Luque, M., Washburn, N.T., Waldman, D.A. and House, R.J. (2008), "Unrequited profit: how stakeholder and economic values relate to subordinates' perception of leadership and firm performance", *Administrative Science Quarterly*, Vol. 53, pp. 626-654.

Waldman, D.A., Siegel, D.S. and Javidan, M. (2006), "Components of CEO transformational leadership and corporate social responsibility", *Journal of Management Studies*, Vol. 43 No. 8.

Williams, E.S. (1994), "Tying up loose ends: the role of transformational leadership in OCBs, commitment, trust and fairness perceptions", *Unpublished Paper*, Southern Management Association, New Orleans, LA.

World Business Council on Sustainable Development (2000), *Corporate Social Responsibility: Making Good Business Sense*, WBSCD Publications, Geneva.

Zhu, W., Sosik, J.J., Riggio, R.E. and Yang, B. (2012), "Relationships between transformational and active transactional leadership and followers' organizational identification: the role of psychological empowerment", *Journal of Behavioral and Applied Management*, Vol. 13 No. 3, pp. 186-212.

Corresponding author

Tao Gong can be contacted at: tgong@umes.edu

www.manaraa.com

Reproduced with permission of copyright owner.
Further reproduction prohibited without permission.