

# The Effects of Corporate Social Responsibility Dimensions on Employee Engagement in Iran

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### Abstract

In recent decades, Corporate Social Responsibility (CSR) has attracted the attention of scholars and practitioners. Nevertheless, there is a lack of researches on how CSR influences employees' positive behaviour toward their companies. By considering the dearth of engaged employees in organizations around the world, it could be expected that CSR programs used as by companies one of the key drivers of enhancing employee engagement. Understanding employee reactions to CSR could help organizations to arrange CSR programs more effectively and to use it as a tool to encourage their employees. The theoretical model of this study is based on multi-dimensional CSR model of Carroll (1979). The study used the Partial Least Squares (PLS) and structural equation modeling (SEM) method to test the hypotheses generated.

An empirical study of a sample of 220 employees from the second most popular automotive industry in Iran shows the positive affect of ethical and philanthropic responsibility on employee engagement. The hypothesis related to the positive effect of the economic and legal responsibility on employee engagement has been rejected. This paper provides useful information and insight for managers towards the relationship between CSR dimensions and employee engagement based on social identity theory and social exchange theory.

**KEY WORDS:** corporate social responsibility, employee engagement, social identity theory, social exchange theory

## 1. Introduction

In recent decades, employee engagement was a popular concept due to its impact on the performance of employees, organizational success and financial performance (Harter et al., 2002).

Employee engagement, as the world recuperates from the recent economic recession, has become a critical issue in organizational business. Since it is known that employees are the most valuable asset of any organization, most of organizations are now turning to Human Resource for the purpose of setting up strategic program in order to increase the engagement and commitment of the employees (Ologbo et al., 2013).

According to Bakker and Schaufeli (2004), work engagement is “a state of mind that is work related, fulfilling, and positive” (p. 74); three distinctive engagement dimensions which are absorption, dedication, and vigor have also been specified by them. Vigor is described as being persistent even while dealing with problems, having the desire to invest one’s efforts in his or her work, and possessing high degrees of mental resilience and energy while working. The concept of exhaustion (or low activation) and vigor (or high activation) are believed to be on the opposite end of the activation pole (Schaufeli et al., 2002). Dedication is concerned with a sense of challenge, enthusiasm, pride, inspiration, and significance. Cynicism (or low identification) and dedication (or high identification) are on the opposing ends of identification (Schaufeli, et al., 2002). The description proposed for absorption is as “being deeply engrossed and completely concentrated on one’s job; where it is difficult from individuals to detach themselves from work and the time passes rapidly” (p. 74)

Towers Perrin (2005) announced the findings of a survey of 85000 employees in worldwide about employee engagement. The findings showed the highest level of engaged employees at Mexico (40%) and Brazil (31%) while for Asian countries the level was only a meager 7%. Europe registered 11%, Canada (17%) and United States (21%). This result shows start difference in the way employees are engaged in organizations across the world with Asia being on the negative.

In addition, unfortunately, most of researches about employee engagement have been done by consulting firms. There is surprisingly a lack of academic research in employee engagement (Robinson et al., 2004). Therefore, investigating on the drivers of employee engagement seems necessary in Asian countries. Previous researches have proven that corporate social responsibility considered as one of the main drivers of employee engagement (Lin, 2010).

Corporate social responsibility (CSR) became an increasingly central strategic issue in the business realm and a prominent focus of academic research (Lee, 2008).

There is no all-around acknowledged definition of CSR. CSR first was terminologically formalized by Bowen (1953), further advancements were attempted by researchers, for example, Carroll (1979).

Carroll's Pyramid of CSR signifies the aggregate corporate social responsibility of business involving the concurrent satisfaction of the company's economic, legal, ethical and philanthropic responsibilities (Carroll, 1979, 1991).

The first type of responsibility presented and described by Carroll (1979) has an economic nature; it results in creating new services and products, promoting innovation and technological

advancements, discovering new resources, assigning fair salary for workers, and providing the shareholders and owners with a return on their investment. In this viewpoint, businesses are the basic and the most fundamental economic unit of the society and every other role they take are predicted by this mentioned fundamental conjecture (Carroll, 1979).

The second part of the Carroll's definition refers to legal responsibilities; it involves legal compliance's expectations and requires the organizations to play by the rules of the game. In this viewpoint, businesses are expected by the society to accomplish their economic missions within the framework of legal obligation, requirement and demands (Bansal, 2002). In addition, regulations have a reactive nature which leaves the organizations with little opportunity to be proactive. Thus, laws circumscribe the limits of behaviors that are tolerable; however, they do not define ethics or "legislate morality" (Solomon, 1994).

Basically, the limitations and restrictions of law are overcome by ethical responsibility; the third type of responsibility which is called ethical responsibility. Ethical responsibilities related to those approaches, practices, policies and actions that are expected (positive obligations) or disallowed (negative obligations) individuals of society, although they are not systematized into law (Solomon, 1994). Businesses are portrayed as doing and performing what is fair, just, and right and being moral. Hence, ethical responsibility is comprised of the actions that though not codified or structured in law, they are expected by society members including respecting people of businesses to prevent social injury and avoid social harms. This type of responsibility is largely rooted in human rights commitments, humane principles, and religious conviction and beliefs (Lantos, 2001). But, a limitation of such a responsibility is its unclear and blurry definition which consequently makes it difficult for business practitioners to handle it concretely (Carroll, 1979).

The fourth type of responsibility is discretionary responsibility. Discretionary corporate responsibilities are those that society has no clear business strategy over them left as optional individual choices (Carroll, 1979). This kind of responsibility is rooted in the conviction that society and organizations are interlaced in a natural way (Frederick, 1960, 1994). The attempts at enhancing the rates of literacy, organizing in-house training programs for drug abusers, or philanthropic contributions may be among such activities (Carroll, 1979).

Carroll(2004) produced his 1991 pyramid concept of CSR once again; however, this time he tried to also incorporate and include the notion of stakeholders which has the following influences on the four types of responsibility. After the addition of stakeholders' notion, philanthropic responsibility is defined as "doing and performing what the global stakeholders desire"; ethical responsibility became "doing what the global stakeholders expect"; ethical responsibility includes "doing what the global stakeholders require and demand; and economic responsibility became "doing what the global capitalism require".

It is noticeable that the success of CSR activities concerning internal stakeholders has not received the proper attention (Larson et al., 2008). Yet, few studies have focused on employees' responses to CSR initiatives, although they represent an essential stakeholder group to ensure organisations' long-term survival and performance (Turker, 2009a). Specifically, the researches that explore the impact of CSR on employees' attitudes are limited (Brammer et al., 2007; Peterson, 2004).

Moreover, it has been notable that despite of the main role of CSR in increasing employee engagement, most of studies have been done in Western context and there is a lack of knowledge about CSR practices in developing countries (Jamali et al., 2007).

Corporate social obligation is essentially considered as a western phenomena due to the fact that strong organizations, norms, and appeal systems are powerless in creating nations of Asia (Chapple et al., 2005).

The development of CSR in Iran is connected to the national and international market competition (Valmohammadi, 2011). So, the organizations notice that making positive picture would boost the reputation of organizations and market share.

Specifically, numerous Iranian companies still perform traditional types of CSR. For instance, philanthropic donations that Omidvar (2009) believes are “activities that have been partly driven by Islamic principles and the traditional role of business within the Iranian culture” (p. 2).

The significance of this research can be considered in two ways. First, in previous researches perceived corporate citizenship is linked to work engagement and they did not investigate different dimensions of citizenship including economic, legal, ethical and discretionary citizenship except for the study of (Lin, 2010) whose study was on the basis of attachment theory. Second, the majority of the studies conducted in this area, concentrated on the relation and connection of CSR and organizational commitment (e.g. (Peterson, 2004). As a result, this study assesses CSR on the basis of its four features, which are related to the way in which the members of organization hold more understanding regarding the impact of these four features on work engagement under social identity and social exchange theory. This issue is important due to the fact that corporate citizenship has been neglected to be considered as having a multi-dimensional nature (de los Salmones et al., 2011). The perceptions of employees concerning four dimensions of the framework proposed by (Carroll, 1979) may be different.

Second, this paper provided an important opportunity to advance the understanding of why and how CSR dimensions can positively influence employee engagement; so far, however, there has been little academic discussion about CSR in the context of Iran (Talaie et al., 2008). This indicates a need to understand the various perceptions of different types of CSR that exist among employees.

Third, despite other researches such as Lin (2010), in this research we used SEM method for analyzing the model which is more comprehensive and novel.

Thus, conducting a study in this area would be helpful for organizations through reducing employee disengagement cost, making employees more motivated and arranging CSR activities more effectively.

## **2. Theoretical Perspective and Hypothesis Development**

According to Social Exchange Theory (SET), Blau (1964) indicates that individuals' attitude and behavior with others always involves with desires to have benefits in return. Therefore, when the employees of an organization are supported in various levels such as economic and socio-emotional, they would probably respond in the form of appreciation (Cropanzano et al., 2005). The concept of reciprocity (Gouldner, 1960) signifies that employees feel grateful to compensate the beneficial behaviour they obtain from their company. Moreover, social

exchange theory implies that people prefer to make their mutual influences from where they received their benefits.

Therefore, it can be hypothesized that:

*Hypothesis 1: Perceived economic responsibility has a positive effect on employee engagement.*

As mentioned before, based on SET, there is a reciprocal relationship between organizations and stakeholders (e.g. employees). As far as corporations use their authority in an ethical, legal, and responsible behavior (Davis, 1973; Wood, 1991), Stakeholders will reciprocate with activities that would be beneficial for organization.

Organizations are expected to perform their goals according to law (Carroll, 1979), and consequently, organizational trust and employee engagement can be motivated in climate of fulfilling legal responsibility. In contrast, if corporation breaks the law and behave in an illegal way, definitely, it leads to the negative feeling reactions by employees such as anxiety, suspicion, insecurity which result in disengagement from work (Chughtai et al., 2008).

Therefore, it can be hypothesized that:

*Hypothesis 2: Perceived legal responsibility has a positive effect on employee engagement.*

When employees understand that moral principles and ethics are introduced and applied in their company beyond the fundamental legal standards, they can be probably affected by the company and its association resulting in a positive relationship between ethical responsibility and work engagement (Lin, 2010). Based on SET perspective, when organization provides positive manners toward employees and employees perceive the organization's commitment to them by different practices (e.g., providing training and support their education, human rights, developing health and safety circumstances in work environment), they will develop a sense of obligation toward the organization, and are eager to reciprocate with more supportive and collaborating actions, and with greater level of commitment (Al-bdour et al., 2010).

Therefore, it can be hypothesis that:

*Hypothesis 3: Perceived ethical responsibility has a positive effect on employee engagement.*

Discretionary corporate responsibilities are those that society has no clear business strategy over them and are left as optional individual choices (Carroll, 1979), for example, making philanthropic donations, developing alliance with non-profit institutions, preserving environmental resources, or attending to social welfare establishing partnerships with non-profit organizations, saving environmental resources, or caring for social welfare.

There is evidence suggesting that employee engagement is positively related to discretionary citizenship which is externally focused or voluntary activities that can bring benefits to the society (Lin, 2010; Rego et al., 2010) . In 1985, Tajfel and Turner made a framework in which individuals' need were classified as oneself and others in social groups. According to this theory, a part of the individual's identity is taken from the group(s) to which they belong (Tajfel et al., 1979).

Current researches show that corporate reputation and its participation in social affairs (Hess et al., 2002) and philanthropy (Brammer, et al., 2007) are favorably associated. . When CSR results in positive status for an organization, employees mainly recognize with the company to

enhance their self-concepts and make their social identity needs satisfied (Ashforth et al., 1989; Dutton et al., 1994; Maignan et al., 2001).

Therefore, it can be hypothesized that:

*Hypothesis 4: Perceived philanthropic (discretionary) responsibility has a positive effect on employee engagement.*

The conceptual framework is shown in Figure 1.

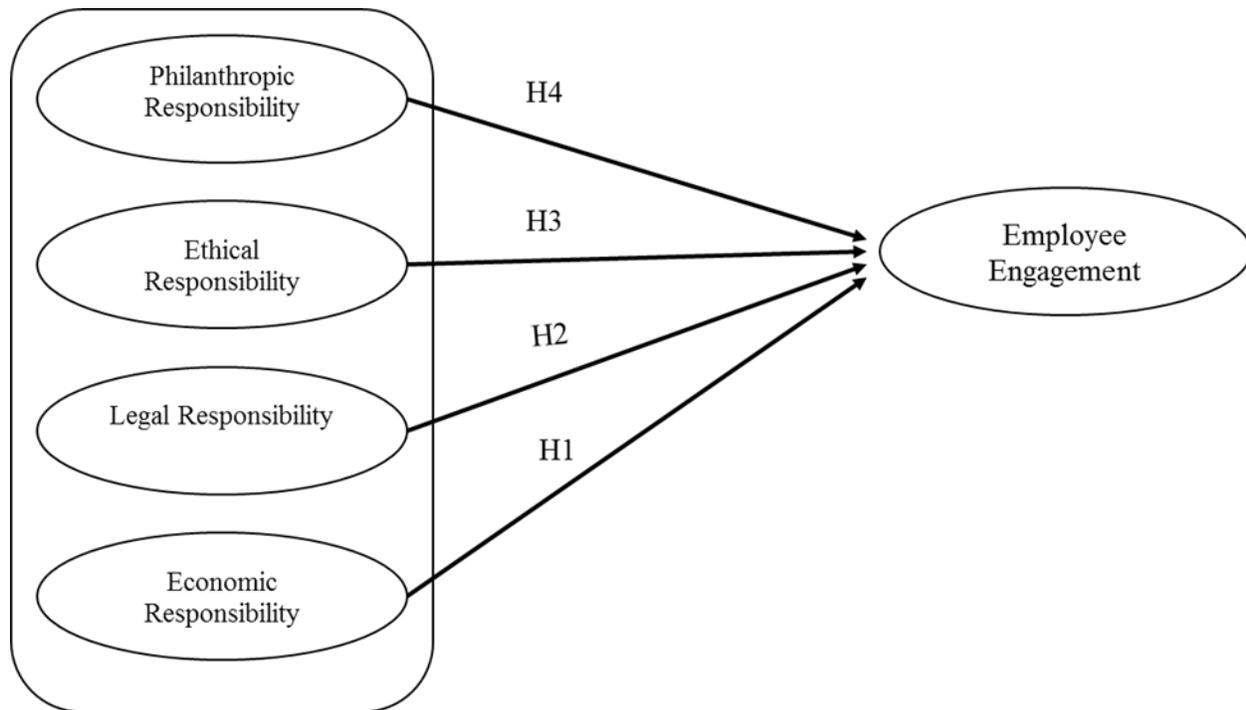


Figure 1: Conceptual Framework

### 3. Research Method

#### 3.1. Sample, Data collection and Analysis

To evaluation the conceptual model and related hypothesizes, a dataset was collected from a survey questionnaire, distributed among the employees of the second biggest Auto-industry named Saipa which based on the report of CSR centre in Iran is one of the best socially responsible companies in Iran.

A 20-items questionnaire was used in this study to measure corporate social responsibility, modified from Maignan and Ferrell (2000). This scale uses four dimensions of CSR that consists of economic, legal, ethical and discretionary (philanthropic) responsibilities with high reliability. One item was added from a questionnaire developed by Mishra and Suar (2010) related to philanthropic practices in environmental protection area: Policies for preventing direct and indirect pollution of soil, water, and air. Another item derived from Turker (2009b) "Our Company is responsive to the complaints of its customers" which included in economic

responsibility. Work engagement was measured using the 17-item Utrecht Work Engagement Scale (Schaufeli et al., 2002, 2006). All items were measured on seven-point Likert-type scale.

Partial Least Squares (PLS) analysis, a Structure Equation Modelling (SEM) technique, was employed to assess our model. This technique does not require multivariate normal distribution (Falk & Miller, 1992). In addition, PLS is especially useful for prediction (Urbach and Ahleman, 2010). SmartPLS (0.2) is used to analyse data.

A total of 220 sets of questionnaires were used to do the analysis. This sample comprised 90.9% male and 1.9% female. As for majors, 34.5% were specialist, 32.4% workers, 2.1% management majors and 25% were other types of business majors. Nearly 57% were under 35 years old. Almost half (49.9%) of the respondents had bachelors degree or above.

**4. Measurement Model**

**4.1. Convergent validity**

First, the convergent validity defined as the degree to which multiple items determine if the same concepts are actually in agreement was carried out. The factor loadings, composite reliability and average variance extracted are the indicators to assess convergence validity (Hair et al., 2010). The loadings for more items exceeded the preferred level of 0.6 (Chin et al., 1999). There are some items from 0.4 to 0.6 which we accept based on the recommendation of (Chin, et al., 1999) which accept loadings equal 0.4. Generally, indicators with loadings between 0.4 and 0.7 are maintained in the model and only are considered for removal if deleting those leads to improve composite reliability above recommended threshold value. It is however expected that indicators with loadings of 0.4 or lower will always be dropped from the reflective model (Hair Jr et al., 2013). In accordance to Composite reliability values (see Table1), which signifies the degree to which the construct indicators show the latent, construct ranged from 0.807 to 0.950 which reached more than the recommended value of 0.7 (Hair Jr, et al., 2013). The average variance extracted, which indicates the total amount of variance in the indicators accounted for by the latent construct, ranged from 0.506 to 0.572 and exceeded the recommended value of 0.5 (Hair Jr, et al., 2013). Table 1 depicts the results of convergent validity.

Table 1: Factor Loadings and Reliability

Construct	Items	Factor Loading	CR	AVE
Philanthropic responsibilities	Phi.Re1	0.595	0.852	0.529
	Phi.Re2	0.753		
	Phi.Re3	0.665		
	Phi.Re4	0.775		
	Phi.Re5	0.744		

	Phi.Re6	0.661		
Ethical responsibilities	EthR1	0.431	0.844	0.529
	EthR2	0.762		
	EthR3	0.789		
	EthR4	0.792		
	EthR5	0.793		
Legal responsibilities	Le.Re1	0.834	0.839	0.572
	Le.Re2	0.832		
	Le.Re3	0.531		
	Le.Re4	0.785		
Economic responsibilities	EcoR1	0.559	0.807	0.506
	EcoR2	0.727		
	EcoR3	0.614		
	EcoR4	0.764		
	EcoR5	0.702		
Employee Engagement	WE1	0.586	0.950	0.532
	WE2	4.6		
	WE3	4.995		
	WE4	5.014		
	WE5	4.691		
	WE6	4.75		
	WE7	4.709		
	WE8	4.723		
	WE9	4.682		

WE10	4.995		
WE11	4.782		
WE12	4.455		
WE13	4.323		
WE14	4.664		
WE15	4.436		
WE16	4.973		
WE17	5.332		

Note: CR = Composite reliability, AVE = Average Variance Extracted

#### 4.2. Discriminant Validity

According to (Cheung et al., 2010), discriminant validity is the extent to which the measures is not the reflection of some other variables and it is mentioned by the low correlations between the measure of interest and the measures of other constructs. In order to obtain discriminant validity of measurement model, the correlation values for each construct should be lower than the square root of AVE (Afthanorhan et al., 2013). Table 2 shows discriminant validity.

Table 2: Discriminant Validity

	Economic Responsibility	Employee Engagement	Ethical Responsibility	Legal Responsibility	Philanthropic Responsibility
Economic Responsibility	0.72				
Employee Engagement	0.45	0.72			
Ethical Responsibility	0.52	0.57	0.73		
Legal Responsibility	0.59	0.44	0.53	0.75	
Philanthropic Responsibility	0.51	0.47	0.57	0.53	0.73

Note: Diagonals represent the square root of the AVE while the off-diagonals represent the correlations

### 5. Structural model

The structural model indicates the causal relationships among constructs in the model (Sang et al., 2010) which includes the estimates of the path coefficients, and the R2 value, which determine the prediction power of the model Together. The R2 and the path coefficients (loadings and significance) indicate how well the data support and hypothesized the model (Chin, et al., 1999; Sang, et al., 2010). Table 3 shows the results of the structural model from the PLS output. Ethical Responsibility ( $\beta= 0.441$ ,  $p< 0.05$ ) and Philanthropic Responsibility ( $\beta= 0.129$ ,  $p<0.001$ ) were positively related to outsourcing success explaining 34.2% of the variance which thus supports H3 and H4 of this study. Economic Responsibility ( $\beta= 0.051$ ,  $p> 0.05$ ) and Legal Responsibility were not a significant predictor of outsourcing, and thus H1 and H2 are not supported.

Table 3: Summery of Structural Model

Hypothesis	Path coefficient	T-value	Results
Economic Responsibility→ employee engagement (H1)	-0.011	-0.650	Rejected
Legal Responsibility → employee engagement (H2)	0.077	1.176	Rejected
Ethical Responsibility → employee engagement(H3)	0.441	2.566*	Supported
Philanthropic Responsibility → employee engagement (H4)	0.129	3.734***	Supported

\*  $t \geq 1.96$  at p 0.05 level, \*\*  $t \geq 2.58$  at p 0.01 level, \*\*\*  $t \geq 3.29$  at p 0.001 level

### 6. Conclusion and Discussion of Findings

The current study analyzed the effect of four types of CSR on employee engagement based on the theoretical framework of the social identity theory and social exchange theory. Consequently, understanding of the pertinent significance of each of the four types of CSR could provide/support managers with a better knowledge of which facets of the organization’s image on social concerns affects workers’ engagement more compared to other kinds of responsibilities. It has been proven by some researchers that some aspects of CSR have a greater impact than others on individuals (Backhaus et al., 2002; Greening et al., 2000).

This study includes four hypotheses. The result proved the effect of philanthropy responsibility on employee engagement (fourth hypothesis). It should be mentioned that it is consistent with previous studies that showed philanthropic responsibilities are positively related to employee engagement (Lin, 2010; Rego, et al., 2010).The Studies have also showed the perception of ethical approaches of organizations have a and employee engagement (Lin, 2010).

Moreover, the result of this study appears to be in accordance with social identity theory (SIT). As outlined by SIT, employees may obtain a favorable feeling of identity from affiliation with a

company which is consisting of appreciated features. According to SIT, the reputation of a corporation influences the self-confidence and self-esteem of the workers to identify themselves by attaching the group (company) and in this way; it helps them to fulfil their belonging need (Turban et al., 1997).

The result of this study can also be explained with social exchange theory. As stated by Aguilera et al. (2007), organizations involved in social responsibilities are generally regarded as fair corporations. Consequently, employees usually tend to trust and believe in their organization; sense the support, regard superior quality exchange interactions with the organization and also the managers. They are proud of their company and experience a strong sense of belonging to their company and as a result, respond in a manner that could be beneficial for the organization.

But the relationship between economic responsibility and employee engagement as well as legal responsibility and employee engagement are rejected. There could be some explanations about the rejection of hypothesis which is:

First, the profitability of organizations is not a motivational factor for employees for the reason that their salary is fixed and would not change or increase by based on enhancing organization profits.

Second, in some situation, increasing the profit of organization brings some advantages for employees through giving them the chance to work more hours. This is because when organizations are more profitable, there will be more work to do in some kind of jobs (e.g. manufacturing line), so workers have received more money due to overtime work, but still it cannot be considered a motivational factor for them to attach emotionally to the company. They do not feel themselves as a part of organization that company shares its benefit with them, otherwise, they work more.

Third, if an organization is profitable, it would not have a motivational effect on engagement and satisfaction of employees to organizations, but if an organization is not profitable; it would not be able to pay workers salary, so it would lead to dissatisfaction of current employees and turnover.

In addition, the rejection of hypothesizes related to effect of economic responsibility as well as legal responsibility on employee engagement (Hypothesis one and two) could be interpreted by some theories:

1. According to social exchange theory and reciprocity norm, it can be expected that employees react more positively to perception of philanthropic and ethical practices toward employees than to the employees' perception of (economic and legal) CSR practices, especially those which are related to other stakeholders. Employees do not feel the benefits of economic citizenship as direct as (ethical and philanthropic) CSR practices toward them. Because economic responsibilities may lead to decrease employees' well-being budget, for instance employees' wages are decreased in order to increase profit of company. Thus, it is possible that employees feel more expected to reciprocate to the company when they perceive CSR activities towards them (e.g., ethical and discretionary) than other type of CSR responsibilities such as legal and economic.

2. This study provides some evidences that as predicted by Weitzman theory (1986), explaining that profit-sharing firms have greater employment stability than non-profit-sharing firms. Weitzman theorized that an economy based on profit-sharing will have lower average unemployment and smaller or non-existent employment fluctuations over the business cycle (Kruse, 1991). Therefore, it can be expected that the profit of organizations and those CSR practices which leads to this does not have a positive effect on employee work engagement. Employees do not consider themselves in company profit sharing, specially, those practices of economic responsibility which are not directly related to employees like monitoring customer complaints.

3. Rejection of hypothesises relevant to the effect of legal as well as economic responsibilities on employee engagement consist with Herzberg (1966) and Maslow's (1954) theories. Herzberg (1966) proposed a theory named motivation-hygiene theory. In this theory, the presence of motivator factors (i.e., recognition, achievement, and personal growth) leads to job satisfaction which are embedded in job characteristics and are incentives driving people to attain personal and organizational goals. While the existence of Hygiene factors (i.e., company policy, payment, working conditions, personal life, status, and security) prevents job dissatisfaction and when these factors are not satisfied, dissatisfaction will come up. But it is noticeable that although hygiene factors prevent from dissatisfaction, they do not motivate after being satisfied (Herzberg, 1966). Organizational changes relating to hygiene factors would not lead to increasing the motivation and satisfaction.

In both theories (Maslow, 1954, Herzberg, 1966), individuals have higher order needs and lower order needs. In Maslow's point of view, satisfying lower order needs such as payment and security activate the presence of higher order needs including social relations, self-esteem, and self-actualization. Satisfaction of these higher-order needs is regarded as the requirements for real job satisfaction (Ryan et al., 2000; Wahba et al., 1976). Based on Herzberg (1966), people are not fully pleased with the bare fulfillment of lower-order needs at the workplace, such as those related to the lowest earning levels or secure and comfortable working conditions. Instead, people consider the satisfaction of higher-level psychological needs for example those concerned with achievement and recognition. To this point, it seems that the findings are comparable with Maslow's theory of a need hierarchy.

According to these theories, it can be expected that economic and legal responsibility are classified as hygiene factors, because they correspond with lower order needs of employees and can be used to satisfy these kind of needs. Therefore, they cannot be considered as motivational factors from employees' point of view. But lack of them can bring dissatisfaction in organization environment.

Similar to economic and legal responsibility, workers do not consider these practices as a direct impact on their motivation. In addition, the lack of legal responsibilities may lead to dissatisfaction but the existence of them would not be a motivational factor.

Furthermore, the lack of interest in legal responsibilities which are applied by organizations could be related to Anomie state in Iran. Anomie explains the breakdown of social link between

people and their community. It occurs as result of remarkable changes in economic situation such as an economic collapse, a depression or an economic growth.

In all above mentioned cases, a kind of declassification arises that unexpectedly cast people into a higher or lower position than before. Anomie does not refer to a state of mind, but to a property of the social structure. It accompanies a climate in which people desires are not regulated by common norms anymore (Puffer, 2009). Regarding dramatic changes and economic crisis in Iran especially in recent years ( i.e., World bank report updated in 2013 states that the currency in Iran has lost an estimated 80 percent in value against the US dollar between March 2012 and March 2013,The official inflation rate is estimated at 28.7% in 2012 and has been predicted to get worse in future Moreover, Iran's 2012 doing business ranking at 144 is in the bottom tiers of the Middle East and North Africa (MENA) region, it can be expected that Anomie is one of the reasons of spreading the spirit of illegality among Iranian people (Rezaee, 2005, Rafipor,1999).

In addition, due to the past authoritarian chaos in Iranian history like changing government in short periods, there is no political trust to governance in all past decades. In fact, Iranians do not have good memories of legality and legitimacy of the state and consider the legality of governance and organizations more hypocritical than is the case. Moreover, in many cases people did not like their government and tried to show their protest and anger through breaking the law. Iranian politicians have acted in their own interests. The law not only was monitored and performed well, but also used as a means for abuse of managers and administrators to achieve their own goals. Therefore, Iranian people have got used to breaking laws in order to obtain their desires easier in response to the past governance. It can be concluded that Iranian people do not trust their governments throughout the history and legal affairs do not have that much value in their point of view.

## **7. Recommendation for future studies**

Satisfying employees' needs have a mediator role in the relationship between CSR dimensions and employee engagement. This study can investigate how satisfying employee needs can indirectly leads to employee engagement.

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