



Measuring the Effect of Strategic Social Responsibility on Occupational Meaningfulness with the Moderating Role of Ethical Leadership

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Abstract: As a method of having strong relationships with internal stakeholders of the organizations, corporate social responsibility is a good strategy for gaining positive occupational qualities like Occupational Meaningfulness (OM). Regarding this, the study was conducted to measure the effect of Strategic Social Responsibility (SSR) on OM with the moderating role of ethical leadership. The study was applied in terms of the purpose and descriptive-survey in terms of method. The population was all the employees of the National Center for Identification of Goods and Services who were 90 people. Cochran formula was used to determine the sample size, with the sample size needed as 74 people. A standard questionnaire was used for data collection whose reliability was confirmed using Cronbach's alpha coefficient as 0.889. The Structural Equations Modeling (SEM) software Amos was used to analyze the collected data. The results showed that SSR has a significant effect on OM with the moderating role of ethical leadership. Moreover, SSR has a significant effect on OM. OM also has a significant effect on organizational identity.

Keywords: SSR, OM, Ethical Leadership, Organizational Identity.

INTRODUCTION

The studies show that the employees who perceive their occupation as meaningful will have more job satisfaction compared to others and show positive behaviors, so that both their and organization's interests are met (Salanova et al., 2008). Attention and importance to social responsibility create a desirable image in the minds of stakeholders, which leads to a positive evaluation and attitude of stakeholders towards the company. Moreover, organizations need to have a set of ethical guidelines to help them reach the goals and missions with the highest efficiency and effectiveness, and besides complying with organizational and legal standards and rules, assisting them by creating synergy and stability. This procedure facilitates their movement towards the desired situation (Amini et al., 2013).

Problem statement

Nowadays, the employees are of the most significant determinants of the organization's success in a competitive environment (Jung et al., 2016). Thus, to gain a competitive advantage in the existing competitive environment having dedicated employees to do their best to achieve its goals and function better seems necessary for any organization. Recently, OM has been examined as an important and effective component of the work (Hagman and Ollam, 1980; May et al., 2004; Stiger et al., 2006; Rothman and Hamukang, 2013). The reasoning of scholars is based on the fact that perceived fit between the inferential concepts of each

person and their role in the organization shows a meaningful experience. Oliver and Rothman (2007) especially, Spritz et al. (1997) emphasized that if a task is experienced meaningfully by the employees, it will provide the necessary context for their job promotion and job motivation. OM is the main factor in improving the attitude, behavior, performance and productivity of the employees (Svan et al., 2013). OM makes the employees go beyond the expectations of the organization (Rich et al., 2010). Accordingly, currently, in the management system, OM is considered as one of the key factors affecting the individual and organizational outcomes (Chalofsky, 2009).

Theoretical foundations

SSR

SSR has a close relationship with the resource-based view. The relationship between social responsibility and competitive advantage is expressed through the formulation of social strategies that affect and are affected by the opportunities, resources, facilities, skills, organizational competences, industry structure and stakeholders. Corporate social responsibility (CSR) strategies and competitive advantage are among the important issues in the field of the presence of the companies in the society given their social and environmental effects in the current era. Among the theories explaining CSR and its effect on the business performance, the resource-based theory states that the companies are exposed to a set of heterogeneous resources and abilities different from each other and not completely transferable from one enterprise to another (McWilliam et al., 2006).

Ethical leadership

To rely on the management and leadership of an organization and finding success in fulfilling its duties and responsibilities require three skills of knowledge, skill and social responsibility. Ethical leadership is one of the subcategories of ethical behaviors, which has recently become an important issue in organizations, although it has not been integrated on this variable in the field of research (Avey et al., 2010).

Ethical leadership is a vague blend that has been introduced to cover a variety of elements. Whereas it seems that this concept is useful for expressing the distinction between the ethics of a moral leader of a particular type of leadership behavior. Another definition states that ethical leadership as a category includes political, democratic, normative and symbolic concepts of leadership (Azgoli, 2006).

Ethical leadership is defined as showing normative behavior through individual actions and interpersonal relationships, and promoting like behavior to followers through dual communication, empowerment, and decision making (Brown et al., 2005).

Occupational Meaningfulness (OM)

Meaningfulness means the importance of job goals and the individual's interest in the job (Ivtzan et al., 2013). Meaningfulness is the fit between work requirements and beliefs, values and behaviors (Beukes et al., 2013). Meaningfulness is an opportunity that makes individuals feel they pursue important and valuable career goals. They feel that they are moving on the road where their time and power are valuable (Apple Bavem et al., 1998). Empowered people feel meaningful. They value the purpose of the activity they are engaged in. Their ideals and standards are consistent with what they are doing. Activity in their value system is significant, and the strong people muse over what they produce and believe in it (Moqli et al., 2009).

Literature review:

- Ali Fari et al. (2017) examined the moderating role of social identity in the relationship between perception of social responsibility and job attitudes and their results showed that understanding the social responsibility of business units has a significant effect on job satisfaction.
- Mohajeran et al. (2014) studied the relationship between professional ethics and spirituality in social responsibility among nurses in government hospitals in Kermanshah. The results showed a positive and significant relationship between professional ethics and spirituality in work and between spirituality in work and social responsibility.

- Jung et al. (2016) examined the effect of OM on employees' commitment with the mediating role of job engagement. The results show the effect of OM on the employee engagement and commitment.
- Akdogan et al. (2016) examined the effect of social responsibility on the organizational identity with the intermediary role of the OM and the moderating role of ethical leadership. The results showed a positive relationship between social responsibility and organizational identity.
- Gill et al. (2016) examined the relationship between OM and social responsibility. The results showed a conceptual model that includes the relationship between OM and CSR.
- Demetras et al. (2015) showed that ethical leadership has a direct effect on the occupational engagement and organizational identity. Moreover, this variable has an indirect effect on the occupational engagement and organizational identity through OM.
- Zho et al. (2013) showed that ethical leadership affects CSR, which, in turn, improves performance and increases the company's credit.
- Swan et al. (2013) examined the effect of OM on employees' occupational engagement, considering the mediating role of employees' welfare. The results showed that OM has a significant effect on employees' engagement and employees' welfare increases OM effect on job engagement.

Methodology

The study was applied and in terms of the nature, and was quantitative, descriptive, and non-experimental (field-survey). The population consisted of 90 employees of the National Center for Identification of Goods and Services in Iran. The sample size was determined using Cochran formula. The sampling method was simple random sampling, so that in each office, the names of the personnel were written, and then the random samples were extracted using the random numbers table. Independent variable was SSR. The dependent variable was organizational identity and OM and the moderating variable was ethical leadership. In this method, survey was used to collect data on the confirmation or rejection of research hypotheses and library method such as books, journals and so on to collect information about the literature. Data collection tool is a questionnaire. The first part of the question is related to the variables of the study, prepared based on Likert scale and the second part of the questionnaire included demographic variables (gender, age, marital status, education level and occupation). In addition to the standard data collection tools, logical validity of face type (by the supervisors, advisor and other experts available) was used for more certainty. In this research, internal consistency (Cronbach's alpha coefficient) and retest reliability were used to measure the reliability of the tool. After calculating the Cronbach's alpha, the numerical value of this coefficient for the standard questionnaire was 0.889. SEM software Amos was used to analyze the collected data.

Conceptual model

After the documented review of the internationally valid papers and theses and some internal ones, the following model was used regarding the background of the study.

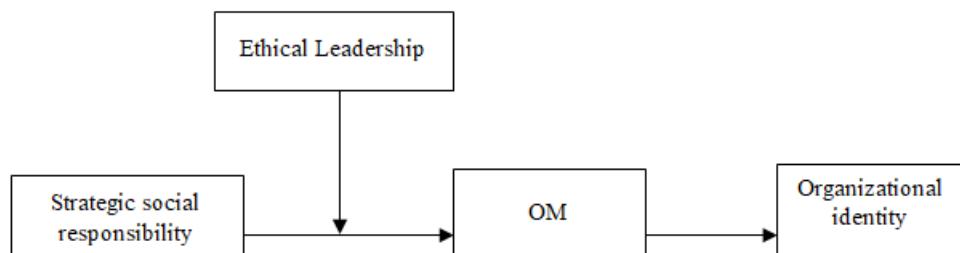


Figure 1: Conceptual model of the study (Akdogan et al., 2016)

Results:

The variables are examined for the normal distribution using Kolmogorov-Smirnov (K-S) test. According to this test, there are two assumptions:

Null hypothesis: The associated variable has a normal distribution.

Alternative hypothesis: The associated variable does not have normal distribution.

Table 1: Results of normal distribution of the Variables (K-S Test)

Index	Normal parameters		K-S Test	Sig.	Status
	Mean	SD			
Ethical Leadership	25.91	9.41	0.694	0.780	Normal
SSR	41.18	16.33	0.662	0.756	Normal
OM	41.66	11.50	0.868	0.941	Normal
Corporate identity	10.34	4.12	0.166	1.542	Normal

According to Table 1, the significance level of K-S Test for variables is greater than 0.05. Thus, the null hypothesis is accepted, or in other words, the distribution of variables is normal. The results of inferential statistics (K-S Test) show that at 95% confidence level, the distribution of variables is significant at normal level.

Test (KMO)**Table 2:** KMO test results

Index	KMO	Result
Ethical Leadership	0.790	Statistical strength and the adequacy of the sample are verified
SSR	0.762	Statistical strength and the adequacy of the sample are verified
OM	0.767	Statistical strength and the adequacy of the sample are verified
Corporate identity	0.828	Statistical strength and the adequacy of the sample are verified

The result of KMO test in Table 2 shows that KMO value for all scales is greater than 0.6, so the sample size is good for performing factor analysis.

Structural Equation Modeling (SEM)

In this section, the conceptual model of the research is analyzed and interpreted. Thus, AMOS 23 software was used to model structural equations.

Measuring fitting of the measurement models by confirmatory factor analysis

Table 3: Indices of fitting of measurement models

Fitness index	Explanations	Acceptable value
(X ² /df)	Chi-square to degree of freedom	3 ≥
AGFI	Adjusted Goodness of Fit Index	0.90 ≤
GFI	Goodness of Fit Index	0.90 ≤
RMR	Root mean-square residual	Close to zero
CFI	Confirmatory Fit Index	0.90 ≤
TLI	Tucker-Lewis Index	0.90 ≤
IFI	Incremental Fit Index	0.90 ≤
RFI	Relative Fit Index	0.90 ≤

NFI	Normed Fit Index	0.90 ≤
PCFI	Parsimony Confirmatory Fit Index	0.5 ≤
PNFI	Parsimony Normed Fit Index	0.5 ≤
PRATIO	Parsimony Ratio	0.5 ≤
RMSEA	Root Mean Square Error of Approximation	0.08 ≥

There are several indices to determine the accuracy of the measurement models as presented below.

As the relative chi-square ratio (chi-square divided by degrees of freedom) is less than 3, the measurement model is acceptable in terms of this index.

The closer this index is in comparative indices, the better it is. Therefore, according to the comparative indices of the model, the measurement model is in desirable conditions.

As p indexes are more than 0.5, the model is in good condition. Given the significance level ($0.227 > 0.05$), one can accept the null hypothesis stating the equality of RMSEA with a value of 0.05. Therefore, the measurement models are desirable for this index.

The fit status of the first-order measurement model of SSR variable with respect to the data obtained from the results of the Amos software is as follows:

Table 4: Fitness indices of SSR Measurement Model

Index	AGFI	GFI	CFI	NFI	TLI	IFI	PCFI	PNFI	PRATIO	RMSEA
Suggested Criterion	>0.8	>0.9	>0.9	>0.9	>0.9	>0.9	>0.5	>0.5	>0.5	<0.8
Reported Criterion	0.949	0.974	0.973	0.908	0.922	0.978	0.631	0.578	0.817	0.038

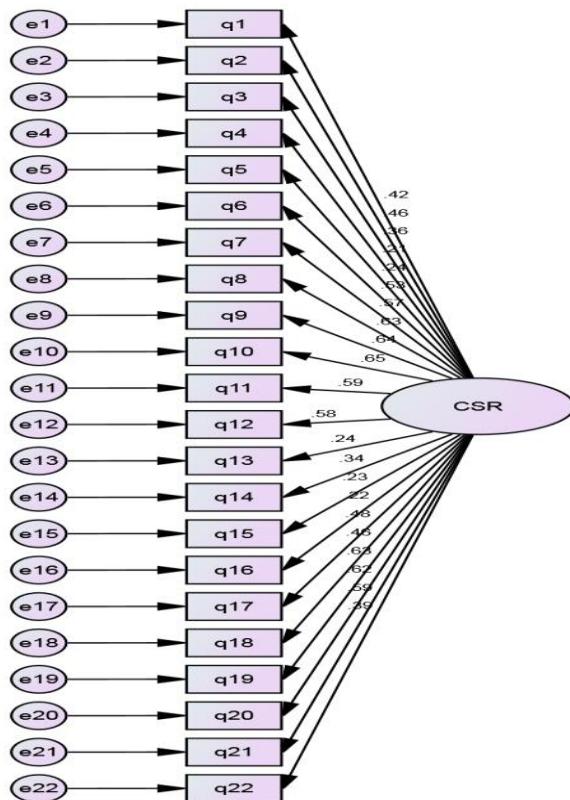


Diagram 1: Confirmatory Factor Analysis (CFA) of SSR (Standard Estimation)

As is seen in the diagram above, factor loadings are significant at 99% confidence level, showing that indices (marker variables), except questions 4, 5, 13, 15 and 16, whose factor loadings are less than 0.3, explain the conceptual variables so well. Thus, questions 4, 5, 13, 15 and 16 are removed from the questionnaire.

The fitness status of the model for measuring OM according to the data obtained from the results of the Amos software is as follows:

Table 5: Fitness indices of OM measurement model

Index	AGFI	GFI	CFI	NFI	TLI	IFI	PCFI	PNFI	PRATIO	RMSEA
Suggested Criterion	>0.8	>0.9	>0.9	>0.9	>0.9	>0.9	>0.5	>0.5	>0.5	<0.8
Reported Criterion	0.997	0.979	0.987	0.979	0.960	0.987	0.539	0.526	0.553	0.017

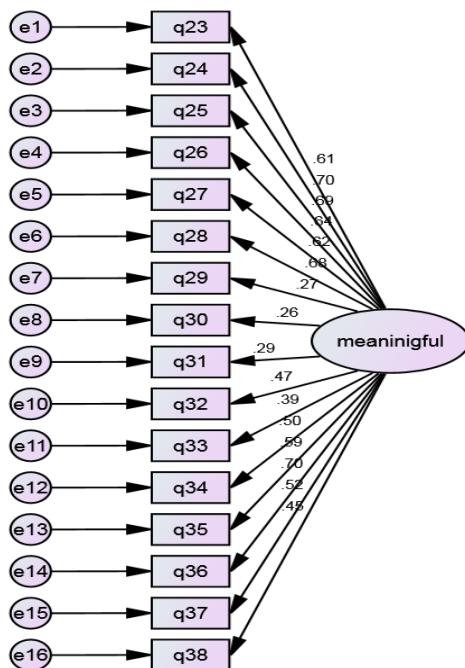


Diagram 2: CFA of OM (Standard Estimation)

As is seen in the diagram above, factor loadings are significant at 99% confidence level, showing that indices (marker variables), except questions 29, 30, and 31, whose factor loadings are less than 0.3, explain the conceptual variables so well. Thus, questions 29, 30, and 31 are removed from the questionnaire.

Model of measuring organizational identity

The fitness status of the model for measuring organizational identity according to the data obtained from the results of Amos software is as follows:

Table 6: Fitness indices of organizational identity model

Index	AGFI	GFI	CFI	NFI	TLI	IFI	PCFI	PNFI	PRATIO	RMSEA
Suggested Criterion	>0.8	>0.9	>0.9	>0.9	>0.9	>0.9	>0.5	>0.5	>0.5	<0.8
Reported Criterion	1.00	1.00	1.00	1.00	1.00	1.00	0.700	0.754	0.796	0.000

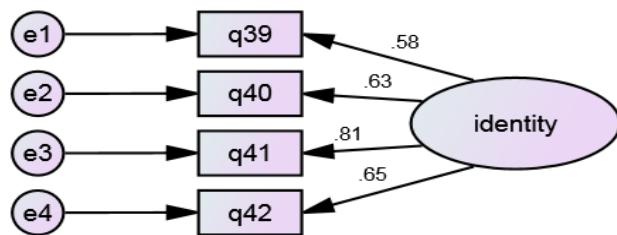


Diagram 3: CFA of organizational identity (Standard Estimation)

As is seen in the diagram above, factor loadings are significant at 99% confidence level, showing that indices (marker variables) well explain the conceptual variables.

The fitness status of the model for measuring ethical leadership according to the data obtained from the results of Amos software is as follows:

Table 6: Fitness indices of measuring ethical leadership

Index	AGFI	GFI	CFI	NFI	TLI	IFI	PCFI	PNFI	PRATIO	RMSEA
Suggested Criterion	>0.8	>0.9	>0.9	>0.9	>0.9	>0.9	>0.5	>0.5	>0.5	<0.8
Reported Criterion	1.00	1.00	1.00	1.00	1.00	1.00	0.569	0.657	0.574	0.017

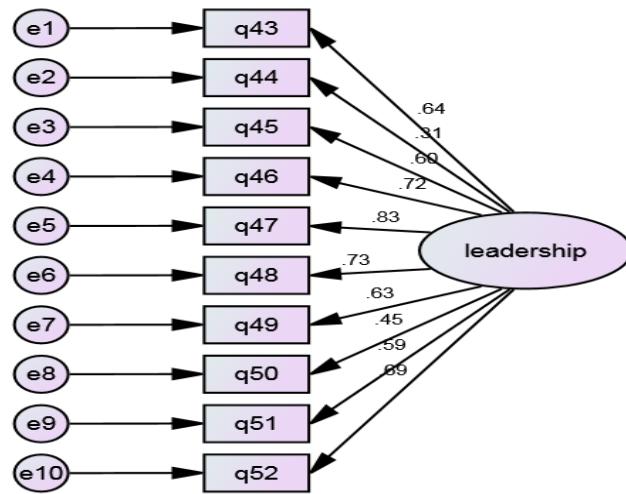


Diagram 4: CFA of ethical leadership (Standard Estimation)

As is seen in the diagram above, factor loadings are significant at 99% confidence level, showing that indices (marker variables) well explain the conceptual variables.

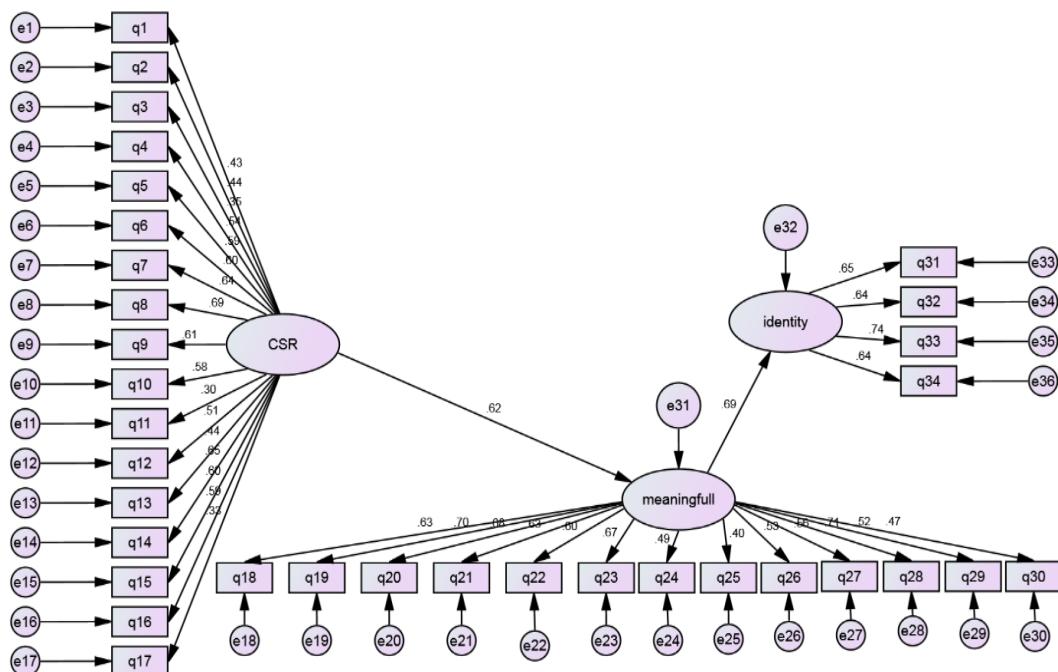
Path analysis of structural model of the study

By analyzing the structural relations between conceptual variables, the research hypotheses are examined and tested. To answer the research hypotheses, nine structural models fitted in the Amos software are used, which are further discussed.

Table 8: Fitness indices of the structural models (Fit Index)

Index	X2/df	AGFI	GFI	CFI	NFI	TLI	IFI	PCFI	PNFI	PRATIO	RMSEA
Suggested Criterion	>0.3	>0.9	>0.9	>0.9	>0.9	>0.9	>0.5	>0.5	>0.5	<0.8	>0.8
Reported Criterion	2.057	0.853	0.912	0.979	0.937	0.923	0.900	0.511	0.584	0.882	0.008

The results of the above indices show that the structural model has suitable fitness, so that the hypotheses of the research can be tested based on the obtained regression coefficients.

**Diagram 5:** Structural Model (Standard Estimates)

Testing the hypotheses

Main hypothesis: SSR affects OM with the moderating role of ethical leadership.

Examining the moderating effect of the ethical leadership

The predictor and modifier variables in the first stage and the interactive variable enter the regression model in the second stage

Table 9: Hierarchical regression coefficients

Moderating variable	Moderating effect		Regression model		Result
	β	SIG	R ²	ΔR^2	
Ethical Leadership * Social Responsibility	0.733	0.000	0.537	0.153	Confirmed

According to the results of the above table, the effect of this variable is significant at 95% confidence level ($\text{Sig} = 0.000$, $\beta = 0.733$), so one can conclude that ethical leadership modifies the effect of the social responsibility on OM.

First sub-hypothesis: SSR has a significant effect on OM.

Table 10: Regression coefficients and their significance level

Relationship	Standard coefficient	Critical ratio (CR)	Sig.	Result
SSR OM ←	0.62	2.737	0.006	Confirmed

SSR has a significant effect on OM at the 95% confidence level (CR is 2.737, which is more than 1.96). As this relationship is positive (the standard coefficient is 0.62), the SSR variable has a strong effect on OM.

Second sub-hypothesis: OM has a significant effect on the organizational identity.

Table 11: Regression coefficients and their significance level

Relationship	Standard coefficient	Critical ratio (CR)	Sig.	Result
organizational ← OM identity	0.69	4.489	0.00	Confirmed

OM has a significant effect on organizational identity at 95% confidence level (CR is 4.489, which is more than 1.96). As this relationship is positive (the standard coefficient is 0.69), OM has a strong effect on the organizational identity.

Third sub-hypothesis: OM mediates the effect of SSR on the organizational identity.

Sobel test

One of the most widely used tests for assessing the effectiveness of the mediation of a variable in the relationship between the other two variables is the Sobel test.

Table 12: Sobel test

Z- Value	Standard error	P- Value
2.859	0.151	0.004

As was seen, Z-value obtained from the Sobel test was 2.859. As it is greater than 1.96, one can state that at a 95% confidence level, OM mediates the effect of SSR on the organizational identity.

Discussion and Conclusion

The result of the main hypothesis: SSR affects OM with the moderating role of ethical leadership.

Given that the effect of this variable at 95% confidence level is significant ($\beta = 0.733$, $\text{Sig} = 0.000$), one can conclude that ethical leadership modifies the effect of social responsibility on OM. Based on the results, one can state that for the successful establishment of accountability in the organization, the main effort is to focus on the leadership as a factor in system change. Regarding this, empirical evidence suggests that ethical leadership style can be an important factor in promoting social responsibility.

The result of the first sub-hypothesis: SSR has a significant effect on OM.

SSR has a significant effect on OM at the 95% confidence level (CR is 2.737, which is more than 1.96). As this relationship is positive (the standard coefficient is 0.62), SSR variable has a strong effect on OM.

The result of the second sub-hypothesis: OM has a significant effect on organizational identity at 95% confidence level (CR is 4.489, which is more than 1.96). As this relationship is positive (the standard coefficient is 0.69), OM has a strong effect on the organizational identity.

Third sub-hypothesis: OM mediates the effect of SSR on organizational identity.

As was seen, Z-value obtained from the Sobel test was 2.859. As it is greater than 1.96, one can state that at 95% confidence level, OM mediates the effect of SSR on organizational identity. One can conclude that social responsibility has a significant effect on OM with the moderating role of ethical leadership. Overall, the main hypothesis as the main claim and all the sub-hypotheses were confirmed. Accordingly, if the employees of an organization consider the manager's behavior to be ethical, then the organization will find out a significant increase in OM and a reduction in the intention to leave. According to the results, one can state that the duties and social responsibility of employees can affect the good work situations, such as the freedom of employees to work in the teams through self-management, besides improvement in the interaction of the members. Finally, it must be stated that as it is difficult to make a clear distinction between efforts by the working group and the organization, we expect the corporate responsibility to be stronger when both the organizational identity and OM are both high.

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