The Influence of Corporate Social Responsibility on Brand Image, Corporate Reputation, and Employer Brand: Evidence from Kurdistan-Iraq

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Abstract:

Employees are one of the most crucial aspects of any company. As a result, businesses must consider employee expectations, specifically their perceptions of the company and their behaviour. The importance of corporate social responsibility is investigated in this study and the impact of brand image, corporate reputation, and employer brand in predicting brand image, corporate reputation, and employer brand. Employees from various departments of several corporations make up the study's participants. The responses were evaluated using component-based least squares modelling after 415 questionnaires were collected from randomly picked firm employees working in small and medium-sized enterprises (SMEs) in Kurdistan, Iraq. Smart partial least squares software was used to assess and validate the model. Employee-focused corporate social responsibility actions improve employer brand, brand image perceptions, and business reputation among SMEs employees.

Keywords: Corporate Social Responsibility, Brand Image, Corporate Reputation, Employer Brand, Kurdistan-Iraq.

1. Introduction:

The importance of corporate social responsibility has grown in the academic and commercial worlds in recent years (DeNisi et al., 2014). Traditionally, studies on the efficiency and advantages of corporate social responsibility interventions and applications have focused on enterprise operations efficiency, employee productivity, and financial performance. Furthermore, corporate social responsibility improves a company's image, social standing, and external reputation (Hameed et al., 2016). It has been proposed that consistent CSR methods negatively affect employees (Clark et al., 2017; Mory et al., 2015) and that inconsistent CSR strategies have bad effects on employees (Clark et al., 2017; Mory et al., 2015). (Anselmsson et al., 2016; Fassin & Buelens, 2011; Scheidler et al., 2018).

The economic, legal, ethical, and volunteering components of corporate social responsibility, used by businesses to achieve their organizational goals, have all been researched (Carroll, 1991). A growing number of studies have looked into the impact of corporate social
responsibility on employee psychology (Ali et al., 2021; Ghaffarkadhim et al., 2019), as well as the impact of corporate social responsibility on employee performance and attitudes (Kadhim et al., 2020; Kafcheh et al., 2020; Khanal et al., 2021; Harouache et al., 2021). These studies looked at how enticing signals derived from a company's social performance are to job seekers and potential employees. To assess employees' perceptions of corporate social responsibility, a four-dimensional structure was developed. These four elements were regarded as obligations to (a) social and non-social stakeholders, (b) employees, (c) consumers, and (d) the state/government (Turker, 2009). The economic part of corporate social responsibility includes the impact on the financial performance of businesses (Fifka & Pobizhan, 2014; Reverte et al., 2016; Rusmanto & Williams, 2015; Waworuntu et al., 2014). When considering the relationships between the firm, society, and employees, the social dimension of corporate social responsibility is critical (Kadhim et al., 2020). Environmental aspects of corporate social responsibility have been shown in studies to enhance enterprise innovation, save costs, protect resources, and create a competitive edge (Cho & Patten, 2013; Flammer, 2013; Graafland & Smid, 2018; Searcy et al., 2016; Wahba, 2008). By contributing in commercial, ethical, and social responsibility areas, assisting in developing high-quality products and services, and ensuring fulfilment of their legal and stakeholder obligations, corporate social responsibility provides enterprises with opportunity, innovation, and a competitive edge (Waworuntu et al., 2014). Another significant benefit of CSR is its impact on brand awareness and image (Tian et al., 2011). As a result, several studies in the literature have looked at how corporate social responsibility influences various factors, including employee commitment, job happiness, intention to leave, and corporate image.

The term "corporate reputation" refers to a valuable and abstract asset that influences a company's stakeholders' opinions and preferences. It's a synthesis of all the relevant stakeholders' perspectives on the organization. It is stakeholders' perceptions of what the institution is and how it relates to them. It is the cognitive and affective evaluations of the institution's previous performance and predictions of its future behaviour. "Corporate reputation is an umbrella structure associated to the cumulative impressions of internal and external stakeholders," according to (Chun, 2005). Employees at the institution perceive the institution as more appealing than its competitors, resulting in a positive reputation. Institutions should create effective initiatives to safeguard their corporate image. Employee performance is what establishes trust in an institution's services and products. As a result, the reputation of the institution through which they labour is always crucial. Employees'
opinions, loyalty, and thoughts about their organizations are critical to establishing and maintaining the company's reputation. It necessitates implementing employee-focused corporate social responsibility actions in firms that want to build and sustain a great reputation.

The employer brand is defined as a long-term strategy for managing employees, potential employees, and any other relevant stakeholders' awareness and views of a company (Ali et al., 2021). The image of an organization as viewed by stakeholders, shareholders, and employees is known as the employer brand (Sehgal & Malati, 2013). To attract and keep critical personnel, firms must have a strong employer brand. There are two types of employer brands: internal and external. The internal employer brand focuses on actions that allow employees to grow inside the organization. As a result, the employee becomes a company customer. The goal of an external employer brand is to raise brand recognition and achieve corporate social responsibility objectives (Kozowski, 2012). Employee-focused corporate social responsibility activities help organizations maintain a good employer brand by motivating them to keep their current staff (Dokania & Pathak, 2013). Institutions can only have their products and services accepted in competitive domestic and international markets and transform them into financial value if they have a strong corporate brand image. While institutions strive to achieve their objectives, employees' impressions of the corporate brand and the values they bring to the organization are critical. While a positive brand image allows employees to merge their identities with the business, it also makes the institution more appealing to potential employees (Kim et al., 2015).

Companies are supposed to help employees develop good habits and lessen their unfavourable opinions of their employers, according to the cognitive dissonance hypothesis (Festinger, 1957), which holds that people seek internal consistency between expectation and actuality. Employees will be less likely to engage in incompatible or undesirable behaviour if such practices are compatible with their values and expectations (Okolocha, 2020). Corporate social responsibility is acknowledged as a technique for attracting and retaining personnel by increasing an organization's brand and enriching the EB.

There is a scarcity of qualitative and quantitative research on corporate social responsibility in small and medium-sized firms (SMEs) in developing nations. There is little scientific interest in the subject (Liu & Fong, 2010). The majority of studies on corporate social responsibility are focused on multinational corporations (Chon & Yoo, 2013). According to
the study, employees at medium-sized businesses are similarly unaware of corporate social responsibility (Bashir et al., 2012). As a result, this study focuses on employee perceptions of corporate social responsibility because employee perceptions of corporate social responsibility influence employee attitudes and behaviours. Its goal was to close a methodological research vacuum by looking at how corporate social responsibility initiatives in SMEs contribute to creating business reputation, employer brand, and brand image among employees. With these identified gaps, it tries to answer the following questions: (a) How do employee-focused corporate social responsibility activities, perceived corporate reputation, employer brand, and brand image interact? (b) Do employee-centred corporate social responsibility activities have a beneficial impact on SMEs' perceptions of their employer brand and brand image? (c) Does perceived corporate reputation in SMEs mitigate the relationship between employee-oriented corporate social responsibility initiatives and perceptions of the employer brand and brand image?

This study adds to the body of knowledge in two ways. To begin with, the majority of existing research has focused on the influence of corporate social responsibility on external stakeholders such as customers, rivals, and suppliers. This research, on the other hand, has not focused on employee views and attitudes. Employee perspectives, attitudes, and impressions of a company's corporate social responsibility programs have demonstrated considerable benefits in recent research. This viewpoint is supported by the fact that employees are more involved in organizational culture and have more accurate information about their company than other stakeholders. This research assesses a company's corporate social responsibility efforts based on employee views, attitudes, and behaviours. Second, it contributes to the notion of CSR being tied to the EB, brand image, and corporate reputation. Current employees were chosen as stakeholder groups to investigate further the importance and possible impact of corporate social responsibility in forecasting the employer brand, brand image, and corporate reputation of SMEs in this study.

2. Literature review

2.1 Corporate social responsibility

Various organizational stakeholders take into account more than just reputation. The social policies and activities of an organization might entice potential employees by providing information on the working conditions at the prospective workplace. Because potential employees do not have adequate knowledge about working circumstances, they make do with
what they do have (Kadhim et al., 2020). This emphasizes the necessity of looking at the connections between a company's social duties (and how they are met) and its competitive advantages. As a result, corporate social responsibility encompasses not only "doing the right thing" but also "doing well while doing good" (Ghaffarakdhim et al., 2019). The largest definition of corporate social responsibility (CSR) encompasses corporate acts that go beyond the company's economic, technical, and legal obligations (Gond, El Akremi, Igalens, & Swaen, 2010). Corporate social responsibility (a discretionary allocation of corporate resources toward improving social welfare that serves as a means of enhancing relationships with key stakeholders, according to Barnett (2007), is defined as “a discretionary allocation of corporate resources toward improving social welfare that serves as a means of enhancing relationships with key stakeholders”. Corporate social responsibility is becoming a tool for managing the expectations of many stakeholders (Lai et al., 2010). The majority of research into corporate social responsibility activities has been done at the institutional and organizational level, with a focus on external stakeholders (Aguinis & Glavas, 2012).

Exploring CSR at the micro-level, on the other hand, is becoming increasingly fashionable (Glavas & Kelley, 2014). Employee performance (Chon & Yoo, 2013), commitment (Fifka & Pobizhan, 2014), and appeal to prospective workers have all been linked to CSR (Reverte et al., 2016).

CSR was first conceptualized by Fombrun and Shanley (1990) as a marketing strategy for attracting competent personnel and an important component of business reputation. CSR can be addressed at current and potential employees, and it can be an effective technique for improving a company's image and reputation (Rusmanto & Williams, 2015). Waworuntu et al. (2014) found that a higher ranking in corporate social performance correlates with a better reputation. They also discovered that companies with higher social performance ratings attracted better staff. In other words, employers who are socially responsible are seen as more appealing. Because CSR may improve a company's reputation (Sehgal & Malati, 2013; Kozowski, 2012), it's no surprise that it's a hot topic in public relations (Dokania & Pathak, 2013). CSR, according Kim et al. (2015), can be a successful reputation management technique for a variety of stakeholders. The core of both CSR and public relations functions is the development of stakeholder connections (Ali et al., 2021). Both professions attempt to improve the quality of connections between businesses and their major stakeholders (Clark, 2000). Furthermore, CSR is a crucial component in fostering mutual understanding and resolving possible problems, making it particularly vital in public relations (Grunig, 1989).
CSR activities and reporting, according to Golob and Bartlett (2007), are a vital instrument for communicating with stakeholders and can provide more corporate openness and, as a result, a higher level of involvement with numerous stakeholders.

2.2 Employer brands

The organizational employer brand is another approach to set an organization apart from its competitors among potential employees. Employer brands assist prospective employees in gaining a better knowledge of their future workplace (Ahmad et al., 2020). Employer branding is described as a company's attempts to communicate to current and potential employees that it is an attractive place to work (Ali et al., 2021). It was defined by Harun et al. (2020) as a "bundle of functional, economic, and psychological benefits offered by employment, and associated with the employing company". The employer's brand integrates people capital, strategic capabilities, and culture to create a reputation as a top workplace (Harun, 2020). For the employee, the employer brand is a representation of what they can expect from their job (Kafcheh et al., 2020). Because these two viewpoints aren't always in sync, the major goal of employer branding should be to include numerous stakeholders and project the best possible employee experience (Lin et al., 2020). Employer branding is defined by Majeed, Nawzad hamawandy, Harouache et al. (2021) as "communicative, relationship-building, and cross-disciplinary processes that create, negotiate, and enact sustainable employer-employee relationships, i.e. long-term relationships between an organization and its potential and existing employees, i.e. long-term relationships between an organization and its potential and existing employees initiated by corporate branding processes integrating the notion of corporate social responsibility." On both a conceptual and empirical level, literature across the spectrum demonstrates a degree of commonality when it comes to concepts of corporate reputation, organizational attractiveness, employer branding, and reputation (Ogiemwonyi et al., 2020). Some authors define reputation as an inherent aspect of employer branding (Othman, Weijun, et al., 2020), while others use the term reputation to relate to the term employer brand (Othman, Harun, Sadq, et al., 2020; Othman, Harun, Taha, et al., 2020). “Some authors consider organizational reputation as the entire attractiveness of a company, whereas others see it as an employer brand or a part of employer branding,” Ogiemwonyi et al. (2020) concludes.

2.3 Corporate Reputation
Because it is dependent on perception, reputation is fundamentally subjective. It is essentially a summative experience with an organization that a specific stakeholder group experiences (Saupi et al., 2019). Xi et al. (2020) point out that the idea of reputation is frequently employed without a clear explanation, operationalization, or definition. The fact that reputation is such a broad notion that it incorporates several disciplines such as strategic management, economics, marketing, market research, sociology, psychology, and public relations is a major source of misunderstanding. There is a lack of knowledge or agreement in public relations about how reputation affects organizations, according to Bae and Cameron (2006). This is due to a lack of empirical evidence on the effectiveness of reputation management. On the other hand, both academics and practitioners appear to agree that understanding and demonstrating how reputation management helps the bottom line is crucial for public relations experts to be powerful in their organizations (Duhé, 2009). Corporate reputation ideas precede contemporary public relations and encompass some of the most important public relations values, according to academic research (Ji, Li, North, & Jiangmeng, 2017). The fundamental rationale for discovering mediating variables that link corporate reputation and organizational benefits is to address this issue (Bae & Cameron, 2006). One of the most important foundations on which to build organizational success is reputation (Duhé, 2009). When a company's reputation is good, it's considered one of the most valuable intangible assets it may have (Vidaver-Cohen, 2007). There is a link between corporate reputation and performance, according to numerous research (Rindova, Williamson, Petkova, & Sever, 2005). Both academics and business professionals believe that reputation helps maximize the ability to receive a premium for a product or service by reducing stakeholder uncertainty about future organizational performance, increasing organizational competitive advantage, contributing to public confidence, and increasing organizational competitive advantage (Vidaver-Cohen, 2007). Furthermore, a positive reputation might persuade stakeholders to give a business the benefit of the doubt if unfavourable information surfaces (Duhé, 2009). A positive reputation can also assist the organization in achieving desired stakeholder outcomes. Customers become more loyal and less price-conscious, job seekers become more interested in working for the company, investors become more eager to offer capital, and local communities become more willing to laud the company (Fombrun, 2000). All of this successfully demonstrates why reputation management in public relations is becoming increasingly crucial. The consequence of a general appraisal of a firm by its stakeholders is corporate reputation (Cornelissen, 2012). This suggests that reputation is the sum of multiple stakeholder groups' opinions (Fombrun,
Gardberg, & Sever, 2000). While reputation is frequently viewed by outside stakeholders as a synthesis of collective opinions, it is also founded internally in "employees' sense-making experiences" (Johnston & Everett, 2012). In this study, we looked at the combined effects of reputation, employer brands, and perceived corporate social responsibility on potential employees as a stakeholder group.

2.4 Brand Image

CSR activities are linked to the brand image of a company's products (Othman et al., 2020), as the brand provides a better understanding of the company (Ahmad et al., 2020), and it influences all parts of the business by increasing consumer value and improving business behaviour (Harun et al., 2020).

Within this set of beliefs, CSR activities are strongly related to firm reputation and the enterprises' brands image because such efforts can create a difference between the brands of their products and the rest of the rivals (Kafcheh et al., 2020). Nonetheless, there are few published studies regarding these three characteristics in the current literature. Thus it is critical to increasing the number of theoretical and empirical studies that add to further evidence of the existing relationship between these three constructs (Harouache et al., 2021). As a result, the fundamental contribution of this research article is the analysis and discussion of the current relationship between CSR activities, company reputation, and brand image of SMEs' products or services, as recommended by Kafcheh et al. (2020).

2.5 Conceptual Model and Hypotheses

Building on past empirical research, the article presents a model for finding out the relationship between corporate social responsibility and brand image, corporate reputation, and employer brand value (Figure 1). Furthermore, the model indicates a number of hypotheses that support these suggested backgrounds.
Figure. 1 Conceptual Framework

(H1): There is a positive relationship between employee-focused corporate social responsibility activities and perceived brand image.

(H2): There is a positive relationship between employee-focused corporate social responsibility activities and perceived corporate reputation.

(H3): There is a positive relationship between employee-focused corporate social responsibility activities and perceived employer brand.

3. Methodology

The study's primary objective is to empirically assess the effectiveness of companies' employee-focused corporate social responsibility (CSR) activities on employer brand (EB) and brand image (BI) perceptions, as well as the mediating effect of corporate reputation (CR). The data collection method used was a survey of the study population of employees from various enterprises. The survey items were graded on a 5-point Likert scale (from 1 to 5, with 1 indicating strong disagreement and 5 indicating strong agreement), and the survey was divided into two sections. The first section included demographic questions about the participant's gender, age, education, and department; the second section included items designed to assess all of the study's constructs. Twenty different SMEs with 50 to 250 employees and located in Iraq's Kurdistan region are chosen. Employees who have worked for the company for more than a year are evaluated, with at least ten people from each company participating. This is because employees who have worked for their companies for more than a year are more knowledgeable about their CSR activities. Using the random sampling method, 25 SMEs agreed to participate in our survey as a result of an interview with SMEs operating in the Kurdistan region's production area. These SMEs employ a total of 2500 people. Online questionnaires were distributed to SMEs. 625 employees returned their timesheets; 560 of these employees worked for more than a year. According to the random sampling technique, approximately 2500 employees require 341 in the 5% error and 95% confidence intervals and 431 in the 5% error and 95% confidence intervals; 415 employees responded to the survey. The following demographic characteristics apply: Men make up 70.5 per cent of respondents, while women make up 29.5 per cent. According to
respondents' departments, 23.1 per cent worked in production, 25% in engineering/design, 14.8 per cent in an unspecified department, 12.3 per cent in research and development, 7.5 per cent in marketing, 8.9 per cent in management, 4.2 per cent in accounting/finance, and 4% in human resources. The following chart depicts the distribution of respondents' highest educational attainment: 60.2 per cent hold an undergraduate degree; 17.3 per cent hold a graduate degree (other than a doctoral degree); 10.5 per cent hold a two-year college degree; 6.6 per cent hold a high school diploma, and 4.5 per cent hold a doctoral degree. The items in the second section of the study were drawn from validated and reliable scales. As illustrated in Appendix, the scale used to assess employee-centric CSR was adapted from Turker (2009). Employee-focused CSR was quantified using a seven-item scale. Knox and Freeman (2006) and Lievens et al. (2007) provided the scale for measuring EB. The EB was quantified using a seven-item scale. The BI scale was adapted from Bravo et al. (2010). The BI was determined using a seven-item scale. The CR scale used in this study was adapted from Ponzi et al. (2011). The CR was determined using a seven-item scale.

4. Data Analysis

4.1 Measurement model

Table 1 shows that “latent variables” are classified based on the “convergence validity” of all loading factors, and that the value of AVE is greater than 0.5 for all variables in the study, and that the values of CR are greater than 0.7 for all latent variables, indicating that the qualified components have acceptable reliability. Furthermore, using the “Cronbach's alpha” test of reliability, all latent values are greater than 0.6, which is sufficient confirmation that the study material is reliable. Table 2 shows that the values of the AVE root square are greater than inter-structure correlations for all variables when considering discrimination validity. As a result, the measurement model has a high level of dependability, and its validity is both constructive and dependable in indicating the study's variables.

Table 1: Variables measurement model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
<th>Loading</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social</td>
<td>CSR1</td>
<td>0.860</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR2</td>
<td>0.886</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR3</td>
<td>0.901</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR4</td>
<td>0.875</td>
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0.923
0.705
Responsibility
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<th>CSR6</th>
<th>CSR7</th>
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<tr>
<td></td>
<td>0.885</td>
<td>0.868</td>
<td>0.781</td>
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Brand Image
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<tr>
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<th>BI2</th>
<th>BI3</th>
<th>BI4</th>
<th>BI6</th>
<th>BI7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.841</td>
<td>0.890</td>
<td>0.867</td>
<td>0.861</td>
<td>0.710</td>
<td>0.790</td>
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</table>

Corporate Reputation
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<table>
<thead>
<tr>
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<th>CR2</th>
<th>CR3</th>
<th>CR4</th>
<th>CR5</th>
<th>CR6</th>
<th>CR7</th>
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<tbody>
<tr>
<td></td>
<td>0.728</td>
<td>0.834</td>
<td>0.761</td>
<td>0.701</td>
<td>0.691</td>
<td>0.801</td>
<td>0.864</td>
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Employer Brand
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<table>
<thead>
<tr>
<th>Variable</th>
<th>EB1</th>
<th>EB2</th>
<th>EB3</th>
<th>EB4</th>
<th>EB5</th>
<th>EB6</th>
<th>EB7</th>
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<tbody>
<tr>
<td></td>
<td>0.811</td>
<td>0.787</td>
<td>0.791</td>
<td>0.832</td>
<td>0.858</td>
<td>0.837</td>
<td>0.778</td>
</tr>
</tbody>
</table>

Table 2: Discriminant validity of latent constructs

<table>
<thead>
<tr>
<th>Variable</th>
<th>Corporate Social Responsibility</th>
<th>Brand Image</th>
<th>Corporate Reputation</th>
<th>Employer Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social Responsibility</td>
<td>0.840</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.908</td>
<td>0.809</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Reputation</td>
<td>0.959</td>
<td>0.957</td>
<td>0.799</td>
<td></td>
</tr>
<tr>
<td>Employer Brand</td>
<td>0.887</td>
<td>0.972</td>
<td>0.930</td>
<td>0.843</td>
</tr>
</tbody>
</table>

4.2 Hypothesis test

Table 1 shows that all of the relationships were positive and significant. The first hypothesis is that corporate social responsibility (CSR) has a positive and significant impact on the brand image (BI), which is supported by the literature. In the context of personnel working in small and medium-sized firms, the association between these constructs was also shown to be significant (b = 0.073, SE= 0.013, t = 5.705, and p 0.000). As a high-quality and large
influence of CSR on BI, the first hypothesis test outcomes suggest that corporate social responsibility has a positive and considerable impact on brand image.

The second hypothesis is based on the premise that corporate social responsibility (CSR) has a favourable and significant impact on corporate reputation (CR). The results demonstrate that the path coefficient from CSR to CR was statistically significant, with a very strong standardized estimation and t-values above 2.58 (p 0.000). CSR had a considerable beneficial impact on CR, according to the hypothesis testing results. Another element that added a positive influence and considerable CSR on CR was discovered in the focus group results with known causes of positive and significant CSR on CR. This was due to employees' perceptions that working in a small or medium-sized business requires superior attitudes and actions. The employee is concerned about their own life's significance.

According to the most recent hypothesis testing, all aspects of CSR are beneficial and have a considerable impact on employer brand (EB). According to Smart PLS's findings, there was a substantial correlation between CSR and EB (p 0.000). CSR has a strong and favourable impact on EB at small and medium-sized businesses, according to the findings. Following a series of discussions, it was discovered that a number of factors influencing CSR had a high-quality and significant impact on EB. Employee-focused CSR actions were favourably connected with employees' perceptions of EB, which matched the findings in the literature.

<table>
<thead>
<tr>
<th>Table 3: Hypothesis Relationships</th>
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</thead>
<tbody>
<tr>
<td>Path</td>
</tr>
<tr>
<td>CSR -&gt; BI</td>
</tr>
<tr>
<td>CSR -&gt; EB</td>
</tr>
<tr>
<td>CSR -&gt; CR</td>
</tr>
</tbody>
</table>

5. Discussion

CSR provides more and better chances for innovative research to enhance corporate success. The majority of extant CSR literature has been concentrated on the macro-level (Hameed et al., 2016). However, some research has focused on the micro-level of CSR (Clark et al., 2017). At the micro-level, debates on the roles of businesses in society are also taking place. Employees in the CSR field are increasingly inquisitive about their jobs' responsibilities.
These questions will have a significant impact on how employees view CSR and its significance in their personal lives. Employees regard CSR as beneficial to their personal interests in organizations with stronger CSR since they have better working conditions and benefits. There have been gaps between CSR theory and practice in the literature, and there is still a lot of room for employee perceptions of CSR to differ. As a result, more research is needed to understand how CSR affects employees (Mory et al., 2015). As a result, it's critical to look beyond the immediate impact of CSR to understand why, how, and when employees are impacted. Although hypothetical employees can teach us a lot, more research on actual employees at work is required.

In the literature, the consequences of CSR initiatives in large-scale corporations have been studied. The findings of this study offered proof of the benefits of employee-focused CSR efforts in small businesses. It was backed up by the four theories offered. Employees' perceived CSR is defined as the predecessor of EB and BI. Employee-focused CSR activities were favourably connected with employees' perceptions of EB and BI, which matched the findings in the literature. The perspective of employees functioning as internal stakeholders is generally disregarded in academic literature, and CR is mainly described from the standpoint of the consumer. From the perspective of employees, the pioneers, effects, and outcomes of company reputation were studied in this study. In contrast to customers, the results of CR perception among employees are characterized as the result of employee trust. Employee-focused CR and CSR actions in SMEs had a positive mediation influence on employees' EB, CR, and BI views, according to the findings.

Employee perceptions of CSR are the fundamental variable that mediates the impact of CSR acts, and as a result, employee perceptions of CSR have the potential to affect the dynamics of the social organization. This study illustrates how employee views of CSR in the workplace activate attitudes that affect EB, BI, and CR through influencing the internal mechanisms of CSR on employees. Executives must evaluate how employees perceive CSR efforts, and these perceptions are critical because they have a beneficial impact on firms. By encouraging employees, CSR may help a firm develop a better reputation among employees and generate an EB. The findings back up the theory that CSR initiatives that promote social welfare and environmental responsibility have a favourable impact on employee attitudes. Higher levels of CSR increase the possibilities of hiring top talent. Employee job-selection decisions are influenced by CR, and improved CSR allows potential employees to learn more
about their companies. Employees are aware of CSR, and it contributes to EB. Furthermore, it is a crucial structure for comprehending reputation.

6. Limitations

There are some flaws in the study's design. The information is gathered from SMEs in the manufacturing sector in Iraq's Kurdistan region. To generalize what is foreseen, it must be repeated in more than one area and different organizations. Another difficulty is that it was chosen among personnel who had been with the organization for over a year.

7. Recommendations

CSR has a variety of effects on employees. Only the direct effect of perceived CR, EB, and BI on CSR perception was examined in this study. As a result, only CR, EB, and BI were used to assess the impact of employees' perspectives. Other scales should be included in future research to corroborate these findings. Investigations on the current problem in other industrialized countries are recommended to generalize the findings.

References:


31. Harun, et al. (2020). The Role of Services Marketing Mix 7P ’ s on Achieving


