

The Effect of Corporate Philanthropy on Organization Commitment and Job Performance of Employees: Workplace Spirituality as Mediating Variable

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Abstract

The article is aimed at examining the effect of corporate philanthropy on employees' organization commitment and job performance through the angle of workplace spirituality. For this purpose, the data were collected from 347 employees working in different corporations in Beijing. By regression analysis, we found that corporate philanthropy had a positive effect on organization commitment and job performance, meanwhile workplace spirituality played a partly mediating role. All the alternate hypotheses of the study were accepted. According to these research results, it is suggested that corporations should engage in philanthropy activities and take some other measures for promoting employees' workplace spirituality.

Keywords

Corporate Philanthropy, Organization Commitment, Job Performance, Workplace Spirituality

1. Introduction

How to enhance employee's commitment and job performance is an important issue for human resource management. Organizational commitment has been operationally defined by Bateman and Strasser as "multidimensional in nature, involving an employee's loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership" [1]. This construct consists of three dimensions, which are emotional, sustained, and normative commitment [2].

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Some studies have shown that organization commitment can be influenced by many factors such as leadership styles, organizational support, organization reliability, fairness and collective work ethic [3]. Job performance is typically conceptualized as “actions and behaviors that are under the control of the individual that contribute to the goals of the organization” [4]. As for the organizational values of corporate philanthropy, it has been researched by some scholars. Especially with the emergence of strategic philanthropy theory [5], more and more companies began to improve their business environment through corporate philanthropy [6]. It has been illustrated that the corporate philanthropy has a positive effect on accumulating reputation capital [7], improving financial performance [8], and attracting more excellent employees [9]. Meanwhile, a few scholars begin to focus on the effect of corporate philanthropy on employees’ work attitude and performance [10]. Xu found that 67.1% of managers acknowledged that corporate philanthropy enhanced employees’ organization cohesion and loyalty in his survey. Balakrishnan believed that corporate philanthropy would have a significant altruistic impact on employees, such as a significant increase on employee contribution, incentive, and dedication [11]. These factors work together to help achieve an overall higher level of work efficiency. Through a case study, Ke *et al.* [12] claimed that the work attitude and behavior of employees in a philanthropically positive corporate were better than those in a philanthropy-negative corporate. However, right now the relevant empirical researches, especially large-scale sample test in this area, are still deficient.

With the rise of the spiritual theory, more and more organizations have begun to focus on the spiritual needs of their employees. Workplace spirituality is the affirmation of employee’s inner life of the employees. Workplace spirituality can be defined as the “recognition that employees have an inner life which nourishes and is nourished by meaningful work taking place in the context of a community” [13], including three dimensions which are meaningful at work, community and alignment with organizational values [14]. Research has shown that workplace spirituality plays an important role on job involvement [15], job satisfaction, organizational commitment [16] and job performance [17]. By creating a caring organizational atmosphere, corporate philanthropy provides a spiritual experience to employees, which enables employees to better understand the value and significance of their work, align their goals with organizational goals and effectively improve the spirituality of employees at workplace; at the same time, based on Social Exchange Theory, after feeling the concern from the organization, employees can have a high level of workplace spirituality, and they will return the favor to the organization by improving their organizational commitment and job performance. In a case study, Ke, Sun and Qiu have illustrated that the corporate philanthropy positively affects employees’ attitude and behavior, such as job involvement and organization commitment, and have proposed that the workplace spirituality may be a mediator [12].

However, the current research on organizational values of corporate philanthropy is still in the infancy stage; especially the influence process of corporate philanthropy on employees’ attitudes and work outcomes needs to be analyzed and tested. Therefore, this study explores the effect of corporate philanthropy on organization commitment and job performance through the angle of workplace spirituality.

2. Literature and Hypothesis

Corporate philanthropy is a voluntary altruistic behavior which doesn’t request obligatory repayment. This includes both external philanthropy and internal philanthropy [10]. External philanthropy refers to philanthropic actions taken by the corporate which are then received by a third party, whilst internal corporate philanthropy means philanthropic actions made by the corporate and received by its own employees. On one hand, corporate philanthropy can enhance the reputation capital, so it will have a positive impact on the emotional commitment for the employees [18]. On the other hand, the internal corporate philanthropy can directly benefit the internal employees, and provide not only a caring and positive atmosphere, but also an valuable spiritual experience for the employees. The positive behavior of the corporate could advocate altruistic behaviors, promote employees’ incentive and motivation to work harder and perform better [11]. Besides, based on Social Exchange Theory, the relationship between organization and employees follows a principle of reciprocity, and employees serve organization in order to obtain economic or social remuneration. When individuals receive economic and social emotional resources that are offered by organization, they tend to feel certain obligation to give back to the organization [19]. Therefore, corporate philanthropy will strengthen the employees’ organizational recognition and commitment, improve their working performance. This leads to the following hypothesis:

H1a Corporate philanthropy can promote employee’s organization commitment.

H1b Corporate philanthropy can promote employee’s job performance.

When Riasudeen and Prabavathy studied the relationship between workplace spirituality of the employees in manufacturing and the five kinds of work attitude, they found that workplace spirituality affects job satisfaction and organization commitment positively, which can bring higher productivity and responsibility for employees [15]. Consequently, the overall mood and proactivity of employees will experience an elevation [20]. Meanwhile, employees that already deliver high levels of job involvement will perform even more enthusiastically to achieve organizational goals, improve their organization commitment and job performance [21]. Concurrently, Rastgar surveyed 300 Iranian insurance company employees and found that workplace spirituality is significantly interrelated to the work performance [17]. This research also suggested that employees who have high workplace spirituality will show more organizational citizenship behaviors. For this reason, their job performance will be improved. This leads to the following hypothesis:

H2a Workplace spirituality can promote employee's organization commitment.

H2b Workplace spirituality can promote employee's job performance.

Researchers have found that workplace spirituality is affected by various factors, such as leadership style, organization atmosphere and so on [22]. Based on the Theory of Identity, individuals in a philanthropic organization will realize the essence of emotion and value inspired from participating as a member of a specific group after the realization of their own affiliations to belong to a social community [23]. Philanthropic corporate behavior will establish an exceptionally responsible corporate image, create a nurturing and benevolent organizational atmosphere, implement a positive psychological experience for employees and then reinforce their affirmation for the corporate. Therefore the understanding of the intrinsic value of work via a series of measures, which includes active care of well-being of, fulfillment of familial responsibilities, and creation of a supportive work environment for employees, and aid to social vulnerable groups and so on. Meanwhile, Ke, Sun and Qiu have illustrated the corporate philanthropy positively affect employees' attitude and behavior, such as job involvement, organization commitment, and propose the workplace spirituality may be a mediator in a case-study [12]. This leads to the following hypothesis:

H3a. Workplace spirituality mediates the relationships between the corporate philanthropy and organization commitment.

H3b. Workplace spirituality mediates the relationships between the corporate philanthropy and job performance.

The study model is shown in **Figure 1**.

3. Method

3.1. Sample

The article uses self-report questionnaire for convenient sampling. The sample for the study was drawn from corporate employees in Beijing. All the participants prior to data collection were informed consent signed. Out of the total 420 questionnaires distributed, 380 copies were returned and 347 of them were valid. The effective response rate is 82.6%. Invalid samples included those who didn't fill all the questions or fill the questions casually. The descriptive statistics of samples are shown in **Table 1**.

3.2. Measuring

Corporate philanthropy. The paper uses the scale of corporate philanthropy developed by Ke *et al.* [10] This scale includes both an internal and external dimension, with a total of 19 items with 6 point Likert-style scale

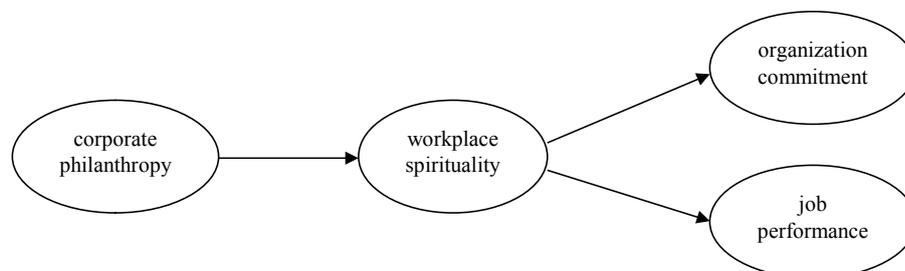


Figure 1. The effect of corporate philanthropy on organization commitment and job performance of employees.

Table 1. Descriptive statistics of samples.

Gender	Male	48.8%
	Female	51.2%
Marriage	Married	62.8%
	Unmarried	37.2%
Work experience	1 - 5 years	53%
	6 - 10 years	19%
	11 - 15 years	4.6%
	>15 years	23.3%
Educational background	High school and under	2%
	Secondary vocational school	10.7%
	Bachelor	27.4%
	Master	55.9%
	Doctor	4%

(1 = fully disagree, 2 = disagree, 3 = a little disagree, 4 = a little agree, 5 = agree, 6 = fully agree). The overall alpha was 0.87.

Workplace spirituality. This includes 21 items from Milliman *et al.* [14] spirituality scale. The scale contains three dimensions which include meaningful at work, community and alignment with organizational values. The measures were based on a six-point scale from 1 (“completely disagree”) to 6 (“completely agree”) and the overall alpha was 0.93.

Organization commitment. This includes 18 items from Meyer and Allen’s [2] organization commitment scale, including three dimensions, affective, continuance, and normative commitment. The measures were based on a six-point scale from 1 (“completely disagree”) to 6 (“completely agree”) and the overall alpha was 0.81.

Job performance. The paper uses the scale compiled by Williams & Anderson [24]. It includes a total of 22 items, including two dimensions of task performance and contextual performance. The measures were based on a six-point scale from 1 (“completely disagree”) to 6 (“completely agree”). The overall alpha was 0.81.

Control variables. Control variables includes gender, marriage, work experience and educational background. Specifically, gender: 0 = male, 1 = female; marriage: 0 = yes 1 = no; working experience: 1 = “1 - 5 years”, 2 = “6 - 10 years”, 3 = “11 - 15 years”, 4 = “>15 years”; educational background: 1 = high school and under”, 2 = “secondary vocational school”, 3 = “bachelor”, 4 = “master”, 5 = “doctor”.

3.3. Common Method Biases Test

In order to reduce the common method bias, the questionnaire instructions says that it is an anonymous survey and there are no right or wrong answers, and ensure that the result does not reveal any personal information. The purpose is to enable participants to complete the questionnaire with honesty and not to be influenced by questions before and after. In addition, we use the Harman single factor test to verify the extent of homologous error of each research variable. The results show that the single factor can only explain 15.47% of the four subjective variables’ variance, indicating common method biases are not serious.

3.4. Methods of Data Analysis

After data collation, correlation coefficient and regression analyzing of variables was used by SPSS 19.0 for the study to explore the relationship among corporate philanthropy, workplace spirituality, organization commitment and job performance.

4. Results

4.1. Correlation Analysis of Variables

Table 2 shows the mean and correlation coefficient of variables. The mean and standard deviation don't have any abnormal phenomena. The results show that corporate philanthropy has a significant role in promoting organization commitment ($r = 0.360, P < 0.001$) and a significant role in promoting job performance ($r = 0.106, P < 0.05$). These results support H1a and H1b. Meanwhile, corporate philanthropy also has a significant positive effect on organization commitment ($r = 0.268, P < 0.001$) and a significant positive effect on job performance ($r = 0.138, P < 0.01$). These results support H2a and H2b.

4.2. The Effect of Corporate Philanthropy and Workplace Spirituality on Organization Commitment

Model 1 - 3 in **Table 3** shows the influence of corporate philanthropy and workplace spirituality on organization commitment. The VIF of model 1 - 3 is less than the critical value of 10. The D-W value is significant at the 0.05 level which shows that the model does not have the serious problem of collinearity, and the analysis of the

Table 2. Means, standard deviation, Pearson correlation coefficient of variables.

	Mean	SD	1	2	3	4	5	6	7
1. Gender	0.48	0.500							
2. Marriage	0.42	0.580	0.078						
3. Work experience	1.98	1.231	0.383**	-0.195**					
4. Educational Background	3.49	0.817	0.113*	0.113*	-0.044				
5. Corporate philanthropy	3.895	0.932	0.168**	0.168**	-0.231**	0.145**			
6. Workplace spirituality	3.376	0.922	-0.26**	-0.164**	-0.098	-0.074	0.200***		
7. Organization commitment	3.509	1.200	0.050	0.225**	-0.024	0.276**	0.360***	0.268***	
8. Job performance	4.211	0.961	0.408**	0.021	0.463**	0.277**	0.106*	0.138***	0.449***

Notes: *** $P = 0.001$; ** $P = 0.01$; * $P = 0.05$.

Table 3. Regression analyzing of corporate philanthropy and workplace spirituality on organization commitment and job performance.

	Organization commitment		Job performance			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Control variable						
Gender	-0.013	-0.001	0.076	0.214***	0.220***	0.277***
Marriage	0.204***	0.165**	0.209**	0.053	0.031	0.064
Work experience	0.032	0.093	0.057	0.403***	0.438***	0.412***
Educational background	0.256***	0.215***	0.230***	0.260***	0.236***	0.247***
Independent variable						
Corporate philanthropy		0.323***	0.253**		0.186***	0.134**
Mediating variable						
Workplace spirituality			0.288***			0.212***
R ²	0.115	0.211	0.282	0.347	0.379	0.417
Adjusted R ²	0.105	0.199	0.269	0.339	0.369	0.407
F	11.148	41.198	33.575	45.442	17.275	22.349
ΔR ²	0.115	0.095	0.071	0.347	0.031	0.038
F	11.148	18.206	22.217	45.442	41.539	40.507

Notes: *** $P = 0.001$; ** $P = 0.01$; * $P = 0.05$.

model is acceptable. According to model 1, gender and work experience do not have significant effect on organizational commitment and education background have influence on organization commitment in some degree. Model 2 shows that the β of corporate philanthropy is 0.323 ($P < 0.001$). Corporate philanthropy has significant positive effect on organization commitment of subordinates. Model 3 shows that after introducing the variable of workplace spirituality, the β of workplace spirituality is 0.288 ($P < 0.001$), while the β of corporate philanthropy is 0.253 which is lower than before. It shows that workplace spirituality plays a partly mediating role between corporate philanthropy and organization commitment. These results support H3a.

4.3. The Effect of Corporate Philanthropy and Workplace Spirituality on Job Performance

Model 4 - 6 in **Table 3** shows the influence of corporate philanthropy and workplace spirituality on job performance. The VIF of model 1 - 3 is less than the critical value of 10. The D-W value is significant at the 0.05 level which shows that the model does not have the serious problem of collinearity, and the analysis of the model is acceptable. According to model 4, gender, education background and work experience have positive influence on job performance. Model 5 shows that the β of corporate philanthropy is 0.186 ($P < 0.001$). Corporate philanthropy has significant positive effect on job performance of employees. Model 6 shows that after introducing the variable of workplace spirituality, the β of workplace spirituality is 0.212 ($P < 0.001$), while the β of corporate philanthropy is 0.134 ($P < 0.01$) which is lower than before. It shows that workplace spirituality plays a partly mediating role between corporate philanthropy and job performance. These results support H3b.

5. Discussion

Our research contributes to making up for the shortage of current studies and confirming the influence of corporate philanthropy on organization commitment and job performance of employees. As predicted, corporate philanthropy has a positive effect on organization commitment and job performance. Raman has also demonstrated that the level of employees' organization commitment in the corporate that has donated to local charities is much higher than that of the enterprises that do not [25]. Thus, the humanitarian and charitable organizational atmosphere that enterprise philanthropy fabricates provides a nurturing environment that catalyzes spiritual experience for the employees, integrates the personal goals and the organization goal, and motivates employees to return better job performance to the organization. Besides, we also assess the intermediation of workplace spirituality between the enterprise philanthropy and employees' attitude and behavior. The research discovers that workplace spirituality partly mediates the relationships among the enterprise philanthropy, organization commitment and job performance. Organization commitment includes affective, continuous and normative commitment, so organization commitment is not only affected by emotions, but also affected by norms. Similarly, job performance includes two dimensions: contextual performance and task performance. Contextual performance, which is a spontaneous behavior, is mainly affected by emotions. Task performance, which is the regulated behavior and performance related to specific task, is often restraint by regulations and harmonious atmosphere in the organization. However, corporate philanthropy creates a virtuous atmosphere, which guides and restrains the employees' behaviors; meanwhile, the perception of the altruism will motivate employees to work harder. Workplace spirituality mainly provides an emotional experience to the employees, which includes the intrinsic value of work and organizational cohesion. And this kind of experience can improve the emotional state of the employees. Therefore, workplace spirituality plays a partly mediating role in the relationship between corporate philanthropy and job performance. So, the results proved the view of Ke, Sun and Qiu [12] partly, and other mediating variable exists probably.

6. Practical Implications

The practical implications of this study are as follows. Firstly, corporate should lay emphasis on the strategic value of philanthropy and engage in philanthropy activities to promote employees' workplace spirituality, organization commitment and job performance. Secondly, corporate is suggested to increase the job autonomy and challenge through work design, to make employees aware of the value and significance of the work and enhance the workplace spirituality of the employees. Finally, corporation ought to create a caring atmosphere for employees and strengthen their affirmations to the organization in the ways of committing human resource management practices or family-friendly human resource management practices, etc. Thirdly, corporate should con-

firm employees' affirmation to the organizational value, thereby improving their workplace spirituality by means of organizational culture construction.

7. Limitations and Directions for Future Research

The limitations of this study are as follows: Firstly, the distributions of samples aren't wide enough. We mainly investigated the corporates in Beijing, which makes the research more prone to regionality. In the future study, the study could investigate corporates and employees from other regions to enhance the representativeness. Secondly, the study will carry out more longitudinal studies and multi-level variables research. Our research now mainly bases on the cross-sectional data, the internal validity of the study will be improved efficiently if we can carry out a longitudinal follow-up study. Lastly, the future research could introduce moderators including spiritual leadership, commitment human resource management and so on to enrich the theory. And further explorations on the mediators are also valuable, for example, from the perspective of organizational trust.

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