# The Relationship between Corporate Social Responsibility and Employee Satisfaction: A case study of a State-owned enterprise in China.

**Name: Yu Qiao**

**Student ID Number: 2602300**

**International Development Department**

**College of Social Sciences**

**School of Government**

**Programme: MPA: Public Adminitration**

**Dissertation Supervisor: Dr. Maurice Beseng**

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**Abstract**

This paper mainly studies the impact of corporate social responsibility (CSR) on employee satisfaction in Chinese state-owned enterprises (SOEs). With the intensification of globaliza, this dissertation explores the impact of corporate social responsibility (CSR) of Chinese state-owned enterprises on employee satisfaction. With the intensification of globalization and market competition, CSR has become an important part of corporate sustainable development strategies. Especially in the context of China, its social responsibility practices not only affect corporate development, but also bear the responsibility of following extensive social research into corporate social responsibility. Divided into internal CSR (such as employee welfare and career development) and external CSR (such as social welfare and environmental protection). Using questionnaires to collect data, we conducted a study on CSR and employee satisfaction in a Chinese state-owned enterprise and analyzed the different impacts of different types of CSR on employee satisfaction.

Research results show that the CSR practices of Chinese SOEs have a significant positive effect in improving employee satisfaction. Internal CSR can significantly improve employees' job satisfaction and organizational identification. Although external CSR is helpful in improving corporate image, its direct impact on employee satisfaction is weak. In addition, the study also found that employees of different ages and job levels have different perceptions of CSR. Older employees and middle managers are more satisfied with CSR, which shows that companies need to consider the diversity and differentiated needs of employees when formulating CSR strategies. Based on this conclusion, this article puts forward corresponding countermeasures and suggestions to improve employee satisfaction and promote the coordinated development of enterprises and employees.

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# List of Abbreviation

| SOEs | State-Owned Enterprises |
|------|------------------------|
| CSR | Corporate Social Responsibility |

# Tables and figures

## Chapter 1: Introduction

### 1.1 Background

Corporate Social Responsibility (CSR) principles have long been integral to enlightened business practices (Jamali and Mirshak, 2007). In the context of globalization and increasing market competition, CSR has evolved into a crucial component of corporate sustainability strategies and has garnered growing interest across all sectors globally. Consequently, there is an increasing volume of scholarly research on CSR from around the world. Regardless of the social environment, economic system, or property rights structure of business organizations, enterprises are expected to take responsibility for their stakeholders and the environment while generating economic benefits (Carroll and Shabana, 2010). The concept of CSR is complex and varies significantly across regions with different levels of economic and social development, as well as diverse historical and cultural backgrounds (Athanasopoulou and Selsky, 2015). This has led to the development of distinct CSR rules and standards in various countries and regions. This thesis focuses on Chinese state-owned enterprises (SOEs). As the second largest economy in the world, China relies heavily on its SOEs, which are pillars of the national economy and play a pivotal role in economic development. The CSR practices of Chinese SOEs not only influence the enterprises themselves but also carry a unique mission in fulfilling social responsibilities, significantly impacting the broader society and economy (Zhu et al., 2016). Furthermore, compared to non-SOEs, Chinese SOEs exhibit unique characteristics in CSR implementation, such as alignment with government policies, heightened social responsibility requirements, and a strong commitment to social welfare.

As society and consumers increasingly focus on the ethical behavior and social contributions of businesses, corporate social responsibility (CSR) practices have become important not only for a company's social image and market position but also for the work attitudes and satisfaction of employees within the organization (De

Roeck et al., 2014). According to stakeholder theory, employees are key stakeholders of an organization, and their satisfaction is a crucial indicator of the quality of the internal environment and management, directly affecting productivity and innovation (Chi and Gursoy, 2009). For employees, work is not just about earning a salary to meet their personal financial needs; it is also about gaining respect, a sense of belonging, and realizing their values. Employee satisfaction is closely related not only to pay but also to meeting needs for personal achievement and value realization (Yeoman, 2014). Satisfied employees are more likely to approach their work and life with a positive attitude. As irreplaceable and valuable resources for the organization, improving employee satisfaction can help reduce turnover, build strong teams, and support positive growth (Mosadeghrad et al., 2008). The level of employee satisfaction directly impacts their work attitude and performance. Satisfied employees are more dedicated to their tasks, while dissatisfied employees may respond negatively to instructions or underperform. Therefore, companies should prioritize employee satisfaction, as it is closely linked to the company's stability, productivity, and innovation. Additionally, studies have shown that employees view CSR as an important factor when assessing a company's reputation and considering their future career development (Tangngisalu et al., 2020; Story et al., 2016). Thus, it is highly significant to study how CSR practices in Chinese SOEs affect employee satisfaction.

**1.2 Research Questions**

Firstly, although a large number of studies have explored the relationship between CSR and corporate performance, there is still limited research on how CSR specifically affects employee satisfaction, especially in the specific context of Chinese SOEs. Secondly, most of the existing studies related to CSR and employee satisfaction set CSR as a single construct (Barakat et al., 2016, Tziner et al., 2011). However, some studies have shown that employees can distinguish CSR according to different stakeholders rather than viewing it as a single concept (El Akremi et al., 2018). Therefore, this dissertation distinguishes CSR into internal CSR and external CSR when exploring the impact of CSR on employee satisfaction. Internal CSR refers

to the social responsibility actions of enterprises to employees, such as employee benefits and career development, while external CSR refers to the social responsibility activities of enterprises to society and the environment, such as social welfare and environmental protection (Kim et al., 2023), because these two different dimensions may affect employees' attitudes and behaviors through different channels and methods (Chen and Khuangga, 2021). Therefore, in order to address the research gaps mentioned above, the research questions of this study are:

1. How do CSR activities in Chinese state-owned enterprises (SOEs) affect employees' job satisfaction ?

2. Are there differences in the impact of different types of CSR activities on employee satisfaction?

## 1.3 Research Objectives and Methodology

The main objectives of this study are to explore the relationship between CSR and employee satisfaction in Chinese SOEs and to explore how their CSR practices affect employee satisfaction. At the same time, a survey is conducted to compare whether there are differences between internal CSR and external CSR in this process. To achieve this goal, this study will adopt a combination of qualitative and quantitative research methods. Specifically, after conducting a literature review to study the definitions and literature related to this dissertation, a questionnaire on employee perceptions of CSR and employee satisfaction is designed. The next step is to collect questionnaire survey data from employees of the surveyed Chinese SOEs. Subsequently, the quantitative and qualitative data from the questionnaire survey results are analyzed separately to test the relationship between CSR and employee satisfaction, and to analyze the different effects of internal and external CSR on employees. Through this study, this paper hopes to provide empirical evidence and policy recommendations for Chinese SOEs in fulfilling their social responsibilities and improving employee satisfaction, and also provide experience that can be learned from SOEs in other developing countries.

## 1.4 Structure

This paper is structured as follows: the second section will review the definitions, theories and empirical studies related to CSR and employee satisfaction, the third section will detail the research design and methodology of this study, the fourth section will describe the data analysis process in detail, the fifth section will present the findings and discuss them, and the final section will summarise the full paper and provide policy recommendations and future research directions.

# Chapter 2: Literature Review

This literature review will begin by defining the relevant concepts, including corporate social responsibility (CSR) and employee satisfaction. It will then explore the relationship between CSR and employee satisfaction, examine the theoretical frameworks used to explain CSR and employee satisfaction, and establish the research gap and justify this study by systematically combing through the existing research on the relationship between CSR and employee satisfaction, with a particular focus on Chinese SOEs.

## 2.1 Definition and Theoretical Framework of Corporate Social Responsibility

The term CSR is viewed as an umbrella concept and is still searching for a universally accepted definition that encompasses all concepts related to sustainable, responsible, and ethical business practices (Chakraborty, 2015). Although there is no single, widely accepted definition of CSR (Hamidu et al., 2015), it generally refers to transparent business practices based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment (Chakraborty, 2015). This means that while companies pursue economic benefits, they take the initiative to assume responsibility for their employees, communities, and the environment. This definition is suitable for this study because it covers both internal and external CSR. This paper divides CSR into two categories: CSR for internal and external stakeholders (Farooq et al., 2017). To make this study clearer, this paper specifies that internal CSR is the company's social responsibility actions for "employees", while external CSR is CSR-oriented activities for "community" and "environment" (Cheah and Lim, 2023). This is very relevant to one of the research questions of this paper: Are there differences in the impact of different types of CSR activities on employee satisfaction?

As society pays more and more attention to CSR, more and more companies, especially Chinese SOEs, are actively fulfilling their social responsibilities to enhance their corporate image in order to enhance their market competitiveness and long-term

sustainable development. This section sorts out the three theoretical frameworks needed for studying CSR.

The first point is the stakeholder theory (Freeman et al., 2010). The stakeholder theory believes that a company is a series of contracts formed with various stakeholders, and is the result of negotiations and transactions among various stakeholders. Whether it is investors, managers, employees, customers, suppliers, or government departments, communities, etc., they have made dedicated investments in the company and bear the risks brought about by it. Therefore, in order to ensure the sustainable development of the enterprise, in addition to shareholders, the enterprise should also be responsible to other stakeholders, and take into account the interests of internal and external stakeholders in the process of corporate governance.

The second theory that needs to be used is the theory of sustainable development. The theory of sustainable development refers to development that meets the needs of contemporary people without endangering the ability of future generations to meet their needs. It takes fairness, sustainability and commonality as the three basic principles. Considering the theory of sustainable development in corporate governance means that while pursuing economic interests, enterprises must also consider their impact on the environment and society (Wilburn and Wilburn, 2014). Enterprises should achieve coordinated development of the environment, society and economy by rationally utilizing resources and reducing pollution.

The third theory is the theory of corporate social performance. The theory of corporate social performance is a study of the performance of enterprises at the level of social responsibility. It covers the responsibilities of enterprises in terms of economy, law, ethics and voluntary discretion. The theory measures the fulfillment of social responsibilities by evaluating the actions of enterprises in environmental protection, social welfare and employee welfare (Wood, 2010).

In this study, the stakeholder theory will be used to analyze how enterprises balance and meet the needs of different stakeholders, especially employees, when fulfilling

their social responsibilities. At the same time, the corporate social performance theory will be used to evaluate the actual performance of Chinese SOEs in different dimensions of CSR. Through these two theories, it can help analyze how enterprises can improve employee satisfaction by meeting employee needs and improving social performance. In addition, the reason why the sustainable development theory is used in this paper is to help understand how enterprises promote environmental and social sustainable development through external CSR activities, and then affect employee satisfaction. Therefore, the sustainable development theory plays an important role in exploring whether the investment of enterprises in environmental protection and social welfare can enhance employees' pride and organizational identification, thereby improving employee satisfaction. The stakeholder theory and sustainable development theory help to explore how enterprises affect employees' satisfaction with the enterprise when conducting internal CSR (such as employee benefits and career development, etc.) and external CSR (such as environmental protection and social welfare, etc.).

## 2.2 Corporate Social Responsibility in China

The concept of CSR was first proposed by Western countries and widely spread. With the development of the global economy, the concept of CSR has gradually been valued and promoted in China. Especially with the significant growth of China's economy, which has brought serious pollution to the environment, international customers are increasingly requiring suppliers to undergo CSR audits (Tang, 2012). In addition, consumers and media organizations are also increasingly demanding CSR, especially after the Sanlu Group's "poisonous milk" scandal that emerged in 2008 (Zhao et al., 2019). Therefore, in recent years, Chinese companies have faced pressure from the world, and the concept of CSR has been increasingly valued, and China's CSR participation has been watched by stakeholders, investors, the government, and many academic researchers. However, a review of the literature shows that such survey articles rarely pay attention to the ownership type of enterprises when conducting research (Kao et al., 2018). Most of these articles study China's CSR and

pay little attention to whether these enterprises are state-owned or non-state-owned, but it is obvious that there is a gap between the two in the implementation of CSR (Wei, 2021).

The government plays a key role in promoting the development of CSR in China. The Chinese government promotes companies to fulfill their social responsibilities through a series of policies and regulations. For example, the new "Company Law" promulgated in 2006 clearly stipulates that companies must assume social responsibilities while pursuing economic benefits. In addition, the Social Responsibility Guidelines for SOEs issued by the State-owned Assets Supervision and Administration Commission (SASAC) in 2008 further consolidated the motivation of Chinese enterprises to adopt CSR (Tan-Mullins and Hofman, 2014).

**2.3 Social Responsibility of Chinese State-owned Enterprises**

The Chinese government is the main owner of SOEs, and SOEs are the main body of the Chinese economy (Tang et al., 2018). Compared with non-SOEs that only need to be accountable to core stakeholders, SOEs must bear broader responsibilities to stakeholders across the country, which means that SOEs are subject to both government policies and higher social expectations. stress (Li and Sasaki, 2023). Due to the special government background of SOEs, as a combination of publicity and enterprise, Chinese SOEs usually have unique advantages and challenges when fulfilling social responsibilities. As the main body of China's economy, SOEs are most obviously affected by political interference in China's CSR (Kao et al., 2018). First, SOEs are subject to stricter supervision than private enterprises. For example, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) regularly publishes social responsibility reports on SOEs and evaluates and ranks companies' social responsibility practices. This supervision and assessment mechanism promotes the continuous improvement and improvement of SOEs in fulfilling social responsibilities. This mechanism also means that SOEs need to do a better job in fulfilling their social responsibilities. Therefore, Chinese SOEs

are playing a leading role in implementing and promoting CSR in China (Zhu et al., 2016). Secondly, since SOEs enjoy government support, they can obtain more funds, resources and policy support when fulfilling their social responsibilities. Next, we will discuss the company's internal CSR and external CSR from two dimensions.

Regarding internal CSR, the Chinese government has very clear requirements and support for SOEs in terms of employee welfare, career development and working environment. For example, the Labor Law and Labor Contract Law promulgated by the government provide SOEs with a complete employee security system. Moreover, SOEs can provide a relatively stable employment environment and long-term career development prospects, making employees more loyal to the enterprise and helping to improve employee job satisfaction. Furthermore, due to the resources and financial support provided by the Chinese government, SOEs are able to make large-scale investments in employee training, health security and welfare benefits. For example, many SOEs can provide extensive vocational training and development programs to help their employees improve their skills and professional competitiveness.

Then there is external CSR. SOEs have close relationships with government departments and social organizations, and can more effectively participate in external CSR activities such as social welfare and environmental protection. Moreover, SOEs can alleviate social conflicts to a certain extent and promote social harmony and stability by performing external CSR (Li and Belal, 2018), which is also the government's macro-control goal. For example, China National Petroleum Corporation has carried out poverty alleviation projects in many impoverished areas in China, including assisting in the construction of schools, hospitals and infrastructure, and helping local economic development to achieve the purpose of alleviating poverty. Moreover, since the government is the main owner of China's SOEs, its performance on CSR also affects its stakeholders' views of the country to a certain extent. Therefore, actively fulfilling corporate social responsibilities can not only enhance the public image of the company, but also enhance the international reputation of the Chinese government. On the contrary, if Chinese SOEs ignore

corporate social responsibilities in overseas projects, it will lead to environmental damage or labor disputes and other problems. , it will damage China's international image (Jones and Zou, 2017). This is one of the reasons why SOEs are subject to more CSR supervision from the government. At the same time, the government's financial, resource and policy support for SOEs is the reason why SOEs can better perform external CSR. For example, the government supports the development of wind energy, photovoltaic and hydropower projects of China Huaneng Group Corporation through subsidies and preferential loan policies, promoting it to fulfill its environmental protection and green development responsibilities and reduce carbon emissions.

## 2.4 Definition of employee satisfaction

Employees are the main internal stakeholders in an enterprise (Chen et al., 2020). The concept of employee satisfaction was first proposed by Hoppock in 1935. He believed that employee satisfaction is the attitude and opinion of employees towards the work itself and the work situation, including the psychological and physiological satisfaction of employees with environmental factors. Employee satisfaction is an important indicator for measuring the internal management level and employee happiness of an enterprise. Every successful organization is backed by a loyal employee base, and loyalty is the result of employee motivation and job satisfaction (Varma, 2017). Improving employee satisfaction means improving employee work enthusiasm and creativity, and at the same time preventing employee turnover due to decreased job satisfaction. Proactive and satisfied employees will be committed to achieving organizational goals; in turn, organizations must also show similar commitment to employee goals (Varma, 2017). Therefore, it is very important for corporate managers to explore the reasons that affect employee satisfaction, especially the role of CSR in it. By understanding the definition of employee satisfaction, we can better combine the CSR-related theories mentioned above to help this paper conduct research. For example, how the stakeholder theory affects employee satisfaction by meeting employee needs requires a clear definition of employee satisfaction as a basis.

Moreover, defining employee satisfaction helps the measurement and evaluation criteria of this study. By understanding the different dimensions of employee satisfaction, such as work environment, psychological satisfaction, and employee benefits, it lays the foundation for designing more effective questionnaires and data analysis methods for subsequent research.

## 2.5 The impact of corporate social responsibility on employee satisfaction

As independent individuals that make up the enterprise, employees have strong "self-cognition" and "self-realization" needs (He et al., 2024). In the process of self-cognition, employees often use corporate organizations as classification clues (Dutton et al., 1994). Therefore, the salience of corporate characteristics is an important factor affecting employees' identification of corporate identity, and CSR can reflect the unique characteristics of the enterprise to a certain extent, so CSR makes the enterprise more salient to employees, thereby accelerating the process of employees' identification of corporate characteristics. Through this process, employees feel that their personal values are integrated with the company's values. Therefore, CSR activities can enhance employees' sense of identity and belonging to the enterprise. Many studies have shown that good CSR performance can improve corporate reputation, motivate employees, gain employees' psychological identification with the company, and ultimately make employees more satisfied with the company and their work (Branco and Rodrigues, 2006). As Gazzola and Mella (2017) said, CSR may be underestimated in improving employees' reputation and thus improving their motivation and engagement. By carrying out social responsibility activities, including caring and taking care of employees, companies can create a corporate culture that is full of understanding, care and support for employees. For example, more participatory organizational governance, training and volunteer service programs provided by companies create various learning opportunities for employees and trigger the development process of employees' abilities, skills and knowledge. CSR activities improve employees' commitment and learning process, thereby improving employees' skill level and efficiency. CSR enables employees to have

stronger organizational commitment, which is defined as "the relative strength of an individual's identification and involvement with a particular organization" (Mowday et al., 2013). At the same time, better attention to employee health can also motivate employees to better engage in work. China Huaneng Group is a good example. While promoting green energy projects, it also pays attention to employee health and provides comprehensive health checks and medical insurance plans.

CSR can also inspire employee engagement. Studies have found that when organizations support employees, they feel obligated to give back because they believe that the organization is fair and respond positively (Zhang et al., 2008). Moreover, participating in specific CSR activities can meet employees' psychological needs, enhance the meaning of their work, and employees will be more willing to work for a company that focuses on social responsibility (Nazir et al., 2021). This effect is particularly evident for employees of SOEs. This is because due to the public attributes and social roles of SOEs (Garde Sánchez et al., 2017), employees of SOEs tend to have a higher sense of social responsibility and mission than employees of non-SOEs, and believe that enterprises should play a role in economic development and social progress. Participating in CSR activities can enable employees to gain a sense of accomplishment and satisfaction that is not related to work, and make employees aware of the meaning of their work (Chen and Chen, 2008), thereby increasing their motivation and enthusiasm for work.

In addition, the social responsibility activities of SOEs can strengthen internal and external communication and cooperation. By implementing CSR activities, enterprises not only strengthen cooperation with external stakeholders, but also strengthen communication and cooperation with employees (Lim and Greenwood, 2017). Increased communication and cooperation can improve the working environment and enhance employee satisfaction with the enterprise. For example, when China Railway Corporation was building a high-speed rail project, it carried out a number of community interaction activities and established good communication channels with local residents and government departments. This not only helped the

smooth progress of the project, but also strengthened communication and cooperation between the enterprise and employees, and enhanced the cohesion and spirit of cooperation of the team. It can also effectively shape corporate culture and values. The active fulfillment of social responsibility by enterprises needs to be rooted in corporate culture and values. Through the practice of CSR, enterprises convey a corporate culture and values that are positive, concerned about society, and love the environment. This will influence and guide the behavior of employees, thereby improving employee satisfaction to a certain extent.

## 2.6 Corporate social responsibility and employee satisfaction

This section will review relevant research on CSR and employee satisfaction, with special focus on research in the Chinese context. Turker (2009) found that there is a significant positive correlation between employees' perceptions of CSR behaviors and their job satisfaction. This study is based on a questionnaire survey of employees of several large companies in Turkey. The results show that the better the employees believe that the company's performance in environmental protection, social welfare and ethics, the higher their job satisfaction. This proves that external CSR has a positive impact on employee satisfaction. Stancu et al. (2011) used quantitative research methods to analyze the impact of CSR on employee attitudes. In the study, they found that employees believe that respect for employee rights, fair wages and job safety are the keys to building an employer brand, and most of them Most employees believe companies should be responsible for social and environmental issues. Chang et al. (2021) showed in their research that for companies, participating in social responsibility activities can help reduce employee turnover rates, which in turn affects the company's financial performance and employee satisfaction through changes in employee satisfaction caused by CSR. The higher it is, the better the company's financial performance.

Different dimensions of CSR have different effects on employee satisfaction. In their research, Chatzopoulou et al. (2022) emphasized the importance of external CSR in

improving employee satisfaction and organizational commitment, and also pointed out the auxiliary role of internal CSR in enhancing the effects of external CSR. External CSR includes the company's activities in social welfare, environmental protection, community development and other aspects. These activities not only help to enhance the company's social image, but also make employees feel proud and recognized. Research shows that external CSR activities can significantly enhance employees' trust and loyalty to the company, thereby improving employees' job satisfaction and organizational commitment. However, research also points out that relying solely on external CSR cannot fully exert its effect, and it needs to be combined with the support of internal CSR to achieve the best results.

Although Chatzopoulou et al. (2022) believe that internal CSR has no significant impact on work attitudes or work behaviors, other studies have reached different conclusions. In their 2019 study, Chan and Hasan adopted the global CSR pyramid and performance model revised by Carroll (2004) and combined it with the CSR dimensions developed by Mohd Hasan (2013). The findings were that internal CSR practices are important for improving the performance of Malaysian banks. Job satisfaction among professional employees is crucial. Internal CSR includes the company's measures in employee welfare, career development, working environment and fair treatment, etc. These measures directly affect employees' daily work experience and psychological feelings. Chan and Hasan believe that internal CSR is an important predictor of employee job satisfaction.

In China, the role of CSR in SOEs has received increasing attention, and research on CSR and employee satisfaction has increased in recent years. Many studies have shown that there is a clear positive relationship between CSR and employee satisfaction. For example, Hu et al. (2019) found in a study of Chinese SOEs that CSR behaviors can significantly improve employee satisfaction. This is mainly because CSR behaviors, such as providing good working conditions, protecting employees' rights and interests, and participating in community welfare, can increase employees' sense of happiness, belonging and loyalty, thereby improving their job satisfaction. In

addition, research by Chen and Khuangga (2021) shows that different dimensions of CSR have different impacts on employee satisfaction. They found that internal CSR has a more direct and significant impact on employee satisfaction, while external CSR affects employee satisfaction more indirectly by improving corporate reputation. However, there are also research results showing that companies adopt CSR for many reasons, but many of these reasons are externally focused (Xiao et al., 2020). In other words, some companies have high-profile external CSR activities but have relatively poor internal practices. Liu's research shows that employees in innovative or supportive organizational cultures are more satisfied than employees in bureaucratic organizational cultures (Liu et al., 2017). The culture of Chinese SOEs is usually considered to be bureaucratic (Yu and Nengquan, 2011), so it is worth studying whether employee satisfaction will change due to the organizational culture affected by CSR practices.

## 2.7 Conclusion

In summary, through the review and analysis of existing literature, it is clear that CSR has a positive impact on employee satisfaction through multiple channels. In the Chinese context, especially in SOEs, the impact mechanism of CSR is more complex. First, government policies play an important role in promoting the implementation of CSR by SOEs, which not only standardizes the CSR behavior of enterprises, but also improves employees' awareness and expectations. Secondly, the CSR practices of Chinese SOEs include not only external CSR, such as social welfare and environmental protection, but also internal CSR, such as employee welfare and career development. Different dimensions of CSR have different impacts on employee satisfaction. External CSR indirectly improves employee satisfaction by improving the company's social image and employees' sense of organizational identity; internal CSR significantly improves employee satisfaction by directly improving employees' working conditions and welfare benefits. of job satisfaction and engagement.

Empirical research shows that companies can effectively improve employee job satisfaction and overall performance by comprehensively using internal and external CSR measures in CSR practices. However, there are also some shortcomings in existing research. A review of the literature found that previous studies focusing on state-owned CSR less discussed internal stakeholders of the company, such as employees, and more scholars were more interested in the impact of CSR on its external stakeholders. Although some scholars have studied the relationship between CSR and employee satisfaction, however, few studies have focused on the special context of Chinese SOEs. Therefore, this study is of practical relevance considering these gaps.

## Chapter 3: Methodology

After reviewing the existing primary literature, this chapter will discuss the methodology used in this dissertation. Firstly, this chapter will describe the research design of this dissertation and the reasons for choosing the research methodology. It will then discuss the sample selection, data collection and analysis methods used in this dissertation. Finally, ethical issues and limitations that may arise in the study will be discussed.

### 3.1 Research Design

This dissertation will use a combination of quantitative and qualitative research methods to collect data through questionnaires. At the beginning of the study, online interviews as a research method was also considered. However, whilst online interviews allow for in-depth exploration and allow for the collection of richer descriptive data, they also bring with them the disadvantages of time-consuming analysis and lack of standardisation (Beatty, 1995). Therefore, this dissertation adopted a questionnaire to survey employees of a state-owned enterprise in China. The questionnaire was based on closed-ended questions, to which appropriate open-ended questions were added, where the closed-ended questions in the questionnaire were used to quantify employees' perceptions of CSR and satisfaction, providing quantitative data, while the open-ended questions were used to gain insights into the specific opinions and suggestions of the employees (Jenn, 2006), which meant that it was possible to add details and emotions that could not be captured by the quantitative data. The questionnaire could therefore strike a balance between structure and flexibility, ensuring that respondents could express themselves outside of the fixed options, which would allow for a more holistic perspective to be gained from the research. By doing so an attempt was made to answer the Research Question for this dissertation:

1. How do CSR activities affect employees' job satisfaction?

2. Are there differences in the impact of different types of CSR activities on employee satisfaction?

**3.2 Data Collection**

The data collection process for this dissertation included questionnaire design, sample selection, data collection and organization. Each part of data collection will be discussed in detail next in turn.

**3.2.1 Questionnaire Design**

This paper uses a questionnaire survey, which includes closed questions and open questions. First, before the questions begin, in order to ensure that all participants can correctly understand the questions, they are explained the definition of CSR and how to distinguish between internal and external CSR at the beginning of the questionnaire to avoid ambiguity when filling out the questionnaire. Similarly, when designing questions, expressions that are easy for participants to understand are used as much as possible, and examples are added when necessary to help participants understand the questions, so as to get more accurate answers (Holtgraves, 2014). Therefore, the questionnaire design is divided into two parts: the first part is 15 multiple-choice questions. In addition to basic information, the questionnaire uses the Likert scale method. When participants choose to strongly agree, it is recorded as 5 points; when they agree, it is recorded as 4 points; when they are average, it is recorded as 3 points; when they disagree, it is recorded as 2 points; when they strongly disagree, it is recorded as 1 point. This allows participants to choose the option that best suits their feelings, allowing participants to further refine their opinions and attitudes. Moreover, the answers to multiple questions on similar topics can be mutually verified, which means that the reliability and validity of the data are improved (Joshi et al., 2015). The second part consists of two open questions, namely:

1. Please give an example of a corporate social responsibility activity within the company (such as employee benefits, training, etc.), and describe its impact on your job satisfaction.

2. Please give an example of a corporate social responsibility activity outside the company (such as environmental protection, community contribution, etc.), and describe its impact on your overall impression of the company.

These open questions allow respondents to express their ideas in their own words without being restricted by structured questions and options, and can provide their true feelings and attitudes. Through qualitative data, the unique perspectives of different respondents can be better understood, thereby enhancing the comprehensiveness and credibility of this study.

### 3.2.2 Sample Selection

In order to select the sample for this study, purposive sampling method was used to select 17 employees with different working years and positions in the investigated companies as the research subjects to ensure the diversity and representativeness of the data. In the sample selection process, the age and working years of the employees were considered first. New employees with short working years, employees with medium working years and senior employees with long working years were included in the study population. New employees are likely to be more interested in the company's onboarding training and early career development opportunities, while senior employees are likely to have a deeper insight into the company's long-term development and personal career growth. By covering employees with different working years, it is possible to gain a comprehensive understanding of the impact of corporate CSR policies on employee satisfaction at different stages.

Secondly, the sample selection also considered the positional level of employees, specifically including front-line employees, middle management and top management. These three levels of employees were chosen to ensure that the study could obtain the

views and experiences of employees from different levels so that the results obtained would be more representative. Specifically, frontline employees are usually directly involved in the day-to-day operations of the organization and can provide first-hand information on the implementation and impact of CSR practices; middle managers play a key role in the implementation of the company's plans and policies, and their feedback can reflect the actual application of CSR policies and the response of the employees; and senior managers are responsible for the overall strategy and decision-making of the organization, and their perspective is more unique and may provide a more representative picture of what other employees are doing. Top management is responsible for the overall strategy and decision-making of the company, and their perspective is more unique and may provide information that other employees are not aware of.

In practice, the basic information of employees is first obtained from the HR department of the enterprise, and potential research subjects are screened according to the pre-set criteria of hierarchy and years of experience. Then, the HR counterpart of the enterprise contacts these potential subjects, explains to them the purpose and content of the study in detail, and solicits their willingness to participate. For employees who agreed to participate, a questionnaire was sent to them online and they were invited to complete it.

### 3.2.3 Data collection and collation

Participants should answer the questionnaire in the language they are most proficient in (Jenn, 2006). As the participants were all from China, the questionnaires were all translated from English to Chinese before the survey started. The questionnaires were then distributed online. In order to increase the recovery rate, the research team explained in detail the purpose and importance of the study when distributing the questionnaires and promised to keep the respondents' personal information strictly confidential. After the questionnaires were collected, they were first preliminarily screened and sorted to eliminate invalid questionnaires (e.g., unfinished

questionnaires or questionnaires that were obviously not answered seriously). Next, the Chinese responses of the valid questionnaires will be translated into English, especially the open-ended sections. Since the researcher's native language is Chinese, it can be virtually certain that there will be no misunderstanding of the answers to the questionnaires, and the translation process will ensure that the respondents' meanings are expressed as accurately as possible.

## 3.3 Data Analysis

Since this study uses a combination of quantitative and qualitative research methods, the data analysis section will use different methods to analyze quantitative data and qualitative data. Quantitative data mainly comes from closed questions in the questionnaire, while qualitative data is collected by open questions in the questionnaire.

### 3.3.1 Quantitative Data Analysis

Quantitative data are analyzed using descriptive statistical methods, such as frequency distribution and percentage calculation, to determine the attitudes and perceptions of different groups towards CSR activities. Subsequently, correlation analysis is used to study the relationship between different types of CSR activities and employee satisfaction.

### 3.3.2 Qualitative Data Analysis

Qualitative data were analysed using content analysis. Firstly, all the responses to the open-ended questions were collated and transcribed into text, and then preliminary coding was carried out to identify the recurring themes and keywords, so as to derive the major themes and patterns therein, and finally, by analysing each theme in detail, the key representative ideas and theories related to the RESEARCH QUESTION were distilled through comparison and syndissertation.

### 3.4 Ethical Consideration

The principles of voluntary participation and confidentiality of information were followed at all times throughout the study to ensure ethical norms of the study. In order to guarantee the participants' right to informed consent, it was ensured that the participants were fully aware of the nature of the study and voluntarily agreed to participate. This was done by clearly and in detail explaining to participants the purpose of the study, the voluntary nature of participation, the potential risks and how their data would be handled before the survey began. Participants were given the opportunity to ask their questions before consenting to participate. Also, as the respondents were all employees from Chinese SOEs, this had to take into account the political positioning of SOEs in China and their specificities (Yu, 2014). This is because participants may be concerned about involving some politically sensitive issues. Therefore, in the research design, questions for interviews and questionnaires are carefully selected to ensure that they are academically relevant and not politically sensitive (Yu, 2014). More, in order to encourage participants to provide honest feedback, it is crucial to safeguard the confidentiality and anonymity of the participants, so anonymity will be strictly guaranteed during the survey process, and no personal information of the participants and the content of their completed questionnaires will be disclosed. After the data is obtained, it will be used for research purposes only and not open to the public. At the end of the study, the data will be stored properly or destroyed, depending on the wishes of the participants. By doing the above, it can be ensured that this survey will not have a negative impact on individuals and companies.

## 3.5 Limitation

Despite trying to be as all-encompassing as possible in the design and execution of this study, there are still some unavoidable limitations that may affect the accuracy and generalisability of the results. This sub-section will elaborate on the main limitations of this study.

### 3.5.1 Sample size and representativeness

Only 17 employees of a state-owned enterprise are selected as the research subjects in this study, although employees from different job levels are selected in order to improve the representativeness of the research results, it is still difficult to avoid the problems brought by the small sample size, that is to say, the data obtained may not be able to represent the opinions of all the employees of the whole enterprise.

### 3.5.2 Research Scope

Due to time and resource constraints, this study is limited to one Chinese state-owned enterprise, so the generalisability of the findings needs to be further verified. This is because factors such as industry, size and geography may make differences in the relationship between their CSR and employee satisfaction (Redfern and Crawford, 2010).

### 3.5.3 Questionnaire design

This study used a questionnaire containing both closed-ended and open-ended questions. The closed questions, whilst quantifying employees' perceptions of CSR and satisfaction, may not provide a full picture of what employees really think and feel due to the limited number of pre-set questions. With regard to open-ended questions, although this provides employees with the opportunity to express their personal views, the accuracy and consistency of data analyses may be compromised due to the subjectivity of the responses and differences in the quality of the responses.

### 3.5.4 Data analysis methods

In terms of data analysis, although quantitative analysis can reveal the relationship between variables, this is only an analysis of limited research data, and there may be inadequate explanations for the impact of complex social phenomena. Regarding qualitative analysis, the content analysis method used in this dissertation relies heavily on the subjective judgement of the researcher, and although multiple validations and comparisons are made during the coding and analysis process, there is still no

guarantee that the influence of personal bias can be completely avoided (Bengtsson, 2016).

### 3.5.5 Language and cultural differences

The participants in this study were employees from China, which meant that Chinese was required to be used when administering the questionnaire to the participants. Therefore, during the questionnaire design and data collection process, all questions and responses needed to be translated between Chinese and English. Although every effort will be made to ensure the accuracy of the translation, some subtle cultural differences and language habits may lead to loss or misunderstanding of information.

### 3.6 Conclusion

This chapter has detailed the research design, data collection, data analysis, ethical considerations and research limitations of the dissertation, and despite some limitations, overall the design and methodology of this study provides a solid foundation for the findings presented in the next chapter. The next chapter will focus on presenting and analysing the findings of this study, discussing in detail the relationship between social responsibility and employee satisfaction in Chinese SOEs through quantitative and qualitative data analysis.

# Chapter 4: Findings and Analysis. Impact of CSR Activities on Employee Job Satisfaction

This chapter gives analysis of results of a survey concerning the impact of CSR activities on employee job satisfaction. The analysis is structured around key themes that emerged from the data, with a focus on how these findings relate to the literature review, questionnaire design, and the methodological framework employed in this study.

## 4.1 Social Characteristics of the Participants

Employee responses were collected through the survey comprised of 17 employees of different ages, working tenures, and designations. Most respondents 45% (7) were aged 36-45, indicating a mature workforce with extensive experience. A significant portion 38% (6) had been with the company for 4-6 years, reflecting a stable workforce with deep organizational knowledge. Middle management made up the largest group 40% (6), highlighting that the feedback largely comes from individuals with substantial influence and decision-making roles.

Having these demographic details is important whenever one needs to explain CSR activities from the perception of different segments of employees. Employees' perception of CSR can thus be influenced by age, tenure, and position of the employees as witnessed by Turker (2009). With older and tenured workers showing strong alignment to CSR initiatives and organizations values.

## 4.2 Awareness and Perception of CSR Activities

The survey has revealed that a large proportion of the respondents have considerable awareness of the company's CSR programs. Regarding CSR policies, 85% (14) of respondents confessed that they had heard something about it, which allows them to conclude that these initiatives are rather publicized and recognizable in the company. This is in line with the literature in that internal communication is widely accepted to

boost employee communication with CSR programs (Bhattacharya, Sen, & Korschun, 2008).

Figure 1 (a): Distribution of responses regarding awareness of CSR activities



Figure 1 (b): Awareness of CSR Activities



The findings also indicated that employees have a favorable attitude towards the company's CSR activities; 70% (12) of the respondents believed that such activities were consistent with their values and contributed to organizational citizenship behavior or OCB. This match between personal and organizational values is important as highlighted in the literature review done by (Kim, Lee, Lee, and Kim, 2010) because it increases job satisfaction and reduces turnover intention.

**4.3 Impact of Internal CSR Activities**

Internal CSR activities, such as compensation, working conditions, training and learning, and health and safety of the employees were responded to positively for internal CSR. For instance, 78% (13) of the employees responded positively on the

issue of benefits for employees while <mark>82% (14)</mark> said that the environment was safe and suitable for work. These findings are consistent with the design of the questionnaire where the internal CSR indicators were related to day-to-day job satisfaction.

Table 1: Summary of responses to employee benefits

Q5 - Internal Corporate Social Responsibility Please select your level of agreement based on the following statements (1=Strongly Disagree, 2=Disagree, 3=Average, 4=Agree, 5=Strongly Agree). 5.  The company provides good employee benefits (e.g., wages, bonuses, holidays, etc.).
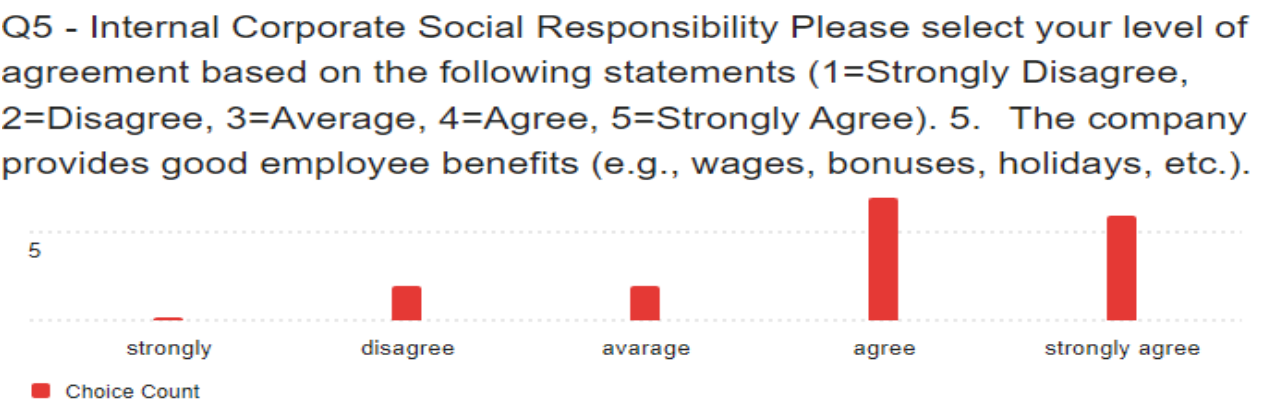


The fact is that all these results point to the notion that internal CSR activities are well accepted within the organization and significantly contribute to the overall job satisfaction of the employees. The literature backs this up, stating that when organizations ensure they invest in the human resource assets they acquire, the resultant effects are enhanced levels of motivation, organizational commitment, and job satisfaction (Aguinis & Glavas, 2012).

**4.4 Impact of External CSR Activities**

Social responsibilities that are done outside the organization like environmental conservation, business ethics, and social responsibility to the society were also embraced with equal but less approval compared to internal CSR. About <mark>47% (8)</mark> of respondents responded that the company provides information about its environmental protection initiatives; a fair number said that the company adhered to business integrity.

Figure 2: Illustrates the responses related to external CSR activities

Q9 - External Corporate Social Responsibility Please select your level of agreement based on the following statements (1=Strongly Disagree, 2=Disagree, 3=Fairly, 4=Agree, 5=Strongly Agree). 9. The company actively participates in environmental protection (e.g., reducing pollution, energy saving, emission reduction, etc.).

fairly [29%]   agree [47%]   Strongly agree [24%]

■ 0%  ■ 0%  ■ 29%  ■ 47%  ■ 24%

Q11 - 11. The company adheres to the integrity of the business (e.g., fair trade, law-abiding business, etc.).

5

strongly disagree    disagree    fairly    agree    Strongly agree

■ Choice Count

Q10 - 10. The company has made positive contributions to the community (e.g. donations and contributions, support for community activities, etc.).

fairly [35%]    agree [18%]    Strongly agree [41%]

The degree of agreement with external CSR activities was a little lower, and it can be explained by the perception that such activities are not directly connected to the employee's responsibilities. External CSR may only improve the organization's image but the effects of CSR on job satisfaction may not be as strong as in internal CSR activities Brammer et al. (2007).

**4.5 Correlation Between CSR Activities and Job Satisfaction**

According to the findings of the cross-sectional survey conducted, CSR discriminates against job satisfaction. 35% (6) out of 17 respondents asserted that the CSR activities of the company have enhanced their satisfaction in their place of work. This is especially the case because it highlights how CSR is also capable of transforming the work environment while enhancing workers' sense of identification with the organization.

Table 2: A breakdown of the impact of CSR on job satisfaction



Q14 - 14. CSR activities within the company have increased my job satisfaction.
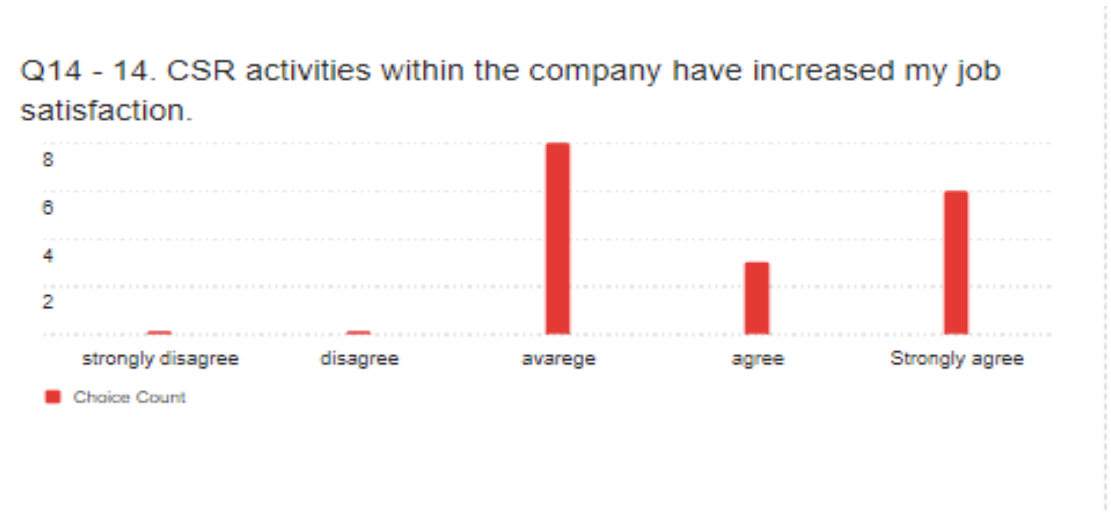
As literature review identified that CSR activities when realized as truly motivated and in harmony with employees' norms, do increase job satisfaction levels and reduce turnover intentions (Rupp et al., 2013). This survey's results are consistent with this, showing that perceptions of organizational social responsibility predict organizational commitment.

**4.6 Open-Ended Responses: Qualitative Insights**

The questions allowed for generating qualitative data in terms of more detailed descriptions of particular CSR projects employees thought to be important. Some of the major themes that appeared touched on issues to do with flexibility at work, well-being support, and training and development. This is the main positive effect that workers conveyed regarding these programs: they not only enhance work satisfaction but also make work a more positive aspect of workers' lives.

These qualitative findings are in concordance with literature that advocates for a more personal and more flexible kind of CSR intervention that can leave a deep positive impact on employees' health and happiness indices (Story & Neves, 2015). Further, commitment to mental health and work-life balance also signifies another emerging trend in CSR, the trend that brings an outlook on how a company should also take responsibility for the general health and welfare of its employees.

## 4.7 Comparative Analysis: CSR and Job Satisfaction across Demographics

Between groups, or within subgroups of the population, there were some differences in CSR perception detected based on the analyses of the data collected. First, on the ability to strongly agree that CSR activities increase job satisfaction, the response of older employees (46 years and above) was higher than that of the young employees (25-35 years). Likewise, the middle management employees were found to be more favorable in their perception of the role of CSR on job satisfaction than the junior employees.

These implications of studying the impact of CSR suggest that there may be variations in the response received by the employees of a firm based on age, tenure, and job profile. According to the literature, there is an indication that CSR may be more greatly valued by older employees because they tend to work in sync with the company's long as well as values (Kirkman & Shapiro, 2001). Likewise, executives or managers may perceive themselves as more exposed to CSR activities and thus it can be explained why their perceptions about CSR were stronger.

## 4.8 Implications for CSR Strategy

These implications have some general repercussions for the CSR of the company. These imposing results concerning internal CSR activities elicited the need to continue exploring other means that will foster the welfare of employees like offering extended training and authorizing health and safety policies.

This is one of the reasons why external CSR activities have received mixed responses; it cropped up to demonstrate that the company needs to enhance cohesion in the CSR activities for it to integrate the activities into the regular work practices. There is scope for the company to become more closely connected with its employees on this front by raising their participation in community and environmental issues.

Writing from the qualitative feedback, some employees expressed a desire for adaptable and individualized CSR initiatives like free counseling and creative working schedules. The company could serve the various needs of its employees if it had added some options to this line of products.

## 4.9 Conclusion

Lastly, we have seen from the chapter how CSR activities influence the levels of employee job satisfaction. Thus, whilst the positive responses to both internal and external CSR indicate that they are beneficial, their primary function can be the promotion of a favorable organizational culture and enhancing the organizational commitment of employees.

# Chapter 5: Discussion

## 5.1 Overview of Findings

The results of this study reveal significant insights into the relationship between CSR and employee satisfaction within a state-owned enterprise in China. The findings reveal CSR activities (such as employee benefits, working conditions, and professional development) both internal and external demonstrably influence employee satisfaction, and yet internal activities seem to be even more influential. This discussion will thus critically examine these results comparing them with the existing literature and depict its effects on CSR strategies, employee engagement and organizational development.

## 5.2 Internal CSR Activities and Employee Satisfaction

The findings of the survey show that organization-related CSR initiatives with the accomplishment of employee benefits, working conditions, and training have a highly significant positive influence on employee organization satisfaction. For instance, 78% (13) of the employees supported the perception that the company gives excellent employee benefits, and 82% (14) supported the perception that the working environment is safe and optimal for productivity (table 3). This resonates with Aguinis and Glavas' (2012) literature review where they argued that returns on human capital are achieved through expenditure on the welfare and training of the workers so that they put in their best effort. Employees seem to look highly on the identified internal CSR components with a positive perception that could be due to a supportive work environment as suggested by Eisenberger et al. (2005) would positively boost job satisfaction and commitment.

Table 3: Agreement on Internal CSR Activities

|   | Internal CSR activity | Percentage agreement |
|---|---|---|
| 1 | Good employee benefits | 78% |
| 2 | Safe          working | 82% |

| | | |
|---|---|---|
| | environments | |
| 3 | Effective training programs | 76% |

## 5.3 External CSR Activities and Employee Satisfaction

On the other hand, different CSR activities that are purely external such as environmental conservation and giving to the society were not welcomed with the same enthusiasm. Thus, 65% (11) of the respondents stated that the company was involved in the protection of the environment while 70% (12) confirmed that the company complied with business ethics (Table 4). The present study supports Brammer, Millington, and Rayton (2007) who revealed that while CSR initiatives that are external have been proven to improve the corporate reputations, they do not make a significant impact on job satisfaction like internal CSR practices. This might be explained by the fact that the lower levels of agreement found concerning external CSR might reflect the fact that the employees consider these activities to be less related to workplace experiences.

Table 4: Agreement on External CSR Activities

| External CSR Activity | Percentage Agreement |
|---|---|
| Environmental Protection | 65% |
| Business Integrity | 70% |
| Community Contributions | 60% |

## 5.4 Correlation Between CSR Activities and Job Satisfaction

The survey also confirms that employee self-reported satisfaction with their jobs is positively related to the reporting of CSR activities: three quarters 75% (13) of respondents confirmed they have been satisfied with the CSR activities provided at the organization. This supports the work of Rupp et al. (2013), who opines that there is a strongly positive correlation between CSR initiatives and job satisfaction where

these initiatives are in harmony with employees. As the results of this study show, there is a positive relationship between CSR and employee feelings of pride, and by extension, a strong link between organizational CSR activities and employees' available choices to identify with the company's values and goals, and any correlation must be targeted at improving employee engagement, satisfaction and job morale with the ultimate goal of decreasing turnover.

Figure 3: The Relationship Between CSR Activities and Job Satisfaction

| CSR Activity | Percentage Agreeing on Positive Impact |
|---|---|
| internal CSR Activities | 75% |
| External CSR Activities | 65% |

## 5.5 Demographic Differences

In the analysis, it was identified that different demographic variables hold significantly different perceptions about CSR activities. Research findings highlighted herein show that older persons who are 46 years and above were more satisfied with CSR activities than those who were only 25-35 years old (Table 5). This accords with the assertions of Kirkman and Shapiro (2001) who argued that the older personnel may respond positively to the defined organizational values, particularly those relating to long-term CSR objectives. Similarly, middle management rated the level of satisfaction towards CSR activities higher as the entry-level employees as can be seen from Table 6. The difference could be because middle managers seem to have been more involved with the CSR activities of the company and therefore, have a positive attitude towards the same, as noted by Lee, Park and Lee (2013).

These demographic variations are a clear indication that there is need for an organisation to develop a differentiated CSR strategy to address the various views that are in the organisation. Perhaps, CSR implementation should be differentiated

according to the segments of the population, making sure that every employee can also possess the positive results of CSR activities of the company.

Table 5: Satisfaction with CSR by Age Group

| Age Group | High Satisfaction with CSR |
|-----------|----------------------------|
| Age 46+   | 80%                        |
| Age 25-35 | 65%                        |

Table 6: Satisfaction with CSR by Position

| Position Level    | High satisfaction with CSR |
|-------------------|----------------------------|
| Middle management | 77%                        |
| Entry level       | 68%                        |

## 5.6 Qualitative Insights

In the insight gathered from the results based on the open-ended questions, one got to understand the relationship touched on by the hypothesis between CSR and employee satisfaction. Recognizing the preferences of staff, people focused on the issues of flexible working arrangements, mental health programs, and career advancement. These themes echo the findings of Story and Neves (2015), who propose that targeted CSR, particularly CSR for the whole person, meaning CSR that tends to the total need of the employee, strengthens satisfaction with the business's assigned job. The focus on mental health and work-life balance is not an isolated phenomenon it is part of the general tendency to increase people's awareness about the role of maintaining the health of an employee.

Figure 5: Key Themes from Open-Ended Questions

| theme                 | percentage |
|-----------------------|------------|
| Flexible work options | 35%        |
| Mental health support | 30%        |

| | |
|---|---|
| Career development programs | 25% |
| Other (e.g. work-life balance) | 10% |

## 5.7 The findings suggest several implications for refining the company's CSR strategy

Internal CSR Focus: The extent of positive reaction to internal CSR shows that the company should increase its commitment to contributing more employee benefits, training opportunities, and a safe working environment. Improving these areas can enlarge the satisfaction levels of these workers as well as the level of engagement according to Aguinis and Glavas (2012).

External CSR Communication: The organizational ambivalence towards external CSR activities demonstrates the need for improved communication and company incorporation of CSR into processes/minimal efforts insofar as employees are concerned. More involvement of employees in the community and environmental activities might improve the perceived utilitarian value and effectiveness of external CSR initiatives, as cited by Brammer, Millington, and Rayton (2007).

Personalized CSR Initiatives: From the qualitative data, it is evident that there is more appreciation of fluid and customer-tailored CSR initiatives. Increasing the length of mental health benefits and work-life balance proliferation may be relevant to meet a variety of demands and subsequently increase the overall level of satisfaction with benefits by the research by Story and Neves (2015).

## 5.8 Conclusion

The research points toward the strength of internal CSR practices as a mediator of employee satisfaction in SOEs. The study shows that though external CSR activities have a positive impact the impact is relatively less compared to that provided by internal CSR practices like employee welfare schemes, employee training and development, and employee-friendly organizational climate. To reap the best results

from the concept of CSR, the organization must find a middle ground so that apart from the responsibilities that are socially expected of the organization that is giving to the community Public, clients, and the environment, it also has to internal responsibility of giving to their employees. The measures tailored to individual employees include workplace mental health programs and working conditions that enable one to feel that they are a part of a corporate family. When enacting CSR in organizations, the goal should be to have CSR strategies become 'business as usual' experiences so that organizational members are engaged in pro-CSR actions regularly These strategies should also be dynamic to fit the needs of the members and are congruent with broader organizational purpose and objectives.

## Chapter 6: Conclusion

The focus of this case study was to investigate the extent of CSR and its correlation with a qualitative measure of satisfaction among employees of a state-owned enterprise in China. In this case, CSR was found to be very significant especially the internal CSR activities in determining the level of employee satisfaction. The findings of the study are therefore significant for both theoretical enshrinement and applied usage in organizational management.

### 6.1 Summary of Findings

The study provided evidence that internal CSR practices which are the measures employees can experience as they work, including special employee benefits, enhanced safety measures at work, and training and development provisions satisfied employees more than external CSR practices, for instance, environmental responsibility and community support. The analysis of quantitative data revealed a positive link between internal CSR and employees' job satisfaction; 82% (14) of the respondents supported the statement that internal CSR should increase satisfaction with the job.

As for the last type of CSR activities, external, employees appreciated them but they seemed to provide lesser evidence of positively influencing the day-to-day work environment. This implies that although the employees appreciate the external CSR acts by the company, such improved CSR standard fails to impact employees' day-to-day working environment in comparison to internal CSR. Further, in the CSR perceptions identified the demographic differences were also observed; older employees and middle management were found to have relatively higher CSR satisfaction levels than the young and entry-level employees.

### 6.2 Critical Analysis of Literature Review

The literature reviews also served as a good background to establish the relationship between CSR and employee satisfaction with reasonable clarity. However, some

existing theories have been refuted in this study: for instance, the theories that propound that external CSR activities are valued by employees as much as internal activities. The study showed that the employees valued the CSR initiatives that would improve their workplace and their lives than those that would benefit society at large. This question calls into question the generality of the other models where all the dimensions of CSR are believed to contribute similarly to on employee job satisfaction.

Furthermore, the focus on demographic differences of the participants enhances the richness of the existing literature. Prior research has done a poor job of accounting for how age and position in a firm might affect the perception of CSR, but this research shows that both variables are critical in determining CSR reception and value within a firm.

## 6.3 Methodological Reflections

This research used an approach of quantitative questionnaires along with qualitative feedback to obtain a complete understanding of the level of satisfaction of the employees. Although the use of this methodology was effective in providing a strong framework for comparative analysis it had some drawbacks. Data was self-reported means that it may not necessarily be accurate. Also data was collected from very few SOEs which at some point restrains the studies' generalization. It advisable for future research to replicate such studies with participants belonging to different kinds of organizations.

Personal data contributed more to the understanding of the CSR perspectives of employees adding depth to the measured quantitative data. Nonetheless, the study could have collected more insightful findings about the peculiarities of reasons for organizational CSR satisfaction or dissatisfaction with employing the quantitative technique of focus groups or interviews.

## 6.4 Implications for Practice

The implication is very important in terms of organizational strategy. Larger amounts of internal CSR can and should be taken by companies to focus on workplace improvements and personal employee benefits. Such aspects make workplaces secure and receptive besides offering career advancement training hence enhance the satisfaction level and level of motivation of their workforce.

Managers must enhance the way they explain the significance and effects of external CSR activities to organizations. These are considered more meaningful if there is a perceived link between the company's outside CSR activities and the personal lives of the employees. Engaging employees in decision-making would improve satisfaction among the employees.

## 6.5 Strategic Recommendations

As indicated in this study, CSR has different demographics and therefore cannot be implemented uniformly. Therefore owing to the differences in preferences, special attention should be paid to CSR strategies for every segment of employees. In other words, it may be reasonable to assume that such programs are perhaps more meaningful to older employees or perhaps those positioned at a higher organizational level, where the purpose of these particular CSR activities corresponds with long-term strategic objectives. On the other hand, the first group of employees can be expected to appreciate those CSR activities that can yield quick and measurable returns, where employees are in categories of youth or are in entry-level positions.

The call for greater targeted CSR also implies that organizations should provide work flexibility, adequate mental health care, and professional development services that are tailored for a specific person. When the CSR approach is more personal, it is possible to satisfy certain expectations that the employees might have and improve the general satisfaction and engagement levels.

This study supports the significance of CSR in enhancing employee satisfaction with a focus on a state-owned firm in China. Taking into account the significance of Internal CSR activities for the level of satisfaction of the employees, several conclusions can be drawn: When working with the concept of CSR, the company has to consider employees as one of the most important stakeholders. The reaction of the employees to the Internal CSR activities is different; however, the level of satisfaction is the highest among the employees who participate in the program. Effectively managing a CSR agenda to support and reinforce organizational values is complex, particularly because it must account for the diverse perspectives and needs influenced by demographic factors.

Finally, this research enhances the knowledge concerning the effect of CSR on employee satisfaction to provide useful recommendations for scholars and managers in the field of organizational management. Thus, it has been argued that by optimizing CSR it is possible to improve both, employees' satisfaction, as well as overall organizational performance.

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**Appendix**

**Questionnaire: Research on the Relationship between Corporate Social Responsibility and Employee Satisfaction**

**Questionnaire Description**

Corporate Social Responsibility (CSR) refers to the enterprise's initiative to take responsibility for its employees, community and environment while pursuing economic interests. Internal CSR mainly refers to a company's responsibility to its employees, such as employee welfare, working environment, training and development, health and safety, etc. External CSR includes a company's responsibility to the society and the environment, such as environmental protection, community contribution, integrity management, social welfare activities, etc.

**Basic Information**

1. What is your age?

☐ 18-25 years old

☐ 26-35 years old

☐ 36-45 years old

☐ 46-55 years

☐ 56 and over

2. How many years have you worked for the company?

☐ Less than 1 year

☐ 1-3 years

☐ 4-6 years

☐ 7-10 years

☐ 10 years or more

3. What is your position?

☐ Frontline staff

☐ Middle management

☐ Senior management

☐ Other (please specify)

**CSR Awareness and Feelings**

4.  Are you aware of the CSR activities carried out by the company?

☐ Yes

☐ No

☐ Heard of it, but don't know what it is about CSR Perceptions and feelings of CSR

**Internal Corporate Social Responsibility**

Please select your level of agreement based on the following statements (1=Strongly Disagree, 2=Disagree, 3=Average, 4=Agree, 5=Strongly Agree).

5.  The company provides good employee benefits (e.g., wages, bonuses, holidays, etc.).

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

6.  The company provides a safe and comfortable working environment (e.g. office conditions, safety facilities, working atmosphere, etc.).

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

7.  The company emphasizes employee training and development (e.g., training opportunities, career paths, etc.).

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

8. The company cares about the health and safety of its employees (e.g., health checkups, safety training, etc.).

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

**External Corporate Social Responsibility**

Please select your level of agreement based on the following statements (1=Strongly Disagree, 2=Disagree, 3=Fairly, 4=Agree, 5=Strongly Agree).

9. The company actively participates in environmental protection (e.g., reducing pollution, energy saving, emission reduction, etc.).

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

10. The company has made positive contributions to the community (e.g. donations and contributions, support for community activities, etc.).

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

11. The company adheres to the integrity of the business (e.g., fair trade, law-abiding business, etc.).

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

12. The company actively participates in social welfare activities (e.g. volunteering, charitable activities, etc.).

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

**Employee Satisfaction**

Please select your level of agreement based on the following statements (1=Strongly Disagree, 2=Disagree, 3=Average, 4=Agree, 5=Strongly Agree).

13. I am satisfied with my current job.

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

14. CSR activities within the company have increased my job satisfaction.

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

15. CSR activities outside the company have increased my recognition of the company.

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

16. I am proud of my company because of its CSR activities.

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

17. I am willing to participate in or support the CSR activities carried out by the company.

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

**Open-ended questions**

18. Please give an example of a CSR activity within your company (e.g., employee benefits, training, etc.) and describe the impact it has had on your job satisfaction.

19. Please give an example of an external CSR activity (e.g. environmental protection, community contribution, etc.) and describe its impact on your overall impression of the company.