



**FROM CSR TO RESULTS: THE MEDIATING POWER OF  
EMPLOYEE MINDSET**

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***Abstract:***

*Corporate social responsibility has evolved from a peripheral activity into a strategic driver of organisational performance and sustainability. While prior research has largely focused on the direct effects of corporate social responsibility on financial and reputational outcomes, limited attention has been given to the internal psychological mechanisms through which these initiatives translate into organisational performance. This study examines the mediating role of employee mindset in the relationship between corporate social responsibility practices and organisational performance. A quantitative research design was employed using a structured questionnaire administered to employees across various organisational sectors. The collected data were analysed using structural equation modeling to test the hypothesised relationships. The findings indicate that corporate social responsibility significantly enhances employee mindset by fostering motivation, engagement, ethical orientation, and organisational commitment. Furthermore, employee mindset was found to partially mediate the relationship between corporate social responsibility and organisational performance, highlighting both direct and indirect effects. The study contributes to existing literature by identifying employee mindset as a key psychological mechanism linking corporate social responsibility to performance outcomes. It also provides practical insights for managers to design strategies that align with employee values, thereby improving engagement and overall organisational effectiveness.*

***Keywords:***

*Corporate Social Responsibility; Employee Mindset; Organizational Performance; Mediation; Employee Engagement; Sustainable Business*

## **1. Introduction**

As a fringe corporate activity, Corporate Social Responsibility (CSR) has evolved into a core strategic component towards the sustainability of organisations, engagement of employees and later on, the long term organisational successes. As the need to hold the stakeholders in the organisation accountable ethically, socially and environmentally increases, organisations are investing in CSR activities to enhance the legitimacy, strengthen the reputation and business performance. However, as these investments are on the rise, most organisations cannot transform these CSR promises into audible and measurable organisational outputs. It implies that the effectiveness of CSR can not only be conditional upon the corporate policies but also on how the perception, internalisation, and implementation of the initiatives are perceived, internalized and implemented by the employees. In this regard, the employee mindset, which incorporates attitudes, motivation, commitment, and ethical orientation, is a key internal mechanism which can potentially clarify how CSR can be translated into real performance (Mishra, 2020). This paper examines the mediating capability of employee mindset in the relationship between CSR and organisational outcomes in the context of a deeper elaboration of psychological processes by which CSR creates organisational value (Ishaq et al., 2025).

CSR has become a popular aspect of corporate strategy not only in the industry but also in geographical locations. CSR has gained an additional significance in the new economies, such as India, due to the regulatory needs and growing demands. Organisations are increasingly adopting CSR initiatives as a way of promoting environmental sustainability, development of the community, welfare of employees and ethical businesses. Though the advocates of CSR concur that it has external benefits, the internal effect on the psychological state of the workers and subsequent resultant behavioural effect on the organisation has not been well researched, particularly with respect to its role in organisational performance (Panda et al., 2019).

The modern-day organisation, CSR, is not about philanthropy but good governance, sustainable operations, fair labour practices and people-oriented policies. When applied strategically in the organisational culture, CSR can be applied to build trust, enhance the employer branding and form positive attitudes at the workplace. But when the employees perceive these programs as shallow or not within the organisational values, CSR programs cannot yield any significant results. This highlights the relevance of the necessity to know more about CSR as a corporate strategy and the one that makes the employees think and feel about the latter (Halkos & Nomikos, 2021).

Despite the popularity of the study on CSR, there exists conflicting empirical evidence on the implications of CSR in organisational performance. There are positive financial and reputational effects, and poor or indirect effects have been reported in some studies. This contradiction suggests that CSR does not always mean an improved organisational performance. The key gap in the incompleteness of the new knowledge is that not a lot is clear about what the inner psychological processes are in the relationship between CSR initiatives, employee behavior and organisational performance. The organisations cannot afford to work without being aware of these mediating processes and run the risk of not tapping the potential of CSR to bring out substantial outcomes (Maury, 2022).

Regardless of the fact that past researches have researched the relationship that exists between CSR and performance of firms, most of the researches have focused on the external stakeholders such as customers, investors and communities. There has been little empirical emphasis on the internal contribution that employees are making towards attaining organisational performance by transforming CSR initiatives. Particularly, the mediating role of the employee mindset, which involves motivation, engagement, ethical awareness, and organisational commitment is not studied to an adequate level. Moreover, the empirical data

of the new market circumstances are scarce, since the implementation of CSR and perception of the employees in the emerging economies may differ in comparison to the developed ones (Cao et al., 2023). There is this gap, but this research does not take into account this factor; instead, it empirically tests the mediating variable as the employee mindset between CSR and the organisational performance (Ntalianis & Bouranta, 2025).

The purpose of this research will be to:

- Get to know the impact of Corporate Social Responsibility on employee mentality
- Identify how the attitude of employees affects the organisational performance
- Test the direct relationship between CSR and organisational performance
- Examine the mediating role of employee attitude in the CSR-performance relationship

The following are some of the questions that will be answered in this research study:

- How does CSR influence the thinking of people in companies?
- How far can the influence of the minds of employees be traced on organisational performance?
- Does CSR have a direct impact on the results of the organisation?
- How CSR have no mediation with organisational performance via employee mindset?

The hypotheses put forward are based on the theoretical backgrounds and the former empirical studies and are as follows:

- H1: CSR ability has a positive effect on the mindset of employees.
- H2: The employee mindset has a positive impact on organisational performance.
- H3: CSR is a critical positive determinant of the performance of an organisation.
- H4: Employee mindset mediates between Corporate Social Responsibilities and organisational performance.

The study contributes to other research on CSR and organisational behaviour since it demonstrates the psychological process CSR undertakes in organisational performance. It gives practical examples that managers and policymakers can consider in developing CSR strategies that spell out staff engagement, boost ethical orientation and performance. The study provides a superior in-depth framework of converting CSR initiatives into sustainable company performance by highlighting employee mind as one of the mediating variables (Koh et al., 2023).

## **2. Literature Review**

CSR is well-researched literature that has evolved over the past 20 years owing to its heightened importance to the corporate strategy, sustainability and stakeholder management. There are numerous ways in which researchers have talked about CSR; they include ethical responsibility, competitive advantage, stakeholder engagement, and performance of the organisation. At the same time, research in the area of organisational behaviour is concerned

with the effects that the mental attitudes of the workers, motivation and psychological orientation have on the performance of the organisation. However, a lot has already been written on CSR and performance, but little has been directed at the psychological processes that occur within the organisation, and more so, the attitudes of the organisational employees that give an insight as to how CSR programmes contribute to tangible organisational results. This section will consist of a review of key theoretical backgrounds and empirical research on CSR, employee attitude, performance of the organization and how the two variables relate to each other (Ferrero-Ferrero et al., 2018).

## **2.1 Theoretical Foundations**

Various theoretical frameworks are also used to study CSR as to why organisations are socially responsible and the effects of their actions on the stakeholders. According to the Stakeholder Theory, to be successful in the long-term, organisations must address the requirements of various stakeholders, such as workers, clients, communities and investors. The CSR initiatives, thus, act as a tool to strike a balance between the expectations of the stakeholders and boosting corporate legitimacy (Hasan et al., 2024). The Social Exchange Theory is a psychological concept to explain the impact of CSR on the behaviour of employees. According to this theory, the employees will have a feeling of obligation and a sense of reciprocity when they perceive that the organisation is ethical and socially responsible, which will lead to an increase in commitment, motivation and positive behaviour at work. On the same wavelength, the Social Identity Theory is of the view that by identifying with socially responsible organisations, employees acquire pride and self-worth and therefore their identification and participation in the organisation is reinforced (Shakil et al., 2025). The combination of all these theories facilitates the thesis that CSR can affect the psychological state and behaviour of the employees, whereby the work of a specific organisation can be impacted (Yassin & Beckmann, 2025).

## **2.2 Corporate Social Responsibility (CSR)**

The general concept of CSR is an ethical conduct, social welfare, ecological responsibility and the responsible business conduct of companies that outweigh the expectations of law. The contemporary CSR practices emphasise the following areas: environmental sustainability, community ties, employee welfare, ethical leadership and sustainable innovation (Fernandez & Moldogaziev, 2013). Empirical studies have found that CSR enhances corporate image, client loyalty, shareholder trust and financial performance in the long term. However, the effectiveness of CSR tends to be in the sincerity of the implementation and its assimilation and adoption in the corporate culture. Scholars have argued that CSR is not intended to be a PR instrument since it can change the demeanours of both external and internal stakeholders due to its being a strategic investment (Al-Shammari et al., 2022).

## **2.3 Employee Mindset: Concept and Dimensions**

Employee mindset means the general psychological outlook of employees towards their organisation that includes attitudes, beliefs, motivation, engagement and ethical awareness. It comprises the following key dimensions: organisational commitment, work engagement, ethical awareness, motivation, adaptability and psychological ownership (Manzoor et al., 2023). Employee mindset has proven to be positive in their job performance, creativity, innovativeness, low turnover intentions, and organisations tend to have better organisational citizenship behaviour. According to the researchers, the attitude of employees cannot be considered fixed, yet it is determined by the leadership practices and corporate culture, reward systems and corporate values. CSR programs can positively influence the attitude of the employees when they are perceived as being genuine and effective by building pride, trust, morality, and emotional attachment to the organisation (Mahajan et al., 2023).

## **2.4 CSR and Employee Attitudes and Behaviour**

An increasing corpus of literature has studied the connection between CSR and employee-related outcomes. Studies have shown that employees with a sense of social responsibility within their organisations enjoy greater job satisfaction, commitment to the organisation, engagement, and trust. CSR has also been found to make the employer more attractive, retain the workers more and promote ethical behaviour in the workplace (Mitchell et al., 2012). Moreover, CSR activities are also capable of strengthening the mission of employees as organisational goals are aligned with the values of social and environmental responsibility. This is an intrinsic motivation that is created by this fitment, making the workers more willing to work beyond what the job specifies. However, some researchers express caution that CSR may not bring any positive outcomes when its employees consider CSR to be a mere symbol, lack consistency, and are unconnected with the facts of the organisation (Harwood, 2020).

## **2.5 Employee Mindset and Organisational Performance**

The attitude of employees is highly important in determining the performance of an organisation in terms of their productivity, innovativeness, teamwork, quality of services and flexibility. Positive psychological states have been associated with motivation, engagement and commitment, which have been associated with greater task performance, customer satisfaction and financial performance (Homer & Gill, 2022). Strategically, organisations that have an ethically oriented and motivated workforce are at a better position to attain sustainable competitive advantage. The organisational resilience is also influenced by the mindset of employees, as it helps employees feel more inclined to adopt change, be more creative in solving problems and also be supportive to long term strategic objectives (Fatima & Elbanna, 2023).

## **2.6 CSR and Organisational Performance**

In literature, CSR and the performance of an organization has become a topic of numerous debates. The majority of the studies show that financial performance and CSR are positively correlated, whereas some studies have shown other results or findings that are dependent on the context. According to some scholars, CSR generates value, which enhances the corporate reputation, the connection between the business and its stakeholders, and decreases operational risks. Others accuse CSR of potentially having an indirect payoff in terms of employee morale, customer loyalty and innovative capacity (Yu et al., 2019).

This inconsistency in the outcomes of the empirical studies suggests that CSR is not always followed by improved performance and that there might be variables that come into play and justify various results. This has compelled the researchers to consider moderating and mediating variables that dictate the CSR-performance relationship (Bakker, 2022).

## **2.7 Employee Mindset as a Mediating Mechanism**

The recent research has recognised the suitability of the variables related to employees as mediators when it comes to the relationship between CSR and organisational performance. The psychological connection, which would translate CSR activities into concrete outcomes such as working harder, cooperation, ethical activities, and innovativeness, is the psychology of the employees, in particular (Liou, 2008).

The other way in which CSR can enhance employee mentality is through the generation of pride, trust, moral harmony and emotional attachment to the organisation. In its turn, a positive attitude of employees results in a boost of both personal and team performance, thereby boosting the overall performance of an organisation. Although this new realisation seems to be coming, there are still scarce empirical research studies that specifically test

employee mindset as a mediating variable, especially in the non-Western and emerging market situations (Murshed et al., 2021).

## **2.8 Summary of Literature and Research Gap**

Literature review demonstrates CSR as a powerful strategic instrument, which can propel the performance of the organisation on various fronts. The past research reveals that CSR has an impact on employee mindsets, organisational dedication and company image. Similarly, organisational behaviour research has focused on the contribution of the mindset of the employees towards performance and sustainability (Bapat & Upadhyay, 2021).

Although there is a lot of research on CSR and organisational performance, most of the studies have been mainly concerned with external stakeholders, with relatively less concern being given to internal psychological processes. Specifically, empirical studies on the internal mechanism, namely, the employee mindset that would convert CSR initiatives into outcomes on organisational performance, are lacking. Moreover, this difference is even more noticeable in the context of the emerging economies, where the CSR practices, regulatory framework, and employee perceptions can vary. The existing research helps fill these gaps and hence constructs and empirically validates a conceptual model of employee mindset as a key mediating variable between CSR and organisational performance, therefore, leading to the theoretical progress and empirical knowledge (Schiphorst Preuper et al., 2008).

## **3. Conceptual Framework and Hypotheses Development**

Employee mindset is adopted in this research as a higher-order construct that elucidates psychological orientation of employees, such as attitudes, motivation, engagement and ethical alignment. Based on the reviewed literature and theoretical research made, the present research paper forms a conceptual framework to describe the impact of CSR on the performance of organisations via employee mindset as the mediating variable. The past findings available show that CSR can affect the psychological orientations of the workers, who in turn affect work behaviour and organisational performance. However, the mechanism through which CSR can be transformed into tangible results is not well understood. To fill this void, the current research will suggest a structured framework between CSR, employee mindset, and organisational performance to provide a theoretically based answer to how socially responsible behaviour can create both internal and external value (Alatawi et al., 2023).

### **3.1 Conceptual Model Overview**

CSR as an independent variable, employee mindset as the mediating factor and organisational performance as the dependent variable form this study's theoretical framework. The model assumes the influence of the CSR activities on the perception of the employees of their organisation and on their motivation, commitment, ethical orientation, and involvement. All these psychological factors are the elements of employee mindset which, in turn, stand as the forerunners of the outcomes of individual and organisational performance (Miller et al., 2020).

The presented framework supports the concepts of the Stakeholder Theory, Social Exchange Theory and Social Identity Theory and suggests that CSR can contribute to the rise of organisational legitimacy, the development of mutual employee behaviours, and the strengthening of the organisational identification of employees. In this process, CSR will have an indirect impact on performance by establishing a positive mindset in employees (Ervits, 2023).

### **3.2 CSR and Employee Mindset**

CSR initiatives are an indication that an organisation is taking action to act ethically, has social interests and is environmentally responsible. When the employees feel that the CSR activities are genuine and worthwhile, they are likely to develop greater organisational pride, trust, and emotional attachment. The Social Exchange Theory asserts that employees will pay back positive organisational actions with good attitude and behavior including increased motivation, engagement and commitment (Zhao et al., 2022).

CSR may also influence the moral and ethical consciousness of the employees by reinforcing their values that are in line with their social responsibility. It is the value alignment that enhances the feeling of purpose and belongingness among employees, which adds to a more positive and proactive attitude. Consequently, CSR is likely to contribute greatly in employee mindset in organisations (Aggarwal & Singh, 2023).

### **3.3 Employee Mindset and Organisational Performance**

The employee mindset and especially the attitudinal and motivational aspects of the same impact on the performance of the organisation since it is among the factors that dictate how the employees go about their work, how they relate with others, how they react to issues and how they contribute towards attaining the organisational goals. High engagement, motivation, ethical responsibility, and commitment are the characteristics of a positive mindset that have been linked to increased productivity, innovation, quality of the service delivered and citizenship behaviour of an organisation (Nie et al., 2025).

It is a strategic move, the more the employees will be brought near to their organisation, the more discretionary effort they will make, and contribute to organisational initiatives and a sustainable competitive advantage will be achieved. Subsequently, employee mindset will be a crucial performance contributor in the organisation (Manresa et al., 2025).

### **3.4 CSR and Organisational Performance**

The empirical investigation of the direct correlation between CSR and organisational performance is not conclusive, but has been researched in the context of the existing literature. Studies have shown that CSR is able to enhance financial performance since it contributes to the creation of corpus image, enhancement of relationships with the stakeholders, as well as reduction of business risks. Some claim that CSR can be used to add value to the long term by way of innovation, customer loyalty and improved employer branding (Kumari & Ajward, 2023). Even with these advantages, CSR is not a sure way of attaining better organisational outcomes unless it is well incorporated in organisational practices and employee conduct. But as per the evidence presented in the past, CSR will have a positive direct effect on the performance of an organisation (Mamo et al., 2026).

### **3.5 Mediating Role of Employee Mindset**

The centre of focus in this study is that the mindset of employees is an intermediate between CSR and organisational performance. CSR programs are also reported to impact the psychological state of the employees as it instills trust, pride, ethical adherence and motivation. In their turn, such psychological changes encourage the behaviours, which contribute to the productivity, cooperation, innovation, and the overall effectiveness of the organisation (Verbeek, 2012). This study has put the mindset of the employees in the role of mediator, which the earlier studies on CSR research have also elaborated on, but also elaborates on the process through which CSR can generate organisational value. This mediation model helps to comprehend why some organisations can make conversion of CSR investments into performance gains, and some fail to achieve it (Karaosmanoglu et al., 2016).

### **3.6 Summary of Conceptual Framework**

On the whole, the proposed conceptual framework suggests that CSR has both direct and indirect impacts on organisational performance through employee mindset. The study will enhance the literature in the field of CSR theory and organisational behaviour as well as strategic management by testing this model empirically. The framework provides the foundation of the manner in which the CSR initiatives can be converted into tangible organisational outcomes through psychological engagement and commitment of the workers (Hong et al., 2023).

## **4. Research Methodology**

The section explains the methodological framework which was employed to empirically examine the relationship between CSR, employee mindset, performance of the organization and the moderating influence of employee mindset. To have objective measurement, hypothesis test and statistical generalisation, a quantitative research methodology was used. The research design was geared towards providing quality, valid, and replicable results that would be consistent with past CSR and organisational behaviour studies (Zlate & Cucui, 2015).

### **4.1 Research Design**

The research design used in the study is quantitative and cross-sectional to test the relationship that exists between CSR, employee mindset and organisational performance, at a single point of time. The approach selected is a survey-based approach since it will provide an opportunity to generate standardised information in a big group of workers in diverse organisational contexts. The design is appropriate, whereby hypothesised relationships and mediation effects need to be tested using the statistical modelling techniques (Kim et al., 2013).

### **4.2 Population and Sample**

The target market is composed of employees working in big and medium-sized firms in different sectors like manufacturing, services, educational and corporate firms. This involved their employees at different levels so as to cover the background representations of the organisational views (Liu & Lu, 2021).

About 250- 400 respondents were used as the sample size to give an adequate degree of statistical power to do the multivariate analysis. The size of the sample is comparable to the sizes recommended by the Structural Equation Modeling (SEM) and mediation analysis (Wall et al., 2001).

### **4.3 Sampling Technique**

The Purposive sampling method used was non-probability that sampled respondents with pertinent experience and knowledge on the organisational CSR practices. This will make sure that those involved can make informed answers with respect to CSR perceptions, employee mindset and organisational performance (Scandurra et al., 2018). To improve the level of diversity, the sample of respondents was attracted to various industries and job positions, which provided the increased external validity and generalizability of the results (Sritharan et al., 2021).

### **4.4 Data Collection Method**

The questionnaire was structured as a self-administered survey, which was used to collect primary data, by giving it out through both online and offline means. The respondents were guaranteed confidentiality and anonymity as a way of getting the respondents to be honest and unbiased (Campbell et al., 2020). Respondents were volunteers in the research and informed of the academic intent of the research. Strict ethical standards of research were followed when collecting data (Latif et al., 2019)

#### **4.5 Measurement Instruments**

According to the conceptual framework, Corporate Social Responsibility (CSR) and employee mindset and organisational performance are operationalised as a measurable construct through a multi-item scale based on a previously validated study. The measures applied to each construct are Likert scale items to enhance the consistency between the theoretical construct and the empirical test.

##### Demographic Section

A: Age, sex, education, position at work, experience, industry.

B: Corporate Social Responsibility (CSR) scale.

C: Employee Mindset scale.

D: Organisational Performance scale.

Multi-item Likert-type scales, with the range of 1 (Strongly Disagree) and 5 (Strongly Agree), were used to measure all constructs. The measurement items were also adjusted on the preceding peer-reviewed studies, where valid scales were proven to have content validity and be compared with other studies (So et al., 2022).

#### **4.6 Measurement of Key Variables**

An 8-item scale based on Green et al. (2012) is used to measure Corporate Social Responsibility (CSR), including dimensions of environmental responsibility, ethical governance, employee welfare and community involvement (Green et al., 2012). The employee mindset is operationalised as a multidimensional construct that is captured through a 10-item scale based on the adaptation of the scale made by Christmann and Van Aelst (2006). The scale teaches the following essential dimensions: employee attitudes, motivation, engagement, ethical orientation, and psychological ownership. A 7-item perception scale (adapted by Padilla and Divers, 2016) is used to measure organisational performance, including such dimensions as productivity, service quality, innovation, efficiency, and overall effectiveness. The hypothesised relationships between CSR, employee mindset and organisational performance are tested by using these operationalised constructs, including the indirect effect of employee mindset.

#### **4.7 Validity and Reliability Testing**

To guarantee the soundness of the measurement model, the analysis of reliability and validity was done.

- Cronbach's Alpha and Composite Reliability (CR) were employed to determine internal consistency reliability, and a value above 0.70 indicates that it is acceptable.
- Construct validity was tested with the help of Confirmatory Factor Analysis (CFA).

- The analysis of convergent validity was done using the assistance of the Average Variance Extracted (AVE) values, which are supposed to be 0.50.
- Discriminant validity was also subjected to test to ensure that there was a difference in constructs.

#### **4.8 Data Analysis Techniques**

The direct relationships (H 1-3) were tested with correlation and regression analysis, and the mediating role of employee mindset (H 4) was analysed with Structural Equation Modeling (SEM) with bootstrapping. Data analysis using SPSS was done in statistical packages to conduct descriptive and preliminary analysis, and AMOS / SmartPLS / SEM to test the hypothesis and mediation.

These were analysed in the following ways:

- Descriptive statistics to depict the aspects of the respondents.
- Correlation test to discuss the variables' relationships.
- Direct effects analysed using regression.
- The hypothesis of the conceptual framework is going to be tested by observational research.
- Mediation analysis based on bootstrapping to assess the effects of indirect effects.

#### **4.9 Ethical Considerations**

The conduct of the research was done in line with the prevailing ethical norms of research. The respondents were informed of the study's purpose, and their involvement was voluntary. Confidentiality and anonymity of the data were maintained; no personally identifiable data was collected. Academic interests alone were the focus of the research, and transparency and integrity were upheld in the study.

#### **4.10 Summary of Methodological Approach**

In conclusion, the proposed study adopts a methodological quantitative design in empirical testing the role of the mediation of the mindset of employees in CSR-organizational performance relationship. Validated measurement tools, rigorous statistical procedures and ethical research procedures will ensure that the methodology is effective in generating reliable and generalizable findings (Franke & Sarstedt, 2019)

### **5. Data Analysis and Results**

This section contains both empirical research and findings of the study regarding the relations between CSR, employee mindset and organisational performance. Statistical analyses were conducted with SPSS and Structural Equation Modeling (SEM) to identify the features of respondents, reliability, validity, direct relationship and mediation effects. The outcomes have empirical evidence for the proposed conceptual model (Marsh et al., 2020).

#### **5.1 Respondent Profile**

In order to get to know the background features of the sample, a demographic analysis was carried out. The last data set included 312 full makes and reflected the samples of different

organisational industries and experience levels.

Table 1. Demographic Characteristics of Respondents (N = 312)

Category	Frequency	Percentage (%)
Male	189	60.6
Female	123	39.4
Below 25	46	14.7
25–35	128	41.0
36–45	92	29.5
Above 45	46	14.7
< 2 years	58	18.6
2–5 years	102	32.7
6–10 years	96	30.8
> 10 years	56	17.9

Source: Primary Survey Data

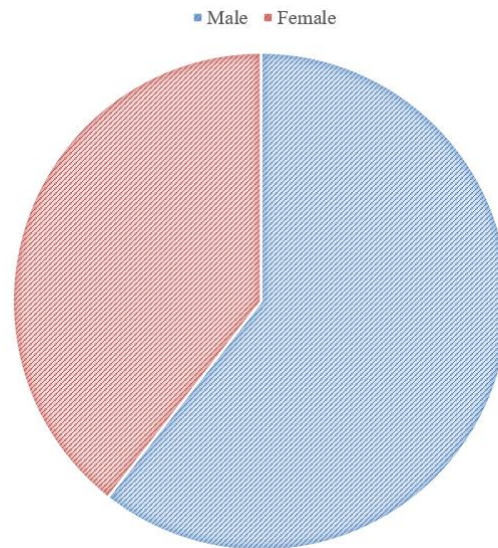


Figure 1. Gender Distribution of Respondents

Source: Primary Survey Data

Interpretation:

The sample has been well distributed in terms of age and level of work experience; The majority of responders are in the 25-45 age group with a minimum and maximum experience of 2-10 years of professional experience. This would increase the generalizability of the results in different organisational settings.

## 5.2 Descriptive Statistics

We employed descriptive statistics to get the overall perception of respondents regarding CSR practice in the organisation, employee attitude and behaviour within the organisation.

Table 2. Mean and Standard Deviation of Study Variables

Construct	Mean	Standard Deviation
Corporate Social Responsibility (CSR)	3.87	0.64
Employee Mindset	3.92	0.58
Organizational Performance	3.89	0.61

Source: Primary Survey Data

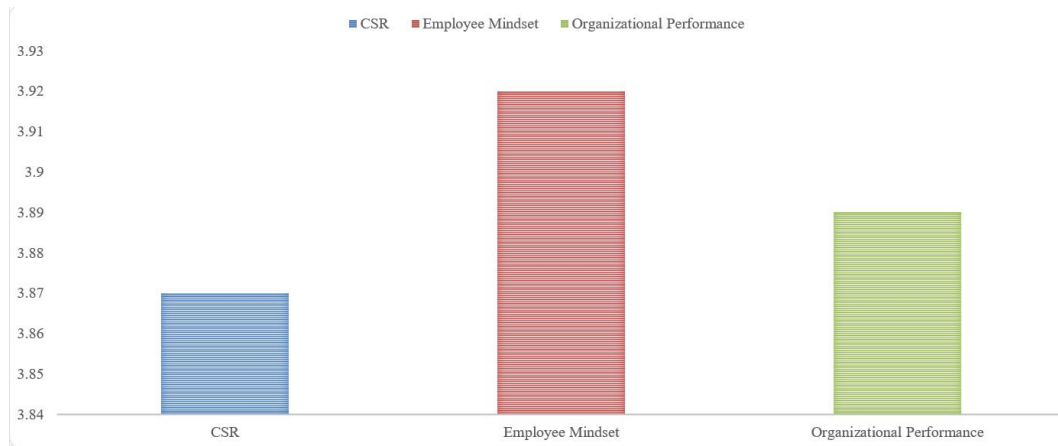


Figure 2. Mean Scores of CSR, Employee Mindset, and Organisational Performance

Source: Primary Survey Data

Interpretation:

This is indicated by the averages that indicate moderately high perceptions of the constructs. The respondents tended to consider their organisations as socially responsible, had positive psychological orientations, and a positive organisational performance rating.

### 5.3 Reliability Analysis

The reliability analysis was done to check the measuring scales' internal consistency using Cronbach's Alpha.

Table 3. Reliability Results

Construct	Number of Items	Cronbach's Alpha
CSR	8	0.88
Employee Mindset	10	0.91
Organizational Performance	7	0.86

Source: Primary Survey Data

Interpretation:

The Alpha values of all the Cronbach's are above the recommended value of 0.70, and this indicates that there is high internal homogeneity and the scales of measurement employed can be further examined as dependable.

### 5.4 Validity Assessment

Composite Reliability (CR) and Average Variance Extracted (AVE) were used to evaluate construct validity in order to determine convergent validity.

Table 4. Convergent Validity Results

Construct	Composite Reliability (CR)	AVE
CSR	0.90	0.61
Employee Mindset	0.93	0.65
Organizational Performance	0.88	0.59

Source: Primary Survey Data

Interpretation:

The CR values are all higher than 0.70, and the AVE values are higher than 0.50, which means that there is adequate convergent validity. This testifies to the fact that the measurement items are a good representation of their respective constructs.

### 5.5 Correlation Analysis

The Pearson correlation test was used to determine the relationship between CSR, employee mindset and organisational performance.

Table 5. Correlation Matrix

Variable	CSR	Employee Mindset	Organizational Performance
CSR	1		
Employee Mindset	0.63**	1	
Organizational Performance	0.58**	0.69**	1

Note:  $p < 0.01$

Source: Primary Survey Data

Interpretation:

Findings indicate that there are good, favourable associations between all the variables in the study. The proposed theoretical relationships are supported by the fact that CSR is positively correlated with employee mindset and the effectiveness of the organisation, as well as correlates most with the employee mindset.

### 5.6 Model Fit Evaluation (SEM)

Structural Equation Modeling (SEM) was used to perform an assessment of the overall fit of

Table 6. Model Fit Indices

Fit Index	Obtained Value	Recommended Threshold
CFI	0.94	> 0.90
TLI	0.92	> 0.90
RMSEA	0.048	< 0.08
SRMR	0.041	< 0.08

Source: Primary Survey Data

Interpretation:

All of the model fit indices are in acceptable or excellent ranges, which show that the proposed model is a good fit to the observed data and can be used to test hypotheses.

### 5.7 Hypotheses Testing (Direct Effects)

To test the hypotheses of the direct relationships, path analysis was done.

Table 7. Structural Path Coefficients

Hypothesis	Path	$\beta$	t-value	p-value	Result
H1	CSR → Employee Mindset	0.65	9.84	<0.001	Supported
H2	Employee Mindset → Performance	0.71	10.92	<0.001	Supported
H3	CSR → Performance	0.34	5.67	<0.001	Supported

Source: Primary Survey Data

Interpretation:

There are no negative relationships between all the direct relationships, which proves that CSR positively affects the mindset of employees, organisation performance is positively influenced by the mindset of the employees, and CSR indirectly influences the results of the organisation.

### 5.8 Mediation Analysis

To test the relationship between CSR and organisational performance, bootstrapping (5,000 resamples) was conducted to determine whether the linking variable is employee mindset.

Table 8. Mediation Results

Path	Direct Effect	Indirect Effect	Total Effect	Mediation Outcome
CSR → Performance	0.34	0.46	0.80	Partial Mediation

Source: Primary Survey Data

The results indicate that the CSR organizational performance relationship is partially mediated by employee mindset. This implies that CSR has both direct and indirect effects on performance as it creates psychological orientations of employees.

### 5.9 Variance Explained (R<sup>2</sup> Analysis)

R<sup>2</sup> values were computed to find the explanatory power of the model.

Table 9. Explained Variance

Endogenous Construct	R <sup>2</sup> Value
Employee Mindset	0.42
Organizational Performance	0.61

Source: Primary Survey Data

Interpretation:

CSR also elucidates 42 per cent of the variation in worker mindset, and CSR and worker mindset explain 61 per cent of the variation in the performance of an organisation. These values are good predictors of the model.

### 5.10 Summary of Results

On the whole, the results are quite empirical evidence of the suggested conceptual framework. CSR has a great impact on the mindset of the employees, and all this improves the performance of the organisation. The mediating role of employee mindset is critical, and that is why CSR initiatives are converted to physical organisational results. The findings support the discussion that the effectiveness of CSR is not only connected to the corporate policies but also to the psychological involvement and approach of the employees.

## 6. Discussion

This section interprets the empirical findings in relation to the study objectives, hypotheses, and existing literature. The results provide strong evidence that CSR significantly influences organisational performance through the mediating role of employee mindset. These results advance knowledge of how corporate social responsibility initiatives translate into tangible organisational outcomes through internal psychological mechanisms. The findings support Hypothesis 1, demonstrating a strong positive relationship between CSR and employee mindset. Employees in organisations with authentic and well-implemented CSR initiatives exhibit higher levels of motivation, engagement, and ethical awareness. This result is consistent with Social Exchange Theory, which suggests that employees reciprocate positive organisational actions with favourable attitudes and behaviours (Mitchell et al., 2012). Similar findings have been reported in prior studies highlighting the positive influence of corporate social responsibility on employee engagement and psychological outcomes (Bapat & Upadhyay, 2021; Zhao et al., 2022). The results also confirm Hypothesis 2, indicating that employee mindset has a significant positive effect on organisational performance. Employees with a positive mindset are more productive, innovative, and committed, thereby enhancing organisational effectiveness. This aligns with existing research emphasising the role of psychological factors and employee engagement in improving performance outcomes (Bakker, 2022; Fernandez & Moldogaziev, 2013). These findings reinforce the view that employee mindset is a critical internal resource for achieving sustainable competitive advantage. Hypothesis 3 is also supported, showing that CSR has a direct positive impact on



The policymaking perspective suggests that companies should implement CSR-related strategies to long-term sustainability targets and not short-term image benefits. Policy makers and regulators can utilise these findings to further the CSR models that emphasise employee engagement and ethos within an organisation. The results further suggest that CSR investments are even more lucrative when encompassed by the initiatives aimed at strengthening the mentality of the employees, such as leadership development, employee welfare programs, and ethical governing systems (Gjølberg, 2009).

### **7.3 Implications for CSR Practice**

As this paper shows, it is pertinent to shift CSR into a show of symbolism or charity to a humanistic strategic model. It is expected that organisations become as open as they can be in their CSR activities; they should inform the employees about their impacts and implement the values of CSR in their day-to-day organisational activities. By doing so, the companies will be in a position to make CSR a powerful employee engagement and sustainable performance driver (Claver-Cortés et al., 2020).

## **8. Limitations of the Study**

Although there have been contributions, this study has some limitations that have to be considered. To begin with, the research design employed is cross-sectional, which also limits the possibility to make causal conclusions over time. The future research would take the form of longitudinal studies to consider the shifts in perception of CSR and the mindset of employees. Second, Common method bias can also arise from self-reported survey data, which was minimised using statistical measures. Third, the sample was restricted to selected fields of organisations and geographic areas, which can have an impact on the extrapolation of the results to other industries or geographical areas.

## **9. Future Research Directions**

Based on the limitations and results of this study, some recommendations are proposed in future studies. Future studies can take into consideration the application of longitudinal and experimental designs to better understand the causal relationship between CSR, employee mind and performance. Other mediating and moderating factors (e.g. leadership type, organisational culture, job satisfaction, or employee well-being) could also be studied by researchers to offer a more in-depth picture of CSR performance. The findings would also be better in terms of external validity when the research is extended to different countries, industries and sizes as well. In addition, qualitative and mixed methods can offer more informative material on the issue of finding out how the employees view CSR activities and the way in which the latter affect the workplace relationships and organisational performance.

## **10. Conclusion**

This study has discussed the correlation between CSR, employee attitude and organisational performance with special interest in the mediating effect of employee attitude. The results are excellent empirical evidence that corporate social responsibility has a great impact on the psychological orientation of employees, which eventually improves the performance of a company. The findings validate employee mindset as an imperative internal process with which the corporate social responsibility initiatives can be converted into organisational outcomes. Although CSR has shown a direct positive impact on organisational performance, the results show that the impact is significantly enhanced when employees internalise such activities. Employees who exhibit motivational level, engagement, ethical awareness and commitment are more likely to be more committed when they identify with the organisational

Do not span down the rows of corporate social responsibility as genuine. These good mental states result in high productivity, innovation and general effectiveness of the organisation. This work provides its own contribution to the body of current literature, particularly in merging corporate social responsibility and organisational behaviour views, providing more insight into the processes occurring within an organisation that lead to performance results. It changes the focus to the aspects of internal employee-driven mechanisms rather than on the benefits of external stakeholders, thus adding value to the theoretical comprehension of the connection between CSR and performance. From a practical perspective, the study highlights the need to have a human-based approach to corporate social responsibility. Companies are advised to develop and introduce plans to actively involve workers, encourage their ethical congruency and encourage psychological engagement. This way, companies are able to successfully convert corporate social responsibility into organisational success, which is sustainable.

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