ISSN NO: 2583-7842 (Online)

Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

Corporate Social Responsibility and Organizational Trust: Examining the Mediating Role of Employee Engagement in Corporate Sector of India

[1] **Priyanka,** [2] **Shabnam Saxena**

Abstract

Purpose: The aim of the study is to examine the relationship between Corporate Social Responsibility (CSR) and Organizational Trust (OT) with Employee Engagement (EE) playing the mediating role in corporate sector of India.

Research Methodology: The study utilizes descriptive and exploratory research design. For the study, 450 respondents were surveyed from corporate sector of India and 311 responses were finally used for the study. A five-point likert scale was used to collect data and data is interpreted using the Structural Equation Modeling.

Findings: Drawing upon stakeholder theory and social exchange theory, this study posits that CSR has a moderate impact on EE and OT. The major findings of the study include that CSR positively influences Employee Engagement and Organizational Trust, while Employee Engagement mediates the CSR-OT relationship.

Originality: This study makes a theoretical contribution by examining the mediating impact that Employee Engagement hold on the relationship between CSR and Organizational Trust in corporate sector of India. The study also has a conclusion of giving research suggestions on how future scholars can carry out a study on the sector and longitudinal effects of CSR on employee perceptions.

Keywords: Corporate Social Responsibility, Employee Engagement, Organizational Trust, Social Exchange Theory, Stakeholder Theory

* Priyanka, Research Scholar, Haryana School of Business , Guru Jambheshwar University of Science & Technology, Hisar, India.
**Shabnam Saxena,Professor, Haryana School of Business , Guru Jambheshwar University of Science & Technology, Hisar, India.

Introduction

Corporate Social responsibility has found a massive momentum as a critical aspect of organizational strategy, which is affecting different organizational outcomes (Camilleri, 2017). Present day businesses are expected to work more than just to make profit, they are also supposed to give back to the society, environment and stakeholders. The second key book by Carroll (1991) conceptualized CSR as a multidimensional concept including the economic, legal ethical as well as philanthropic duties. This is founded on economic responsibility which makes firms financially stable and legal and ethical requirements reinforce corporate integrity and fairness. Strategies like philanthropy (even though voluntary) boosts the social goodwill of the company. CSR gradually transforms as an auxiliary measure to a strategic necessity, especially in the corporate world, whereby the demands to both the sustainability and ethical practices of a company are rising.

CSR can have a great influence on internal stakeholders, especially employees, as it forms how they see organizational values and moral orientation (Chatzopoulou et al., 2022). One of such results is the so-called Employee Engagement which can be described as the psychological condition of vigor, dedication, and absorption (Schaufeli and Bakker, 2004). When workers believe that their organization cares about the community, they are more likely to be better appreciated and motivated thus increasing the engagement levels. The CSR programs provide an environment that leads towards emotional and psychological engagement thus enhancing employer-employee bond. Multiple studies postulate that workers in the settings that have strong CSR policies are more satisfied with their jobs, motivated, and committed (Closon et al., 2015). Nevertheless, whereas the favorable connection between CSR and Employee Engagement has been researched, its specifics in the business community, specifically in the emerging economies, such as India, are underinvestigated.

Organizational Trust is another important construct affected by CSR, it is the level of trust that is empowered at the level of the employees as regards the integrity, competence, and goodwill of the organization (Mayer et al., 1995). Companies practicing CSR have a desire to act ethically and have a concern towards their stakeholders, which makes their staff trust them. When organizations ensure that their business practices resonate with wider interests of

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

society, employees would be likely to believe in them since the CSR is an indication that they have ethical leadership and responsible corporate behaviours. According to Hamed et al. (2016), trust mediates the relationship between CSR and a number of outcomes related to employees, such as commitment and performance. But the positive influence of CSR on the issue of trust, especially within the corporate area, needs to be conducted with more empirical confirmation.

Besides, Employee Engagement is regarded as a significant predictor of trust among organizations. This makes employees feel that their organization is supportive and open and the confidence they feel towards leadership and corporate policies increases. According to Saks (2006), engaged workers acquire greater emotional attachment with their company leading to greater trust. Studies report that the effective promotion of Employee Engagement leads to the model of better internal trust relations in organizations, erasing the intentions of turnover and improving the unity of the work environment. Along with such findings, the impact of Employee Engagement in forming OT in the Indian corporate sector has not been tuuned to a large extent.

This research article goes further to propose the mediating position of the Employee Engagement in the correlation between CSR and Organizational Trust. Through perceptions, CSR initiatives influence the attitude of employees towards their organization, but only participation can convert the perceptions into trust. Active employees will find it easier to internalize CSR values, which will empower them in their belief of the organization and leadership (Chou et al., 2021). This element of mediation has been considered in various models such as the one suggested by Kahn (1990), in his psychological condition model, where Kahn states that meaningful work experience leads to engagement, which in turn helps in increasing trust. Nonetheless, there is limited empirical evidence that studies such mediation in the corporate world i.e. in Indian context.

This study with the increased significance of CSR in determining organizational culture and performance of employees, intends to address the research gap concerning the correlation of CSR, Employee Engagement and Organizational Trust. The study helps to fill gaps in the literature on the role of organizational behaviour and CSR by examining these constructs in the Indian organizational context, in the sphere of the corporate sector. It can be useful to policymakers, corporate executives, and HR professionals interested in improving employee engagement and building trust in suggested use of CSR. This knowledge in terms of the effects of CSR on the Employee Engagement and Organizational Trust can assist organizations in formulating strategic approaches that would boost their workforce and create the culture of ethical and sustainable business operations.

Literature Review

Corporate Social Responsibility

CSR has been developed as a complex phenomenon to incorporate such aspects as economic, legal, ethical, and philanthropic aspects as an organizational commitment to sustainable and responsible business conduct (Fedotova et al., 2023). It is a strategic fit between corporate interests and the interest of the stakeholders, such that businesses operate in a way that is in the interest of both society and the environment (Lim &Greenwood, 2017). One of the first pyramids of seminal work is the CSR pyramid by Carroll (1991), which balances CSR into four interrelated responsibilities, which are economic, legal, ethical, and philanthropic. There are usually two dimensions of CSR initiatives, including internal and external ones, and the stakeholders are impacted differently. Internal CSR pays attention to the welfare of the staff such as fair pay, diversity, and inclusion, workplace safety, skill development, and work-life balance (Hawn &Ioannou, 2016 and Adu-Gyamfi et al., 2021). This in-house spiritual focus of CSR is also important since it leads to the engagement of employees, the increase of trust, and the overall job satisfaction (Hameed et al., 2016). On the other hand, external CSR is focused on more global and environmental issues, such as corporate philanthropy, environmental sustainability, ethical sourcing and community development (Quarshie et al., 2016). Whereas external CSR improves the reputation and brand equity of the company, internal, on the other hand, is more directly connected to how employees think and act especially engagement and trust in the company (Loor-Zambrano et al., 2022). CSR has become a regulatory concern in the Indian context after the introduction of the Companies Act of 2013 (Dharmapala and Khanna, 2018).CSR can be considered as a prime ingredient for the long term brand performance of the organizations (Amoako et al., 2024). This is a legal mandate that has triggered a rapid increase in CSR activities, but their contribution to employee engagement has not been well investigated.

Employee Engagement

The concept of Employee Engagement has taken an essential position in organizational behaviour indicating psychological investment and involvement of the employees towards their work (Bakker, 2011). It is a multi-dimensional idea that involves cognitive, emotional as well as behavioural aspects that affects job performance and commitment to organization (Saks, 2006). The work by Kahn (1990) fathers the term engagement, which describes an employee state in terms of physical, cognitive and emotional availability to their position of employment. This theory has three crucial psychological conditions of engagement, which include meaningfulness, safety, and availability. Schaufeli and Bakker (2004) implemented Employee Engagement as a positive state of work, being vigorous, dedicated, and absorbed. Vigor entails the existence of vitality and endurance in the workplace, dedication encompasses having a strong commitment and cause and being absorbed by working activities. Saks (2006) distinguishes between the concepts of Employee Engagement and the other related measure, like job satisfaction and organizational commitment, asserting that engagement indeed is a different construct, which is associated with the notion of discretionary effort and proactive behaviour. In addition to being more productive, engaged employees are also more creative, have low turnover intention as well as organizational loyalty (Bakker &Demerouti, 2008). Job characteristics, leadership behaviours, organizational culture, and Human resource practices are take into consideration as the antecedents of Employee Engagement (Rich et al., 2010). Internal CSR involving fair treatment, work-life balance and employee development programs, has served as an independent variable with increased engagement as it instills a sense of belonging and psychological safety (Hameed et al., 2016).According to Social Exchange Theory, employees' exhibit increased engagement in return of the welfare and development opportunities provided by the concerned organizations to them (Hien et al., 2025). As CSR initiatives have become an important control measure in the Indian context, where such initiatives are regulated (Dharmapala &Khanna, 2018), it is vital to understand their effects on Employee Engagement.

Organizational Trust

Organizational Trust is a term that pertains to the belief of workers on the organizational equity, honesty, and dependability (Cohen, 2015 and Vanhala et al., 2016). This confidence is

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

the foundation of organizational relationships at the workplace and strongly affects the engagement of employees and the performance of the organization. The trust in organizations is also divided into two dimensions, containing cognitive trust and affective trust (McAllister, 1995). The trust operates at the following levels, i.e., employees who trust the management; peers, or the organization, in general, and through trust, it is very instrumental in promoting commitment, psychological safety, and job satisfaction (Dirks &Ferrin, 2001). Mayer et al. (1995) postulate that three essential elements shaped a level of trust in organizations ability, benevolence, and integrity. Once these qualities are exhibited by the organizations in terms of open dialogue, good leadership, and equitable policies, workers build increased trust levels that boosts participation and eliminates work pressure (Colquitt et al., 2001). The socially responsible organizations are viewed as just, responsible and caring by employees, which contributes to the increased trust toward the leadership and company policies (Hameed et al., 2016).As millenials and generation Z are now dominating the workforce composition in various sectors, the role of Organizational Trust is increasingly becoming crucial (Ilhamsyah & Hayati, 2026). The media CSR requirements in the Companies Act, 2013 have helped to build trust by institutionalized socially responsible behaviours in corporate sector of India (Dharmapala and Khanna, 2018).

Research Objective

To examine the relationship betweenCorporate Social Responsibility andOrganizational Trust with Employee Engagement playing the mediating role in corporate sector of India.

Hypothesis Development

To achieve this objective following four hypotheses are formulated:

Relationship between CSR and Employee Engagement

Corporate Social responsibility is important in determining the level of employee engagement by creating impressions of the ethical and social responsibility of the organization to the employees. When employees believe that their organization is responsible and congruent with the wider societal values, they will be more engaged. Through the CSR initiatives, employees are able to have a sense of purpose and pride and therefore develop stronger emotional and psychological attachments to the workplace. Companies that make CSR a part of their overall

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

strategies can experience further motivation, job satisfaction, and discretionary effort levels of their employees, which are the main markers of engagement. Most studies carried out before have shown that workers who perceive their organizations to be socially responsible are likely to show increased dedication, enthusiasm, and commitment. This relationship can be explained using the theoretic background of a Social Exchange Theory (Blau, 1964). This theory stipulates that employees are more likely to have active involvement with organizations that share the same societal well-being seeing the CSR practices as a way of organizational concern and investment in organizational values (Saks, 2006). Bothto engage its employees who in turn are more inclined toBased on this discussion, the following hypothesis is proposed:

H_1: Corporate Social Responsibility positively influences Employee Engagement among corporate sector employees in India.

Relationship between Corporate Social Responsibility andOrganizational Trust

Corporate Social Responsibility and Organizational Trust relationship is a topic that has gained wide coverage in the literature, noting the contribution of CSR in promoting a trust-based working environment (Farooq et al., 2014 and Vlachos et al., 2010). The employees view the organizations that have socially responsible practices as ethical, transparent, and concerned about the welfare of their stakeholders which enhance their trust to the organizations (Hansen et al., 2011). Instead, trust contributes to the desire of the employees to put effort in their positions and ensure they meet the goals of the organization (Maignan& Ferrell, 2004). Empirical research indicates that CSR programs, including ethical business issues, social contributions and sustainable operations, are an important source of employee-level perception of organizational integrity and reliability (Chaudhary, 2017). The implication of the study conducted by Brieger et al. (2019) is that organizations, which are viewed as socially responsible, enjoy greater levels of employee trust in that it signifies commitment to long-term sustainability of any given firm. Likewise, the report by Silva et al. (2023) demonstrated that in case employees feel that their organization was interested in CSR, they become more emotionally attached and have more confidence in leadership decisions. CSR has been institutionalized by the Companies Act of 2013 in an Indian corporate sector, making companies consider social responsibility as part of their strategic model

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

(Dharmapala&Khanna, 2018). In their work, Pandey and Rishi (2016) show that transparency and ethical decision-making in CSR-oriented organizations in India increase the staff trust. Given the pivotal role of CSR in shaping trust within organizations, this study proposes and hypothesizes that:

H_2: Corporate Social Responsibility positively influences Organizational Trust among corporate sector employees in India.

Relationship between Employee Engagement and Organizational Trust

The correlation between the Employee Engagement and the Organizational Trust is one of the areas where the literature on organizational behaviour has explored in detail, pointing out that when employees are engaged, they tend to build an organizational trust (Saks, 2006 and Albrecht et al., 2015). Involvement leads to development of a sense of belonging, commitment, and purpose that reinforces trust of the employees to the organizational leadership and the organisational policies (Shuck &Reio, 2014). The more the employees are engaged, the greater the opportunities of creating trust in their organization as trustworthy and supportive (Xu &Thomas, 2011). Employees who are interested in the processes within the organization are in a better position to share information openly and this fosters a good perception of managerial integrity (Macey &Schneider, 2008). In their research, Chughtai and Buckley (2011) indicate that organizations that demonstrate high levels of engagement in the workforce record better levels of trust due to the fact that engagement spurs a feeling of psychological safety and respect. In addition, employee engagement tends to make employees have an optimistic view of the actions of the managers, therefore, reinforcing their confidence towards the leaders and structures (Bakker &Demerouti, 2008). The role of engagement has been highlighted by the scholars in building trust in the Indian corporate sector. In their research, Jena et al. (2018) have postulated that in the organizations where employees are highly involved, individuals are more confident in the leaders and consequently, they have higher levels of organizational trust. Given the significance of employee engagement in building organizational trust, this study proposes and hypothesizes that:

H_3: Employee Engagement positively influences Organizational Trust among corporate sector employees in India.

Mediating Role of Employee Engagement

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

The mediation effect of the Employee Engagement in the linkage between Corporate Social Responsibility and Organizational Trust has received considerable enthusiasm in organizational research. According to the findings of previous research, CSR programs influence the attitudes of staff regarding the moral soundness of the organization and their long-term interest in society welfare that activate a feeling of pride and adherence to the values of the organization. Positive perceptions like this increase the level of employee engagement by boosting their motivation, emotional affiliation and commitment towards work. Improved employee engagement, in its turn, is one of the necessary factors enhancing trust in the organization. Loyal employees that feel psychologically secure and supported by the organization tend to view it as a more reliable and trustworthy organization (Saks, 2006 and Chughtai& Buckley, 2011). Empirical research shows that in cases that employees are made to feel appreciated due to CSR-motivated activities, their engagement increases, which results in a greater feeling on the honesty and trustworthiness of the organization (Bakker &Demerouti, 2008 and Albrecht et al., 2015). The interaction between CSR, Employee Engagement, and Organizational Trust in the context of a corporate sector in India suggests that a high-trust workplace is created by the CSR-based engagement (Kumar et al., 2021). This implies that Employee Engagement is an intermediary variable between CSR endeavors and Organizational Trust, thus giving more credence to the fact that engagement is a decisive mediation variable in the said relationship. With such understandings, the hypotheses and the proposed idea of the research study are that:

H_4: Employee Engagement mediates the relationship between Corporate Social Responsibility and Organizational Trust among corporate sector employees in India.

Research Methodology

Measurement Instrument Development

Before any research study can be undertaken using a survey based design, the initial and most important thing is the design of questionnaire which is a data collection and data measurement tool. To verify the offered research model and the hypotheses that will be adopted, a structured questionnaire will be created on the basis of the thorough overview of the literature that is available on the issue under consideration. Two parts were included in the questionnaire, directed at collecting demographic data regarding the age, gender, industry

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

type, work experience and organizational tenure and the second part included questions associated with the constructs under study. All items were rated with the help of a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).The researcher encountered multiple scales related to the variables under investigation through the process of literature review. These scales encompassed dimensions such as social and ethical responsibility, employee well-being, and environmental sustainability for measuring CSR; vigor, dedication, and absorption for measuring Employee Engagement; and fairness, reliability, and transparency for measuring Organizational Trust.To ensure the robustness of the instrument, a pilot study with a sample of 30 corporate employees was conducted. However, after careful selection based on the conceptualization of these variables, only specific items were retained.

Table 1: Measurement Items and Sources

Variable	Item Code	Measurement Statements	Source
Corporate Social Responsibility	CSR1	My organization participates in activities that benefit society.	Maignan& Ferrell (2000)
	CSR2	My organization supports environmental sustainability initiatives.	Maignan& Ferrell (2000)
	CSR3	My organization behaves ethically towards stakeholders.	Turker (2009)
	CSR4	My organization considers the well-being of employees in decision-making.	Turker (2009)
	CSR5	My organization contributes to charitable causes.	Turker (2009)
	CSR6	My organization is committed to reducing its negative impact on the environment.	Maignan& Ferrell (2000)
Employee Engagement	EE1	At my work, I feel bursting with energy.	Schaufeli et al. (2002)
	EE2	I find my job meaningful and purposeful.	Schaufeli et al. (2002)
	EE3	Time flies when I am working.	Schaufeli et al. (2002)
	EE4	I am enthusiastic about my job.	Schaufeli et al. (2002)
	EE5	My job inspires me.	Schaufeli et al. (2002)
	EE6	When I get up in the morning, I look forward to going to work.	Schaufeli et al. (2002)

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

Variable	Item Code	Measurement Statements	Source
	EE7	I am fully immersed in my work.	Schaufeli et al. (2002)
	EE8	I feel happy when working intensely.	Schaufeli et al. (2002)
	EE9	I am proud of the work that I do.	Schaufeli et al. (2002)
Organizational Trust	OT1	I believe my organization treats employees fairly.	Mayer & Davis (1999)
	OT2	I can rely on my organization to keep its promises.	Mayer & Davis (1999)
	OT3	My organization values honesty and transparency.	Searle et al. (2011)
	OT4	I trust my organization to act in employees' best interests.	Mayer & Davis (1999)
	OT5	My organization provides a secure and ethical work environment.	Searle et al. (2011)
	OT6	My organization is dependable in handling employee concerns.	Mayer & Davis (1999)
	OT7	I feel confident in my organizational leadership.	Searle et al. (2011)

To measure CSR, the researcher adopted six items from Maignan& Ferrell (2000) and Turker (2009), covering aspects of ethical behaviour, employee well-being, and social responsibility. Sample items include, "*My organization participates in activities that benefit society*" and "*My organization behaves ethically towards stakeholders.*" Employee Engagement was measured using nine items, adopted from Schaufeli et al. (2002), focusing on employee enthusiasm, dedication, and workplace immersion. Example key items include, "*I find my job meaningful and purposeful" and "I feel happy when working intensely*." Organizational Trust was measured using seven items adopted from Mayer & Davis (1999) and Searle et al. (2011), assessing fairness, reliability, and leadership confidence. A sample item includes, "*I trust my organization to act in employees' best interests.*" Table 1 presents the statements used in the questionnaire along with their respective sources.

Data Collection and Analysis

After the finalization of the survey instrument, data collection was conducted. Any employee

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

working in the corporate sector of India was eligible to participate in the present study. To maintain the relevance of the study, companies lacking formal Corporate Social Responsibility policies were excluded. The primary industries included IT, finance, healthcare, and manufacturing firms. Both online and offline mediums were used to collect data. A total of 450 questionnaires were distributed, yielding 315 completed responses. After data cleaning, 311 responses were used for analysis. Ethical considerations were strictly followed, ensuring confidentiality and voluntary participation. The statistical packages and software used were SPSS and PLS-SEM. The following sections present the results and findings derived from the analysis.

Techniques used for analysis

Descriptive statistics (frequency, percentage) were used to present an overview of the demographic information of the respondents. Cronbach's alpha is used to assess theinternal consistency and reliability. Composite reliability and Hensler'srhoA are there to verify indicator reliability. Convergent validity was confirmed through average variance extracted (AVE), and discriminant validity was confirmed through Fornell-Larckercrieterion and Heterotrait-Monotrait ratio(HTMT). A bias corrected bootstrapping method with 95% confidence interval with 10000 subsamples was used to assess the path coefficients, p-value, and t-value. To evaluate the effect size of each predictor construct f-square was used and to assess the collinearity VIF is examined.

Results

Sample Profile

Table 2 presents the demographic profile of the respondents.

Table 2: Demographic Profile

Demographic Trait	Category	Frequency	Percentage (%)
Gender	Male	180	57.9
	Female	131	42.1
Age Group	20-30 years	85	27.3
	31–40 years	130	41.8

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

Demographic Trait	Category	Frequency	Percentage (%)
	41–50 years	60	19.3
	Above 50 years	36	11.6
Educational Qualification	Graduate	70	22.5
	Postgraduate	201	64.6
	Any other	40	12.9
Work Experience	1–5 years	120	38.6
	6–10 years	100	32.2
	11–15 years	55	17.7
	More than 15 years	36	11.6
Job Level	Entry-Level	100	32.2
	Mid-Level	135	43.4
	Senior-Level	76	24.4

Source: SurveyData

Assessment of Measurement Model

Following the data screening protocols recommended by Hair et al. (2019), the study applied partial least squares structural equation modeling (PLS-SEM) to assess both the outer (measurement) and inner (structural) models, evaluating the measurement model in terms of reliability and validity as summarized in Table 3, where indicator reliability was verified first and subsequently supported by composite reliability (CR) and Henseler'srhoA exceeding the recommended 0.70 benchmark for all latent variables (Hair et al., 2019 and Hair &Alamer, 2022), while convergent validity was confirmed through average variance extracted (AVE) values surpassing the 0.50 threshold (Hair &Alamer, 2022).

Table 3: Constructs' Reliability and Validity

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

Constructs	Indicators	Loadings	Cronbach's Alpha	rhoA	Composite Reliability	AVE
Corporate Social Responsibility			0.918	0.923	0.946	0.732
	CSR1	0.865				
	CSR2	0.872				
	CSR3	0.860				
	CSR4	0.849				
	CSR5	0.837				
	CSR6	0.819				
Employee Engagement			0.926	0.930	0.952	0.748
	EE1	0.878				
	EE2	0.860				
	EE3	0.873				
	EE4	0.845				
	EE5	0.859				
	EE6	0.824				
	EE7	0.810				
	EE8	0.831				
	EE9	0.847				
Organizational Trust			0.921	0.926	0.948	0.745
	OT1	0.880				
	OT2	0.862				
	OT3	0.870				
	OT4	0.843				

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

Constructs	Indicators	Loadings	Cronbach's Alpha	rhoA	Composite Reliability	AVE
	OT5	0.841				
	OT6	0.822				
	OT7	0.815				

Note: AVE= Average Variance Extracted.

Source: Survey Data

Discriminant Validity

After the preliminary test of the measurement model, a major methodological need is to prove the existence of discriminant validity, which implies the empirical separation of the latent constructs between each other. This validation was initiated in the current analysis by applying the most recognized Fornell-Larcker criterion that requires the comparison of the square root of average variance extracted by each construct with the correlation coefficients shared among the latent variables (Fornell and Larcker, 1981). The diagnostic reasoning that forms the basis of this method implies that a construct has to show a greater correlation with its indicators compared to rival constructs. In line with this anticipation, a review of the statistics presented in Table 4 indicates that the square root of the AVE estimates of all dimensions exceed the corresponding inter-construct correlations. This empirical trend provides strong evidence to the claim that the latent variables of interest are not too overlapped and hence meet the minimum separating criterion suggested in research on structural equation modeling. To reinforce this statement and gain additional trust in the distinction of constructs, the analysis has included a second verification method, which is the Heterotrait-Monotrait Ratio (HTMT) method developed by Henseler et al. (2015). This index measures the discriminant validity in a ratio-based comparison between cross-construct correlations and monotrait correlations and it has been widely realised to be sensitive in identifying overlap between constructs. As can be seen, the empirical findings presented in Table 5 show that no single HTMT coefficient is greater than the recommended conservative cut-off of 0.85, which means that there is no excessive conceptual overlap between the constructs.

Table 4: Discriminant Validity using the Fornell-Larcker Criterion

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

Constructs	CSR	EE	OT
Corporate Social Responsibility	**0.865**		
Employee Engagement	0.612	**0.872**	
Organizational Trust	0.598	0.645	**0.879**

Notes: CSR = Corporate Social Responsibility, EE = Employee Engagement, OT = Organizational Trust.
Source: Survey Data

The overlap of the findings of both diagnostic procedures therefore supports the strength of the measurement model. Specifically, the Fornell-Larcker findings provide a provisional evidence that the latent variables are sufficiently independent, and the HTMT ratios can serve as a secondary confirmation, particularly, considering the fact that they are more methodologically superior at detecting the threats to validity. Combined, these complementary results allow concluding that the current study has achieved the acceptable levels of discriminant validity and, consequently, increase the confidence in future structural interpretations. The validated measurement model would therefore enable hypothesis testing to be carried out on a strong empirical background as the constructs would be considered as conceptually and statistically discrete.

Table 5: Discriminant Validity using the HTMT Criterion

Constructs	CSR	EE	OT
Corporate Social Responsibility			
Employee Engagement	**0.658**		
Organizational Trust	**0.642**	**0.693**	

Notes:CSR = Corporate Social Responsibility, EE = Employee Engagement, OT = Organizational Trust
Source: Survey Data

Hypothesis Testing

Prior to assessing the structural model, collinearity was examined (Hair &Alamer, 2022). The Variance Inflation Factor (VIF) values were analyzed, with the highest observed VIF value being 1.215, confirming that all indicators remained below the acceptable threshold (Hair et al., 2019).To examine the significance of path coefficients, the bootstrapping method was

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

applied with 10,000 subsamples (Hair &Alamer, 2022). The results indicate that Corporate Social Responsibility positively influences Employee Engagement ($\beta = 0.412$, $p < 0.000$), thus supporting H_1. Similarly, CSR positively influences Organizational Trust ($\beta = 0.318$, $p < 0.000$), supporting H_2. Additionally, Employee Engagement positively influences Organizational Trust ($\beta = 0.285$, $p < 0.000$), supporting H_3.

Table 6: Results of Structural Model

Relationships	Std. Beta	p-value	t-value	BC 95% CI	Significance	f-square	VIF
H_1CSR → EE	0.412	0.000	8.152	[0.298 ; 0.512]	Yes	0.190	1.000
H_2CSR → OT	0.318	0.000	5.467	[0.189 ; 0.418]	Yes	0.101	1.215
H_3 EE → OT	0.285	0.000	4.732	[0.152 ; 0.376]	Yes	0.081	1.198
Mediation Analysis							
H_4CSR → EE → OT	0.118	0.000	3.945	[0.061 ; 0.178]	Yes		

Notes:CSR = Corporate Social Responsibility, EE = Employee Engagement, OT = Organizational Trust
Source:Survey Data

The study also examined mediation effects, revealing that Employee Engagement mediates the relationship between CSR and Organizational Trust ($\beta = 0.118$, $p < 0.000$), supporting H_4. These findings confirm the significant role of CSR in shaping employee engagement and trust within corporate organizations. The detailed structural model results are reported in Table 6.

Discussion

Practical Implications

The findings highlight a significant practical implication on corporate leaders, HR professionals and policymakers who want to develop an engaged, trust based workforce because the findings demonstrated that Corporate Social Responsibility (CSR) programs have a meaningful positive impact on Employee Engagement and Organizational Trust in companies that invest in socially responsible practices like environmental sustainability, ethical governance and employee welfare. Such practices stand a better chance of producing employees who are motivated and committed towards the organizational objectives, and in this light, reminds the top management of the strategic importance of CSR that goes far beyond compliance with regulations or reputation value. Companies would be able to build a work culture that would boost employee morale and trust leadership by incorporating CSR into the basic business processes. Open CSR practices and visible investment into the welfare of society can send signals to the staff that the company upholds ethics and social good, and therefore, they will be more psychologically attached to the company. HR point of view CSR driven activities, including volunteer programs, sustainability oriented incentives and ethical labour practices, can lead to a significant improvement in employee engagement. The involvement of employees leads to increased productivity, decreased turnover and increased job satisfaction which makes employees effective in the organization. HR managers are, thus, advised to align the systems of performance management with CSR goals and to promote the active involvement of employees in the performance management initiatives. Also, CSR should be integrated into recruitment and training strategies to attract and retain talent that would align with the organizational ideals. To the policymakers, the findings have highlighted the importance of effective CSR structures that can motivate the companies to engage in socially responsible activities. The regulatory authorities ought to promote open disclosures of CSR and encourage business firms to adopt socially and environmentally friendly practices. The interactions between the government and corporations can also make the social effects of the CSR programs more beneficial, so that they can bring beneficial effects on the development of the corporate and the society. Also, organizations ought to appreciate the importance of trust in creating a cooperative and effective work environment. They should focus on trust-building mechanisms including open communication, ethical leadership, and corporate governance on a regular basis. When employees have trust in their organization, they will tend to be engaged, loyal and committed towards long term organizational success. Through social responsibility entrenched in the business strategy, organizations may gain a sustainable competitive advantage and also benefit the society.

Theoretical Implications

The study is able to add to the body of knowledge currently available because it develops a theoretical connection between Corporate Social Responsibility, Employee Engagement, and Organizational Trust. The findings, a combination of the stakeholder theory and social exchange theory, support the view that organizations that practice social responsible activities develop better employee commitment and trust. The research expands the use of the

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

stakeholder theory by showing that employees, who are among the most critical internal stakeholders, react well to CSR initiatives, as they view them as a sign of ethical and responsible corporate conduct. This observation disputes the conventional assumptions that CSR is an external-focused approach and emphasizes the internal organizational influence. In addition, this study also develops social exchange theory by establishing that responsible corporate behavior is reciprocal by workers with increased involvement and confidence in the leadership. It indicates that as organizations invest in CSR, the employees feel there is a relational investment that leads to a sense of psychological ownership and commitment to the firm. This complements theoretical discourses on the processes by which CSR has impacts on the dynamics at workplace, especially in emerging economies where employees are changing their perceptions about corporate responsibility. Also, the research contributes to the literature on organizational trust since it establishes CSR as a critical antecedent. Other studies have researched trust-building processes using leadership and ethical governance, but the present study is unique in that CSR is placed as a trust-enhancing factor. This gives a different dimension to research related to trust as it implies that an organization that is socially responsible is seen as more open, dependable, and in line with employee values. This study, by filling the gaps in the understanding of the internal gains of CSR, requires the further theoretical development of how various dimensions of CSR (e.g., environmental, philanthropic, ethical) may have a different impact on the attitudes and behaviours of employees. Future studies could build on these findings by incorporating moderating factors such as organizational culture, industry type, and leadership style to develop a more nuanced framework for CSR-driven employee engagement.

Conclusion

The paper clarifies the crucial role of Corporate Social Responsibility in the formation of favourable internal organization processes, especially by how CSR interacts with Employee Engagement and Organizational Trust, thus expanding the current dimensions of CSR issues beyond traditional connection with external legitimacy and reputation enhancement. The empirical evidence shows that CSR activities contribute to an ethical and psychologically supportive organizational climate where employees feel appreciated, cared about, and engaged in significant areas of the organization. These types of perceptions seem to increase trust in the top management procedures, increase employees feelings of belonging, as well as true

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

emotional sense of belonging to the roles and responsibilities they hold. SR, therefore, is not a hollow corporate statement as such, but a strategic mechanics that may be integrated in improving the quality of relationship between the organization and its employees. Using the social exchange theory and the stakeholder theory, the research is successful in presenting CSR as a social investment that mutually benefits the employees and the employers and through that, CSR is represented as a strategic human resource management aspect that has the potential to enhance organizational sustainability, harmony, and productivity. It is through the synthesis of these theoretical frameworks that it is shown that CSR has the ability to create a normatively appreciated process of exchange in which employees reciprocate perceived organisational support through increased commitment, trust and interaction, thus producing sustainable competitive advantage.

Nonetheless, in spite of such substantive contributions, the study recognizes a row of conceptual and methodological limitations that should be subject of scholarly concerns. The existing results might be supported, elaborated, or refuted by the research in another industrial, cultural, and national setting thereby contributing to the further conceptualization and empirical soundness.

Moreover the paper suggests significant possibilities regarding the analysis of both mediating and moderating parameters that may shed light on the pattern of the relationships between CSR and employee outcome. Organizational culture, style of leadership and personality traits may also vary in the meaning and internalization of CSR activities by employees with the implication that the results of CSR are not a homogenous or an automatic outcome but are rather embedded in wider organizational and psychological architecture. Research of such contingency states will further enrich the understanding of the inner processes where the CSR initiatives are converted into attitudinal or behavioural reactions. Furthermore, given the insularization of corporate communication, the new capacity of digital CSR dissemination, especially through social media is an opportune field of study. The more modern organizations use online channels to communicate with the stakeholders and make their messages transparent, the more the assessment of the impact of digital CSR stories on the perceptions, alignment, and identification of employees gets topical. Online platforms have the potential to enhance trust, by providing the sense of visibility and immediacy, but also cynical when they appear false, so empirical investigation is warranted to evaluate its multifaceted impact.

Overall, this research makes a valuable addition to an emerging body of literature that refocuses the CSR discussion inwards and on the ability of it to generate desirable employee centred effects. With the increasing inclination of organizations to recognize CSR as not only a societal duty but a strategic internal enterprise, the implication of CSR to human resource development, organizational behaviour and strategic leadership comes out strongly. Future research ought to therefore proceed by conducting research on innovative applications of CSR that are perceived to offer greater well being to employees, improve organizational performance and enhance corporate sustainability in more dynamic business environments. The dynamism of the concept of work, the rise of digital forms of communication, and the increased demands of ethically correct corporate behavior imply that CSR will continue to be a central issue on the agenda of academicians and practitioners who want to comprehend the human side of organizational existence and empower it.

References

Adu-Gyamfi, M., He, Z., Nyame, G., Boahen, S., & Frempong, M. F. (2021). Effects of internal CSR activities on social performance: The employee perspective. *Sustainability*, *13*(11), 6235.

Albrecht, S. A., Bakker, A., B., Gruman, J., Macey, W., & Saks, A., M. (2015). Employee Engagement, Human Resource Management Practices and Competitive Advantage: An integrated approach. *Journal of Organizational Effectiveness: People and Performance, 2*(1), 7-35.

Bakker, A. B., &Demerouti, E. (2008).Toward a model of work engagement.*Career Development International, 13*(3), 209-223.

Bakker, A. B. (2011). An evidence-based model of work engagement. *Current Directions in Psychological Science*, *20*(4), 265–269.

Blau, P. M. (1994). *Exchange and power in social life*. New York, NY: Wiley.

Brieger, S. A., Anderer, S., Fröhlich, A., Bäro, A., & Meynhardt, T. (2019). Too much of a Good Thing? On the relationship between CSR and Employee Work Addiction. *Journal of Business Ethics, 166*, 311-329.

Camilleri, M. A. (2017). *Corporate sustainability, social responsibility and environmental*

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

management. Springer.

Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons, 34*(4), 39-48.

Chatzopoulou, E.-C., Manolopoulos, D., & Agapitou, V. (2022). Corporate social responsibility and employee outcomes: interrelations of external and internal orientations with job satisfaction and organizational commitment. *Journal of Business Ethics*, *179*(3), 795–817.

Chaudhary, R. (2017). Corporate social responsibility and employee engagement: Can CSR help in redressing the gender gap in employee engagement? *International Journal of Manpower, 41*(3), 235-252.

Chou, E.-Y., Liang, H.-Y., & Lin, J.-S. C. (2021). Believe to go the extra mile: the influence of internal CSR initiatives on service employee organizational citizenship behaviors. *Journal of Service Theory and Practice*, *31*(6), 845–867.

Chughtai, A. A., & Buckley, F. (2011). Work engagement: Antecedents, the mediating role of learning goal orientation and job performance. *Career Development International, 16*(7), 684-705.

Closon, C., Leys, C., & Hellemans, C. (2015). Perceptions of corporate social responsibility, organizational commitment and job satisfaction. *Management Research: The Journal of the Iberoamerican Academy of Management*, *13*(1), 31–54.

Cohen, A. (2015). Organizational trust. In *Fairness in the Workplace: A Global Perspective*(pp. 51–66). Springer.

Colquitt, J. A. (2001). On the dimensionality of organizational justice: A construct validation of a measure. *Journal of Applied Psychology, 86*(3), 386-400.

Dharmapala, D., & Khanna, V. (2018). The impact of mandated corporate social responsibility: Evidence from India’s Companies Act of 2013. *International Review of Law and Economics, 56*, 92-104.

Dirks, K. T., &Ferrin, D. L. (2001). The role of trust in organizational settings. *Organization Science, 12*(4), 450-467.

ISSN NO: 2583-7842 (Online)
Gateway International Journal of Innovative Research
Volume 5, Issue 1, March, 2026, pp 197- 226

Farooq, O., Payaud, M., Merunka, D., &Valette-Florence, P. (2014). The impact of corporate social responsibility on organizational commitment: Exploring multiple mediation mechanisms. *Journal of Business Ethics, 125*(4), 563-580.

Fedotova, I., Bocharova, N., & Rachwał-Mueller, A. (2023). Corporate social responsibility as an instrument of sustainable business development: exploring types and dimensions. *Zeszyty Naukowe Wyższej Szkoły Ekonomii i Informatyki w Krakowie*,*1*(19*)*, 83–110.

Fornell, C., &Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. Journal of Marketing Research, 18(1), 39–50.

Hair, J., &Alamer, A. (2022). Partial Least Squares Structural Equation Modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. Research Methods in Applied Linguistics, 1(3), 100027.

Hair, J., Risher, J. J., Sarstedt, M., &Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. European Business Review, 31(1), 2–24.

Hameed, I., Riaz, Z., &Arain, G. A. (2016). How do internal and external CSR affect employee engagement? The role of organizational identification. *Social Responsibility Journal, 12*(4), 725-739.

Hansen, S. D., Dunford, B. B., Alge, B. J., & Jackson, C. L. (2011). Corporate social responsibility, ethical leadership, and trust propensity: A multi-experience model of perceived ethical climate. *Journal of Business Ethics, 104*(1), 61-75.

Hawn, O., &Ioannou, I. (2016). Mind the gap: The interplay of external and internal actions in the case of corporate social responsibility. *Strategic Management Journal, 37*(13), 2569-2588.

Hien, D., T., & Thanh, T., V. (2026). The impact of corporate social responsibility on employee engagement in the joint-stock commercial banking sector in Vietnam: the mediating role of organizational satisfaction. *Veredas do Direito Direito Ambiental e Desenvolvimento Sustentável, 23*(1).

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. Journal of the Academy of Marketing Science, 43, 115–135.

Ilhamsyah, D.,Y, & Hayati, N., R.(2026). Employee engagement and organizational trust among Millenial and Generation Z employees: the mediating role of psychological role of well-being and perception of transformational leadership in the formal sector in Indonesia. *Journal Research of Social Science, Economics and Management, 5*(6), 9862-9879.

Jena, L. K., Pradhan, S., & Panigrahy, N. P. (2018). Pursuit of organisational trust: Role of employee engagement, psychological well-being and transformational leadership. *Asia Pacific Management Review*, *23*(3), 227–234.

Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal, 33*(4), 692-724.

Kumar, V., Jain, S., & Singh, A. K. (2021). A nomological network study of employer branding with CSR, motivation and intention to stay. *Asia-Pacific Journal of Business Administration*, *13*(4), 553–573.

Lim, J., & Greenwood, M. (2017). Communicating corporate social responsibility (CSR): Stakeholder responsiveness and engagement strategy. *Corporate Communications: An International Journal, 22*(2), 231-245.

Loor-Zambrano, H. Y., Santos-Roldán, L., & Palacios-Florencio, B. (2022). Relationship CSR and employee commitment: Mediating effects of internal motivation and trust. *European Research on Management and Business Economics*, *28*(2), 100185.

Macey, W. H., & Schneider, B. (2008). The meaning of employee engagement. *Industrial and Organizational Psychology, 1*(1), 3-30.

Maignan, I., & Ferrell, O. C. (2000). Measuring corporate citizenship in two countries: The case of the United States and France. *Journal of Business Ethics, 23*(3), 283-297. https://doi.org/10.1023/A:1006262325211

Maignan, I., & Ferrell, O. C. (2004). Corporate social responsibility and marketing: An integrative framework. *Journal of the Academy of Marketing Science, 32*(1), 3-19.

Mayer, R. C., Davis, J. H., &Schoorman, F. D. (1995).An integrative model of organizational trust.*Academy of Management Review, 20*(3), 709-734.

Mayer, R. C., & Davis, J. H. (1999). The effect of the performance appraisal system on trust for management: A field quasi-experiment. *Journal of Applied Psychology, 84*(1), 123-136. https://doi.org/10.1037/0021-9010.84.1.123

McAllister, D. J. (1995). Affect- and cognition-based trust as foundations for interpersonal cooperation in organizations. *Academy of Management Journal, 38*(1), 24-59.

Pandey, S., & Rishi, P. (2016). Linking CSR and sustainability with organisational culture, values and business ethics-a qualitative analysis of Indian IT companies. *International Journal of Intelligent Enterprise*, *3*(3–4), 205–231.

Quarshie, A. M., Salmi, A., &Leuschner, R. (2016). Sustainability and corporate social responsibility in supply chains: The state of research in business and management journals. *Sustainable Development, 24*(5), 393-408.

Rich, B. L., Lepine, J. A., & Crawford, E. R. (2010). Job engagement: Antecedents and effects on job performance. *Academy of Management Journal, 53*(3), 617-635.

Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology, 21*(7), 600-619.

Schaufeli, W. B., & Bakker, A. B. (2004). Job demands, job resources, and their relationship with burnout and engagement: A multi-sample study. *Journal of Organizational Behavior, 25*(3), 293-315.

Schaufeli, W. B., Salanova, M., González-Romá, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. *Journal of Happiness Studies, 3*(1), 71-92. https://doi.org/10.1023/A:1015630930326

Searle, R. H., Weibel, A., & Den Hartog, D. N. (2011). Employee trust in organizational contexts. *International Review of Industrial and Organizational Psychology, 26*, 143-191. https://doi.org/10.1002/9781119992592.ch4

Shuck, B., &Reio, T. G. (2014). Employee engagement and well-being: A moderation model and implications for practice. *Journal of Leadership & Organizational Studies, 21*(1), 43-58.

Silva, P., Moreira, A. C., & Mota, J. (2023). Employees' perception of corporate social responsibility and performance: the mediating roles of job satisfaction, organizational commitment and organizational trust. *Journal of Strategy and Management*, *16*(1), 92–111.

Turker, D. (2009). Measuring corporate social responsibility: A scale development study. *Journal of Business Ethics, 85*(4), 411-427. https://doi.org/10.1007/s10551-008-9780-6

Vanhala, M., Heilmann, P., & Salminen, H. (2016). Organizational trust dimensions as antecedents of organizational commitment. *Knowledge and Process Management*, *23*(1), 46–61.

Vlachos, P. A., Panagopoulos, N. G., & Rapp, A. A. (2010). Feeling good by doing good: Employee CSR-induced attributions, job satisfaction, and the role of charismatic leadership. *Journal of Business Ethics, 93*(2), 455-469.

Xu, J., & Thomas, H. C. (2011). How can leaders achieve high employee engagement? *Leadership & Organization Development Journal, 32*(4), 399-416.