



EXAMINING THE RELATIONS BETWEEN EMPLOYEES' PERCEPTION OF CORPORATE SOCIAL RESPONSIBILITY, CUSTOMER ORIENTATION AND PERCEIVED PERFORMANCE

ÇALIŞANLARIN KURUMSAL SOSYAL SORUMLULUK ALGISININ MÜŞTERİ ODAKLILIK VE ALGILANAN PERFORMANS İLE İLİŞKİSİNİN İNCELENMESİ

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Abstract

In today's conditions, almost all businesses, of regardless of the sector they operate in, use social responsibility effectively to gain competitive advantage. Researches on corporate social responsibility commonly centered on customers' perception, while investigating employees' point of view is still needed. This research investigates relations between employee perceptions of corporate social responsibility, customer orientation, and perceived performance. Data were obtained from 218 employees and analyzed by Partial Least Squares (PLS) Structural Equation Modelling technique. Results show that all dimensions of employees' perception of CSR are positively related to customer orientation and perceived performance. Perceived environmental CSR activities are the strongest variable to explain perceived performance whereas perceived ethical CSR activities are the strongest variable to determine customer orientation. Furthermore, customer orientation is positively related to perceived performance. Results provide fruitful insights for employee-based CSR and its possible positive consequences. Furthermore, the study intends to fill the research void in employee-based CSR and investigate its effect on marketing related outputs with its results.

Keywords: *Corporate Social Responsibility, Employee Perception of Corporate Social Responsibility, Customer Orientation, Perceived Performance.*

Öz

Günümüz şartlarında, hangi sektörde faaliyet gösterdikleri fark etmeksizin tüm sektörler rekabet avantajı kazanmak için kurumsal sosyal sorumluluğu etkin olarak kullanmaktadır. Kurumsal sosyal sorumluluk araştırmaları çoğunlukla tüketicilerin algısında yoğunlaşmıştır, konuya çalışanların bakış açısına ihtiyaç bulunmaktadır. Bu çalışma çalışanların kurumsal sosyal sorumluluk algısının, müşteri odaklılık ve algılanan performans ile ilişkisini incelemektedir. 218 çalışandan elde edilen veriler Kısmi En Küçük Kareler (PLS) Yapısal Eşitlik Modellemesi tekniği ile analiz edilmiştir. Sonuçlar çalışanların KSS algısının tüm boyutlarının müşteri odaklılık ve algılanan performans ile pozitif ilişkili olduğunu göstermektedir. Algılanan performansı açıklayan en güçlü değişken algılanan çevresel KSS aktiviteleriyken, müşteri odaklılığı açıklayan en güçlü değişken algılanan etik KSS aktiviteleridir. Ayrıca, müşteri odaklılık, algılanan performans ile pozitif ilişkilidir. Sonuçlar çalışan-temelli KSS ve onun olası pozitif sonuçları için yararlı içgörüler sunmaktadır. Ayrıca çalışma sonuçları ile çalışan temelli KSS'deki araştırma boşluğunu doldurmayı ve bunun pazarlama ile ilgili çıktılar üzerindeki etkisini incelemeyi hedeflemektedir.

Anahtar Kelimeler: *Kurumsal Sosyal Sorumluluk, Çalışanların Kurumsal Sosyal Sorumluluk Algısı, Müşteri Odaklılık, Algılanan Performans.*

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GENİŞLETİLMİŞ ÖZET

Çalışmanın Amacı

Bu çalışma, çalışanların kurumsal sosyal sorumluluk algılarına odaklanmakta ve çalışanların kurumsal sosyal sorumluluk algısının müşteri odaklılık ve algılanan performans ile ilişkisini incelemeyi amaçlamaktadır.

Araştırma Soruları

Çalışma, çalışanların kurumsal sosyal sorumluluk algısının olası sonuçlarını sorgulamaktadır. Bu doğrultuda ilk soru, çalışanların kurumsal sosyal sorumluluk algısının müşteri odaklılık ile ilişkili olup olmadığı, ikinci araştırma sorusu çalışanların kurumsal sosyal sorumluluk algısının algılanan performans ile ilişkili olup olmadığı, üçüncü araştırma sorusu ise müşteri odaklılığın algılanan performans ile ilişkili olup olmadığıdır.

Literatür Araştırması

Toplumsal farkındalığın artmasıyla, kurumsal sosyal sorumluluk tüm dünyada ekonomik ve sosyal alandaki en önemli konulardan biri haline gelmiştir. Kurumsal sosyal sorumluluk, şirketlerin sosyal refahı gönüllü aktiviteler ve finansal kaynaklarla, çalışanları ve diğer topluluklarla birlikte çalışarak artırmaya bağlılığını ifade etmektedir (Carroll, 2016). Bu çerçevede kurumsal sosyal sorumluluk aktivitelerinin temel amacı toplumun sorunlarını belirlemek ve sorunları düzeltmeye destek olmaktır (Pirsch, Gupta ve Grau, 2007). Kurumsal sosyal sorumluluk hayırseverlik ve sponsorluğun yanında etik, ekonomik ve yasal sorunlara yönelik aktiviteleri de kapsamaktadır (Carroll, 2016). Günümüzde sadece tüketicilerin değil, çalışanların da çalıştıkları şirketlerden beklentileri artmıştır. Son yıllarda, çalışanlar kurumsal sosyal sorumluluk aktivitelerinin önemini daha fazla fark ettikçe, kurumların sosyal sorumluluğa ne kadar önem verdiklerini de sorgulamaktadır (Bhattacharya, Sen ve Korschun, 2008). Şirketler de bu kapsamda çalışanları aktif olarak takip etmelidir. Kurumsal sosyal sorumluluk, şirketlerin müşterileriyle ve potansiyel müşterileriyle de iletişime ve etkileşime geçmelerini de sağlayan bir kavramdır (Korschun, Bhattacharya ve Swain, 2014). Müşteri odaklılık, şirketlerin müşterilerine üstün değer önerisi sunmasını, bununla birlikte daha fazla müşteri sadakati kazanmasını ve iş performansının gelişmesini sağlamaktadır (Ha ve Park, 2012). Şirketin performansı ise, pazar yerindeki rekabet avantajını korumasının en önemli yönlendiricisidir ve en etkili pozitif çıktılardan biri olarak ele alınmaktadır. Bu doğrultuda, çalışanların kurumsal sosyal sorumluluk algısının, şirket için önemli çıktılar olan müşteri odaklılık ve algılanan performans ile ilişkisinin incelenmesi gerekmektedir.

Yöntem

Çalışmanın verileri şirket çalışanlarından anket aracılığıyla toplanmıştır. Anket soruları literatürdeki çalışmalara dayalı olarak hazırlanmıştır. Çalışanların kurumsal sosyal sorumluluk algısı ve algılanan performans değişkenleri Lee, Parl ve Lee'den (2013), müşteri odaklılık ise Ki Lee ve diğerlerinden (2013) adapte edilen ölçeklerle ölçülmüştür. Araştırma modelinin değerlendirilmesi ve hipotezlerinin test edilmesi için ise En Küçük Kareler (PLS) Yapısal Eşitlik modellemesi kullanılmıştır.

Sonuç ve Değerlendirme

Çalışmanın sonuçlarına göre, çalışanların kurumsal sosyal sorumluluk algısının tüm boyutları müşteri odaklılık ile ilişkilidir. Müşteri odaklılık ile en yüksek düzeyde ilişkili bulunan kurumsal sosyal sorumluluk boyutu etik kurumsal sosyal sorumluluk aktiviteleridir. Bu boyutu çevresel ve hayırseverlik aktiviteleri takip etmektedir. Diğer sonuçlara göre, müşteri odaklılık, algılanan performansın pozitif bir öncülüdür. Ayrıca, çalışanların kurumsal sosyal sorumluluk algısının tüm boyutları algılanan performans ile ilişkilidir. Algılanan performans ile en yüksek düzeyde ilişkili bulunan kurumsal sosyal sorumluluk boyutu çevresel sosyal sorumluluk aktiviteleridir. Bu boyutu hayırseverlik ve etik sosyal sorumluluk boyutları takip etmektedir. Sonuç olarak; algılanan çevresel sorumluluk, etik ve hayırseverlik sorumluluğu, müşteri odaklılık ve algılanan performansın öncülleri olarak ortaya konmuştur.

1. INTRODUCTION

Today, corporations face various challenges, including crises, obligations, and unexpected strategies of their competitors. Besides, corporations must manage also the facts in the face of new challenges from globalization, changing technology, the increasing role of non-government organizations, and the rapid flow of negative information. The forces of these challenges are driving the new corporate landscape to shift fundamentally the nature of interactions and relationships among aspects of the corporate processes (Okpara, 2009).

The rapid change of these dynamics and competition conditions in the society caused the objectives of the enterprises to transform (Hediger, 2010). Today, businesses face an ever-expanding obligation, they are not only satisfying their employees and customers, but also address wider social, economic and environmental concerns. Businesses are no longer just corporates with economic purposes, they have to be active for on a wide variety of issues such as the development of society, sustainability, economy, environment, human rights (Pirsch, Gupta & Grau, 2007). In the light of these, this study concentrates on employees' perceptions of corporate social responsibility. The object of the study is to examine the relationship between employees' perceptions of corporate social responsibility and customer orientation and perceived performance.

With the increasing awareness of society, CSR has become one of the most substantial issues in social and economic life worldwide. The notion of CSR, which arises from an approach to behave responsibly towards society, expresses those businesses are a social asset and are responsible for the community live in (Carroll, 2016). Importance of corporate responsibility activities is increasing day by day. Social responsibility activities cease to be a preference for businesses and become an important part of their main activities. Today, businesses are expected to be socially responsible and to engage in activities in this regard. Such that, businesses that are aware of their responsibilities towards the society and contribute to the development of their environment are appreciated by society, and positive attitudes towards these businesses increase (Stephenson, 2009). It is inevitable that the businesses of the future will be the institutions that have achieved success in social responsibility practices.

The content of CSR which realized by making monetary donations under the name of philanthropy in the past, changes, and develops day by day. In addition to gaining a competitive advantage, it is also used effectively as a way to gain the support and trust of the society and other relevant segments. Realizing the importance of CSR is essential for the accomplishment of each business (Hancock, 2005).

CSR is the commitment of companies to enhance social welfare by working with their employees and other communities to increase the well-being of society through voluntary activities and financial resources (Aguinis & Glavas, 2019). The main purpose of CSR practices is to address, correct,

and support problems of society. It should be emphasized here that corporate social responsibility is not only activities such as philanthropy and sponsorship that the corporates carry out to show its sensitivity to social problems, but also covers ethical, economic, and legal problems of institutions (Carroll, 2016).

CSR is inseparably connected with linking corporate actions with legal obligations, ethical values, regarding employees, and environment. It is important for the corporate culture how employees, who are the internal stakeholders of organizations, perceive CSR practices, and reflect on their behavior. Within this framework, social responsibility activities are the variable that enable employees to identify with their organizations (Bhattacharya, Sen & Korschun, 2008).

In recent years, as employees become more aware of the importance of corporate social responsibility activities, they question how much importance corporations attach to social responsibility. In this context, companies should actively monitor their employees. Therefore, this research focuses on employees' perceptions of CSR as it remains under-researched in the literature and it aims to examine how employees' perceptions of CSR are related to their customer orientation and their perceived firm performance. This study contributed to the literature and practice by presenting that perceived environmental responsibility, perceived ethical and perceived philanthropic responsibility are antecedents of customer orientation and perceived performance.

2. THEORETICAL FRAMEWORK

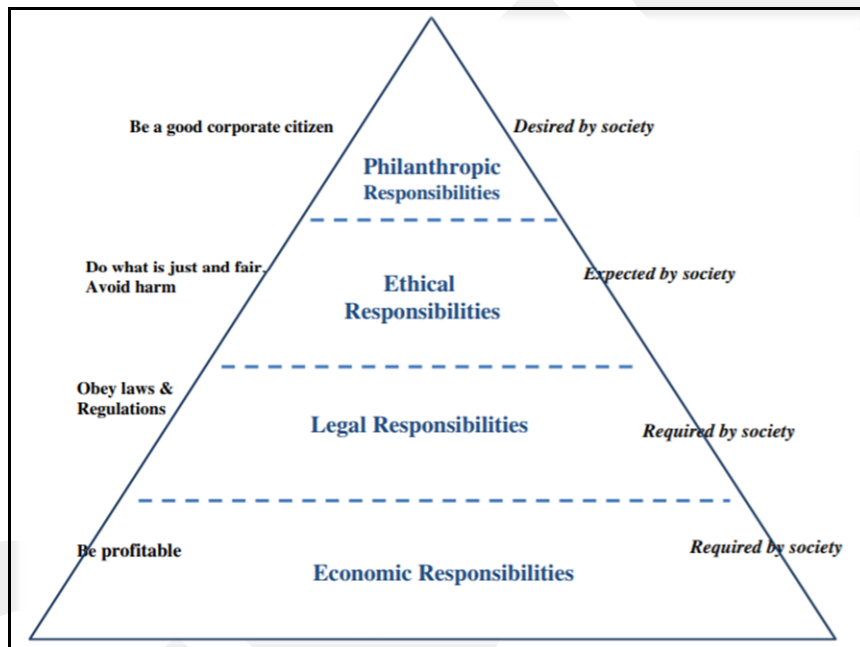
2.1. The Importance of CSR and Its Dimensions

Corporate social responsibility is becoming permanent focus for corporations. As consumers, investors, employees, and all other stakeholders demand companies to have a affirmative affect on society, the importance of CSR is becoming crucial. Corporates are increasingly integrating environmental and social considerations into their decision-making and choose to behave responsibly even when they are not legally required to do so for various reasons. Identifying and managing social responsibility has become the most significant driver of competitive advantage and value creation. Corporate responsibility adds significant values to a company beyond just the protection of reputation and maintaining its business processes.

Kotler & Lee (2005) defined CSR as “a commitment to improve community well-being through optional business practices and contributions of firm resources”. Vos (2003) explained CSR concept as the obligations of business to its stakeholders and stated that the business has obligations not only for its previous activities but also for its future activities. Mohr, Webb & Harris (2005) defined CSR as "a company's commitment to minimizing or eliminating any damaging effects and maximizing its long-run beneficial impact on society”. Vaaland, Heide & Gronhaug (2008) and Van Marrewijk (2003) stated that CSR covers the administration of shareholders' awareness and business processes concerning environmental, ethical and social concepts to build corporate value and benefit. Matten & Moon (2008)

defined CSR as explicit and implicit. Explicit CSR is the corporate strategies that accept and support responsibility for social benefit. It includes volunteer programs and practices of corporations that consider topics perceived as part of the company's responsibility. Implicit CSR is the role of companies' part within larger official and unofficial institutions for the benefit and interest of society. Carroll's (1991) CSR definition is the best known among CSR definitions in academic literature. Carroll stated that "CSR covers society's expectations from companies in economic, legal, ethical and philanthropic issues". Figure 1 presents Pyramid of CSR. In this corporate social responsibility pyramid that Carroll developed (Figure 1), CSR activities examined under four dimensions: philanthropic, ethical, legal and economic responsibility. These four dimensions create a basis to provide businesses determine all their responsibilities to their community (Carroll, 2016).

Figure 1. CSR Pyramid



Economic responsibilities are economic / financial requirements which have to be fulfilled in a competitive business environment. Businesses have economic responsibilities to society. In today's competitive worldwide business, society expects businesses to be profitable and sustainable. Economic performance and sustainability have become significant concepts for businesses. Businesses must be profitable, financially, and economically successful to meet their economic responsibilities to their partners and all stakeholders. Legal responsibilities are the rules that businesses must obey. These rules include laws and regulations. Companies should abide by the laws and rules determined in the society in all their activities (Carroll, 2016). The society anticipates companies to manage all the activities ethically. Ethical responsibilities are the obligations for companies to be morally responsible to avoid the damage that may be the result of their actions (Lantos, 2001). Businesses should obey values, standards, norms, principles which not written in law. There should be an ethic and clear relation among the company and the society (Carroll, 2016). Philanthropic responsibilities are the voluntary

responsibilities of the businesses. Philanthropic is the responsibility that contributes to community and enhance the life quality (Crane & Matten, 2004). They reflect the current expectations of the public towards the business. Today, businesses bond the philanthropic attempts to business goals. Companies progressively view philanthropy as a strategy to strengthen corporate objectives (Kotler & Lee, 2005). Ethical and philanthropic responsibilities are practices that are not mandatory for businesses to fulfill but are expected from businesses by society. Businesses carry out the activities they perform within these dimensions for both the business and public benefits (Pirsch, Gupta & Grau, 2007).

CSR activities cover a wide range of business processes that include environmentalism, charitable contributions, management's responsibility to employees and employee engagement (Hancock, 2005). The aim of CSR is to minimize compromises and maximize synergies arising from all environment in which the corporate operates (Hediger, 2010). Today, large number of companies increasingly engaging in significant attempt for defining and integrating CSR to all business plans and processes. Appropriate implementation of CSR activities increases the success of businesses and provides competitive advantage in the market. Also, CSR contributes to building and maintaining the reputation of businesses. With the positive growth of the business's reputation, businesses increase their market share, increase their awareness in the market, gain novel customers, attract talented employees, create a competitive advantage, and market positioning (Stephenson, 2009). CSR activities are increasingly becoming important agenda topics for companies, and more companies take more initiatives on CSR. CSR helps to support all the activities of companies in a way that does not harm the society, nature and the environment and makes an important contribution to the improvement of social life and reduction of social inequality.

2.2. Employees' CSR Perception

CSR practices have an important position in strengthening the relationships of corporates with internal and external stakeholders. Today, most of the businesses are aware of this importance and take part in CSR practices voluntarily. It is important for the corporate culture how employees, who are internal stakeholders of organizations, perceive CSR practices and reflect on their behavior. In this context, CSR practices are an important concept that strengthens employees' relations with the company and enhance their loyalty.

CSR is a considerable company policy that influences the attitudes and behaviors of both customers and all employees who are internal customers. When corporations generate CSR policies that provide the important needs of the society and business, value is created for customers and employees. Corporates with CSR programs are more profitable and have better reputations, also CSR practices create a competitive advantage for businesses to live and grow in the competitive market environment (Okpara, 2009). By contributing to the reduction of conflicts between business and publicity, organizations that have a successful CSR image and perception provide a strong and positive image to

their stakeholders, which impacts the perceptions of all stakeholders. The active and continuous involvement of a company in CSR activities directly affects the perspective and perception of its employees towards their institutions. These perceptions directly influence on employees' satisfaction with their workplaces and job performances, who have an important effect on company's capability to gain competitive advantage in the market (Luo & Bhattacharya, 2006). Employees' perceptions of CSR improve their interactions with their organizations and with each other and create a better workplace image (Aguinis & Glavas, 2019). Businesses have to know that satisfaction of their employees is significant to their achievement and they should take this into account while planning and implementing CSR actions. In addition, businesses should clearly share the content and details of all their activities within the scope of CSR with their employees (Bhattacharya, Sen & Korschun, 2008).

Today, employees expect more from the corporates they work for. In recent years, as employees realize that CSR actions are an important value and concept in today's business world, employees and candidates also evaluate how much importance companies attach to CSR activities in their job search processes. In particular, the transparent management style of corporates, their attitudes towards their employees, their relationship with the environment and their social sensitivity are the criteria that employees consider (Kim et al., 2017). Employees are important in establishing relationships with external stakeholders of corporate and in evaluating the company by external stakeholders about corporate's CSR processes. For this reason, employees' contributions, evaluations and feedbacks are major factors in the creation, implementation and communication of CSR plans of corporates (Schaefer, Terlutter & Diehl, 2019).

The CSR strategies of corporate and the sustainability of their activities regarding CSR are perceived positively by employees and increase their corporate commitment. Employees who think that the CSR activities of the company they work with are successful and positive also have positive perceptions about the company's competitive power in the market, the success and leadership of the management. According to research conducted by Lee, Park & Lee (2013), CSR ability significantly affects the perception of CSR and thus employee loyalty and performance. Rupp & Mallory (2015) stated that firm's CSR activities evolve changes in attitude and behavior among employees. The CSR practices motivate employees to show greater commitment to achieving goals (Galbreath, 2010). CSR strategies and activities should be compatible with corporate identity in order to enhance employee loyalty and provide the success of CSR programs. The harmony and overlap of corporate with CSR practices also enable employees to accept and support such initiatives more effectively (Chong, 2009).

Corporations's CSR strategies positively affect and improve employees' quality of working life. Social responsibility activities of businesses for its employees which are - equitable wage range, family support, assurance, fair agreement- bring out preferred employment for employees (Bohdanowicz & Zientara, 2009). Singhapakdi et al. (2015) stated that if the CSR strategies of the corporate is not suitable with the CSR perception of the employees, it may have a negative effect on the quality of work life of

the employees. Inconsistency in CSR perception and trust adversely affect the employee's quality of work life. Farooq, Farooq & Jasimuddin (2014) pointed out that CSR activities are a powerful factor in the strengthening of the corporate identity of companies and sharing information, and this directly affects the perception and behaviors of the employees. Employee perception of social responsibility practices directly affect their commitment to the organization they work for. Employees feel much more self-esteem when they know that CSR is widespread at the company (Bhattacharya, Sen & Korschun, 2008). Employees who approve and support the CSR strategies of their organization are more inclined to have a cognitive and emotional attachment to their company (Hur, Moon & Ko, 2018). Lee, Park & Lee (2013) indicated that employees' perceptions of CSR strategies and processes directly affect company loyalty and corporate success. Maignan, Ferrell & Hult (1999) explained that social responsibility practices increase employee loyalty, customer loyalty, and business performance.

2.3. Customer Orientation

Today's competitive global environment makes it more important to understand customers' rapidly changing needs more than ever. Customer orientation is important for helping businesses understand customer needs, acquiring competitive advantages, increasing sales, and achieving business success (Feng et al., 2019). Deshpande, Farley & Webster (1993) described customer orientation as "beliefs that prioritize the interests of the customers without excepting the interests of all stakeholders to build up a longtime profitable company". Atuahene & Ko (2001) defined customer orientation as "the firm's orientation towards promotion and support in collecting and responding to market information to fulfill the needs of consumers".

Being customer-focused in all activities is major for sustainable business processes. Customer orientation is a significant concept in ensuring business profitability, as well is the basic precondition for competitive advantage and market success (Nwankwo, 1995). Customer focus has a positive influence on company success because customer orientation provides competitive advance by creating value by increasing customer benefits while reducing costs and helping the company to reach important data about market needs that admit the company to provide profitable offerings (Domi, Capelleras & Musabelliu, 2020; Brown et al., 2002). Ha & Park (2012) emphasized that customer focus has become important for brand loyalty formation and evaluation, and Rapp, Trainor and Agnihotri (2010) emphasized that customer focus is a prominent factor in prioritizing consumers' preferences and selection criteria.

CSR is an important concept that enables a company to communicate and interact with customers, potential customers and stakeholders. Companies must actively monitor and match employees with customers who most support the company's CSR actions. As stakeholders become more aware of the company's CSR actions, companies achieve customer orientation by encouraging communication about CSR between various stakeholders (Korschun, Bhattacharya & Swain, 2014).

H1. Employee perception of CSR activities significantly and positively affects customer orientation.

H1_a: Employee perception of environmental CSR activities significantly and positively affects customer orientation.

H1_b: Employee perception of ethical CSR activities significantly and positively affects customer orientation.

H1_c: Employee perception of philanthropic CSR activities significantly and positively affects customer orientation.

As Domi, Capelleras & Musabelliu (2020) underlined, customer orientation includes proactively gathering feedback from customers and developing strategies to create high value for customers. Therefore, customer orientation helps the corporate provide its customers with a superior value proposition that ensures higher customer loyalty and improved business performance. Adoption of customer orientation positively improves both corporate performance and financial results of the business (Peña, Jamilena & Molina, 2013). Improving perceived performance is vital since a company's performance is the driving force of its competitive advance in the marketplace. Thus, the main aim of corporations is to increase level of performance. Together with that, assuring to be customer oriented is considered important for greater perceived performance. In line with the literature, we suggested these hypotheses:

H2: Customer orientation significantly and positively affects perceived performance.

2.4. Perceived Performance

Effective and sustainable implementation of CSR activities in businesses enables them to attain significant economic outcomes that have a favorable impact on the success and corporate competitiveness of businesses (Gallardo-Vázquez, Valdez-Juárez & Castuera-Díaz, 2019). CSR executions are evaluated one of the main success indicators affecting business achievement and are seen as a fundamental intangible asset contributing to a business's performance (González-Rodríguez et al., 2019). CSR practices provide sustainable company performance. Businesses in many sectors implement CSR activities in order to enhance their prestige and success, at the same time to decrease disagreements among their shareholders. Specifically, CSR activities assist companies to maintain solid relations with stakeholders by creating a favorable perception of their performance (Yang, Bento & Akbar, 2019).

As companies invest in social responsibility activities and adopt social responsibility strategies, their perceptions and performances in the market increase positively in parallel with this situation. Since CSR practices increase the reputation of the company in the society, this situation directly creates positive effect on the economic indicators of institution. The rise of CSR practices of corporates directly increases their reputation, which leads to an increase in their performance (Zhu, Sun & Leung, 2014).

CSR contributes to the performance of businesses by increasing employee satisfaction, attracting customers, and creating a better corporate image (Surroca, Tribo & Waddock, 2010). Employee-related CSR activities reinforce the reputation of businesses and this positively affects the success of the organization (González-Rodríguez et al., 2019).

Hur, Moon & Choi (2019) stated that the perceptions of employees in a corporate develop an affirmative identity, engagement, and motivation that develop enhancing performance. Carmeli, Gilat & Waldman (2007) indicated that employees' perceptions of CSR enable them to evaluate companies positively, and this leads to an increase in business performance by providing corporate identity with the company.

Besides, social responsibility practices have a favorable impact on financial indicators and this positively develops corporate reputation, raises employee engagement and satisfaction (Martos-Pedrero, Cortés-García & Jiménez-Castillo, 2019). Companies with better CSR performance can achieve better financial results than companies that do not follow CSR initiatives (Hou, 2019). The affirmative intercourse among CSR and company performance prompts companies to accomplish financial benefits through CSR practices (Yang, Bento & Akbar, 2019). Socially responsible practices of firms can provide business interests and improve their financial performance (Ting et al., 2020). Kang, Lee & Huh (2010) stated that there is a favorable effect of positive CSR strategies on value of the firm and pointed out that employee commitment exists among CSR activities and financial performance. Therefore, the following hypotheses are suggested;

H3. Employee perception of CSR activities significantly and positively affects perceived performance.

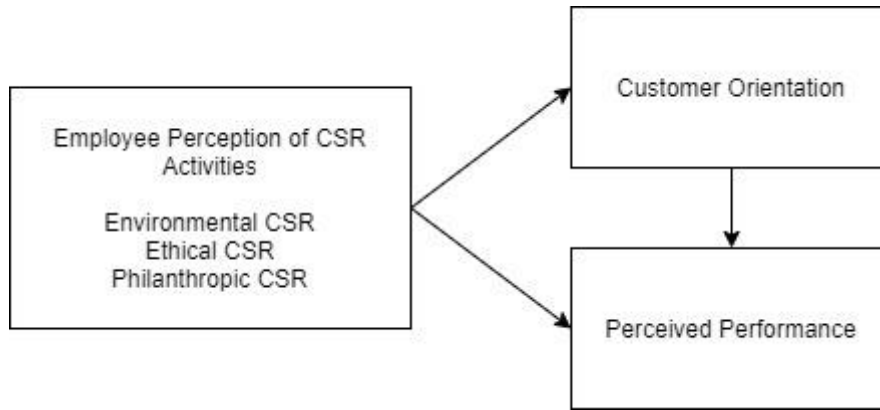
H3_a: Employee perception of environmental CSR activities significantly and positively affects perceived performance.

H3_b: Employee perception of ethical CSR activities significantly and positively affects perceived performance.

H3_c: Employee perception of philanthropic CSR activities significantly and positively affects perceived performance.

Based on the hypothesis development, a conceptual model was formed. Figure 2 demonstrates the conceptual model of the research.

Figure 2. Conceptual Model



3. RESEARCH METHOD

3.1. Sample and Data Collection

The data of the study was collected by using questionnaires. The survey consists of three sections, first section is devoted to measure perception of corporate social responsibility, the second section is related to consumer orientation and perceived corporate performance while the third section has questions for gathering demographic information. The scales to measure these variables are adapted from previous studies. Employee perception of corporate social responsibility and perceived performance were measured utilizing scale of Lee, Park & Lee (2013) whereas consumer orientation was measured by using scale of Ki Lee et al. (2013). All of the constructs were measured using Likert type 5-point scales with the labels ranging from “completely disagree” to “completely agree”. A pilot test was carried out before final data collection process. The sample consists’ of employees working in the banking industry. The sample size was deemed to be satisfactory since widely accepted ratio is 10 cases per indicator variable (Akgül, 2005; Wang & Wang, 2012) and the questionnaire has 19 indicator variables. Also, usage of PLS is suitable when researching smaller samples (Hair et al., 2014). 250 participants answered the questionnaire and 218 of them were deemed to be usable. Male (49%) and female (%51%) participants were equally distributed. Majority of the participants were aged between 29-34 years old (38%) and have university degree (%72). Most participants indicated that they have been working in the company for 1-5 years (%47).

3.2. Assessment of Measurement Model

This study utilized PLS-SEM which is helpful for being flexible in relationship specification as well as in model complexity (Sarstedt et al., 2014) to assess the model and test the hypotheses. PLS-SEM has the superiority of estimating the measurement model and has been an analysis tool that is commonly used in market research and especially in the social sciences (Hair et al., 2012). In order to assess convergent validity and reliability; factor loadings, composite reliability (CR) and average variance extracted (AVE) were checked. Factor loadings and CR values were all above the suggested

value of 0.708, AVE value exceeded the recommended value of 0.50 as seen on Table 1, so convergent validity is achieved (Hair et al., 2017).

Table 1. Factor Loadings, Composite Reliability (CR), Average Variance Extracted (AVE)

Constructs	CO	CSR_env	CSR_eth	Perf	CSR_phi	CR	AVE
Ethical CSR activities						0.935	0.878
CSR_eth	0.469	0.492	0.931	0.502	0.481		
CSR_eth	0.539	0.588	0.943	0.527	0.441		
Environmental CSR activities							
CSR_env	0.436	0.899	0.547	0.592	0.523	0.945	0.852
CSR_env	0.494	0.947	0.551	0.580	0.586		
CSR_env	0.503	0.923	0.504	0.552	0.630		
Philanthropic CSR activities							
CSR_phi	0.391	0.506	0.408	0.491	0.824	0.932	0.695
CSR_phi	0.409	0.593	0.468	0.564	0.817		
CSR_phi	0.340	0.563	0.373	0.416	0.843		
CSR_phi	0.323	0.472	0.403	0.419	0.769		
CSR_phi	0.421	0.495	0.388	0.438	0.880		
CSR_phi	0.335	0.498	0.396	0.435	0.862		
Perceived corporate performance							
Perf	0.411	0.617	0.546	0.859	0.506	0.944	0.808
Perf	0.506	0.601	0.519	0.933	0.528		
Perf	0.420	0.505	0.450	0.903	0.442		
Perf	0.460	0.499	0.449	0.899	0.525		
Customer orientation						0.966	0.851
CO	0.922	0.478	0.518	0.473	0.405		
CO	0.956	0.515	0.546	0.519	0.456		
CO	0.961	0.511	0.559	0.479	0.425		
CO	0.937	0.456	0.476	0.481	0.344		
CO	0.832	0.420	0.358	0.338	0.445		

CO Customer orientation, CSR_env Environmental CSR activities, CSR_eth Ethical CSR activities, Perf Perceived Performance, CSR_phi Philanthropic CSR activities

Second, discriminant validity was assessed by checking cross-loadings and Fornell Larcker Criterion. In this respect, Table 1 shows that factor loading indicators on the related construct are higher than all loadings of other constructs (Hair et al., 2017) and Table 2 demonstrates that the square root of each construct's AVE have a greater value than the correlations with other latent constructs as required by Fornell & Larcker criterion (1981). Therefore, discriminant validity was assessed.

Table 2. Fornell & Larcker Criterion

	CO	CSR_env	CSR_eth	Perf	CSR_phi
CO	0.923				
CSR_env	0.518	0.923			
CSR_eth	0.539	0.579	0.937		
Perf	0.501	0.622	0.550	0.899	
CSR_phi	0.448	0.628	0.491	0.559	0.833

CO Customer orientation, CSR_env Environmental CSR activities, CSR_eth Ethical CSR activities, Perf Perceived Performance, CSR_phi Philanthropic CSR activities

3.3. Assessment of the Structural Model

In the second step, the structural model of the study was assessed. Collinearity statistics (VIF) were checked to see whether all VIF values are below the critical level of 5 (Hair et al., 2011). There was not issue regarding to collinearity statistics (VIF) as seen on Table 3.

Table 3. Collinearity Statistics (VIF)

	CO	CSR_env	CSR_eth	Perf	CSR_phi
CO				1.574	
CSR_env	1.965			2.056	
CSR_eth	1.566			1.742	
Perf					
CSR_phi	1.721			1.749	

CO Customer orientation, CSR_env Environmental CSR activities, CSR_eth Ethical CSR activities, Perf Perceived Performance, CSR_phi Philanthropic CSR activities

The fundamental criteria to evaluate the structural model are R² measures, level and significance of path coefficients since aim of PLS-SEM approach is to explain the endogenous latent variables' variance (Hair et al., 2014). The model explained 48,4% of the variance in perceived performance and 36,5% of the variance in consumer orientation. The results are summarized on Table 4.

Table 4. Summary of The Results

Dependent Variables		Independent Variables	Hypotheses	β	t values	Result
Customer orientation	0,365	Environmental CSR activities	H1 _a	0,241	2.927**	Supported
		Ethical CSR activities	H1 _b	0,333	3.396**	Supported
		Philanthropic CSR activities	H1 _c	0,134	1.978*	Supported
Perceived performance	0,484	Customer orientation	H2	0,146	2.431*	Supported
		Environmental CSR activities	H3 _a	0,305	3.539**	Supported
		Ethical CSR activities	H3 _b	0,193	2.231*	Supported
		Philanthropic CSR activities	H3 _c	0,207	2.757**	Supported

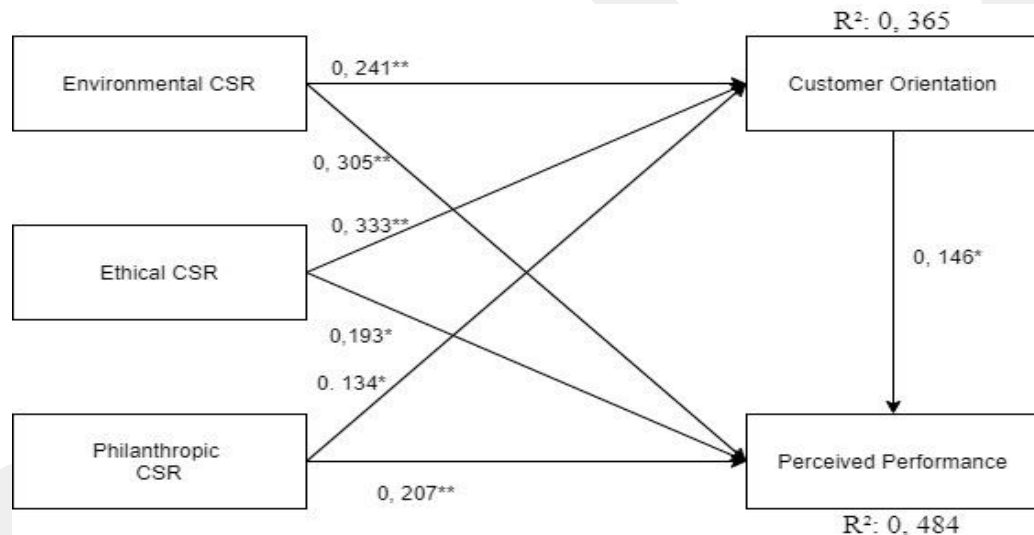
**p < 0.01, *p<0.05

Results indicate that all dimensions of perceived corporate responsibility which consist of perceived environmental CSR activities ($\beta=0.241$, $p<0.01$), perceived ethical CSR activities ($\beta=0.333$, $p<0.01$), and perceived philanthropic CSR activities ($\beta=0.134$, $p<0.05$) are positively related to customer orientation. These findings support hypotheses H1_a, H1_b, H1_c. Furthermore, customer orientation is positively related to perceived performance ($\beta=0.146$, $p<0.05$), supporting hypothesis H2.

Table 4 also demonstrates that all dimensions of perceived corporate responsibility are positively related to perceived performance, supporting hypotheses H3_a, H3_b, and H3_c. Specifically, perceived environmental CSR activities ($\beta=0.305$, $p<0.01$), perceived ethical CSR activities ($\beta=0.193$, $p<0.05$), and perceived philanthropic CSR activities ($\beta=0.207$, $p<0.01$) are positively related to perceived performance.

Figure 3 shows the results of the hypotheses.

Figure 3. Results of the Hypotheses



4. CONCLUSION

Corporate social responsibility indicates decision making related to ethical values, compliance with legal requirements, and respect for people, communities, and the environment (Kärnä, Hansen & Juslin, 2003). There is a huge literature on corporate social responsibility (CSR) that focuses on customers' perceptions, nonetheless, employees' perception of CSR is often ignored. Therefore, this study approaches the issue from the employees' side, and extends the existing literature on CSR with exploring the effect of perceived CSR on customer orientation and perceived performance. This research underlines the importance of CSR on building customer orientation and increasing the level of performance perceived by employees.

The findings revealed that all dimensions of employee perception of CSR activities lead to customer orientation. Specifically, the most important dimension of CSR that affect customer

orientation is perceived ethical CSR activities ($\beta=0.333$, $p<0.01$), while perceived environmental CSR activities ($\beta=0.241$, $p<0.01$), and perceived philanthropic CSR activities ($\beta=0.134$, $p<0.05$) follow it. The results emphasize that to be consumer-oriented, the companies should prioritize ethical CSR activities. Environmental and philanthropic CSR activities are also essential to be consumer-oriented.

The results of this study indicated that customer orientation is a positive predictor of perceived performance. Therefore, this study highlights the importance of customer orientation in creating perceived performance; to increase perceived performance, a company should be customer-oriented. The results of the hypotheses tests also show that all dimensions of employee perception of CSR activities are positively related to perceived performance. The findings point out that employee perception of CSR activities is key to increase the level of perceived performance. The most significant CSR dimension that contributes to perceived performance is perceived environmental CSR activities ($\beta=0.305$, $p<0.01$), indicating that specific attention should be given to doing CSR activities that support the environment to increase perceived performance. Perceived philanthropic CSR activities ($\beta=0.207$, $p<0.01$) are also a significant factor to create the perceived performance. Companies should also focus on doing ethical CSR activities ($\beta=0.193$, $p<0.05$), as they also increase perceived performance in the eyes of the employees.

Consequently, perceived environmental, ethical, and philanthropic CSR activities can be considered as antecedents of consumer orientation and perceived performance. The research emphasized the key role of perception of CSR activities for companies by focusing on the employee side. Results also underline those employees perceive ethical CSR activities as more effective for being consumer oriented while environmental and philanthropic CSR activities are perceived as more important for perceived performance.

The research was carried on employees working in the banking industry. Future studies may focus on other industries and compare the perception of employees working in different industries. Future researches may extend the current model by adding different variables such as employee loyalty, and employee satisfaction.

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