

RESEARCH ARTICLE

The impact of corporate social responsibility activities on stakeholders' value co-creation behaviour

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Abstract

This paper analyses the relationships between corporate social responsible employees, corporate social responsible suppliers and customer value co-creation behaviour in banking industry. More in detail it aims to investigate the mediating effect of relationship marketing orientation between corporate social responsibility (CSR) activities and customer value co-creation behaviour. Data collected from 383 banking customers are analysed through smart partial least square (PLS). The results highlight that corporate social responsible employees and suppliers have a positive impact on customer value co-creation behaviour. Moreover, relationship marketing orientation has a mediating role between CSR activities and customer value co-creation behaviour.

KEYWORDS

corporate social responsibility (CSR), customer citizenship behaviour, customer social behaviour, environmental management, smart partial least square (PLS), social responsible employees, social responsible suppliers, sustainable supply chain management

1 | INTRODUCTION

Corporate social responsibility (CSR) activities are becoming more significant for corporations in all over the world to get better recognition in the eyes of investors (Babiak & Trendafilova, 2011; Lopin et al., 2011; Michelon et al., 2013; Rahim et al., 2011; Saha et al., 2020). CSR can give many benefits to businesses such as customer loyalty, corporate reputation, and financial returns (Costa & Menichini, 2013; Dobers & Halme, 2009; Menguc & Ozanne, 2005; Sharma, 2000). For obtaining the desired CSR benefits, it is very significant to develop an understanding of how stakeholders notice these activities. This is the reason why the majority of CSR definitions address the needs of stakeholders such as, 'CSR is a conception whereby corporations try to incorporate society and environment-related issues in their day to day business activities and interaction

with key stakeholders voluntarily' (European Commission, 2001). This definition was modified in 2011 with the recognition that CSR is not only beyond the law (European Commission, 2011). The new regulation better clarifies that enterprises, to fully meet their CSR, have to integrate social, environmental, ethical, human rights, and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders (Tamvada, 2020). In line with this aim, CSR is defined as 'the responsibility of enterprises for their impacts on society' (European Commission, 2011). In recent years, some authors combined the concepts of CSR with those of sustainability and circular economy (Geissdoerfer et al., 2017) considering CSR as a corporate management philosophy that better frames sustainability. These definitions of CSR achieve the sustainable development goals, and sustainable behaviour at large, for citizens, institutions and corporations (Dahlsrud, 2008).

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Since the CSR concept was divided into different dimensions involving customers, local community, employees, and suppliers (Cheema et al., 2020; Skudiene & Auruskeviciene, 2012), the majority of contributions on the topic investigate the customer perspective (Jensen et al., 2018; Li et al., 2016; Rashid et al., 2013; Schmeltz, 2012). On the contrary, CSR activities involving other primary stakeholders are not explored sufficiently so far (Hietbrink et al., 2010; Jones, 2015; Kyaw et al., 2021; Schramm-Klein et al., 2015; Shen & Jiu Hua, 2011).

Furthermore, the concept of CSR has explored significantly with the relationship of customers' outcome such as customer loyalty, customer purchase intentions, customer satisfaction, customer trust, and customers behavioural aspects (Ailawadi et al., 2014; Ali et al., 2020; Green & Peloza, 2011; Jayawickramarathna, 2015; Martínez & del Bosque, 2013; Öberseder et al., 2013). Nevertheless, CSR has not been relating to other concepts such as customer value co-creation behaviour. Despite Laczniak and Murphy (2006) highlighted that CSR should be explored with other concepts, only three studies explored CSR with a relationship of customer value co-creation behaviour (Biggemann et al., 2014; Jarvis et al., 2017; Luu, 2019). Moreover, these studies have some limitations. For instance, these studies did not check the dimensional role of CSR in customer value co-creation behaviour.

Following the stakeholder theory, the main focus of this study is to explore the effect of CSR employees and suppliers on customer value co-creation behaviour. Besides, it explores the mediation of relationship marketing orientation in CSR undertakings and customer value co-creation behaviour (Vargo & Lusch, 2011). The relationship marketing orientation is also a further investment to build relationships with stakeholders (Knox & Gruar, 2007; Uhlig et al., 2020) and bring CSR values nearer to customers (Luu, 2019).

Customers have changed their traditional role (Vargo & Lusch, 2011) and participate actively in the service process to feel more satisfaction and trust (Revilla-Camacho et al., 2014). Therefore, it is necessary to explore the relationship between CSR activities and customer value co-creation behaviour. Based on service foundation, customers prefer to engage with employees and suppliers through dealings in the progression of personalizing their distinctive involvement (Lu et al., 2020; Payne et al., 2009; Prahalad & Ramaswamy, 2004). In this way, joint positive outcomes of interaction strengthen the sustainability of the organization. Even the banking industry management seeks different ways to enhance the unique experience of customers and many authors recommending that banks need to invest in value co-creation behaviour to develop an understanding of the entire life journey of account holders through the relationship-building (Mainardes et al., 2017; Ponsignon et al., 2015). If these relationships are not explored, then the banking industry of Pakistan will lack to launch successful CSR activities to minimize the wider gap between customers and management (Economics Survey of Pakistan, 2015; Mujahid & Abdullah, 2014).

In accordance with signalling theory, an individual decides when and how to communicate specific information to influence the behaviour and receiver must understand how to interpret the information.

This theory provides an opportunity for integrating symbolic communication for strategic or social benefits. Therefore, the message can be unified or categorized (Bird et al., 2005; Celani & Singh, 2011; Connelly et al., 2011). In this case, an organization decides how to categorize the information into different dimensions (i.e., CSR employees and CSR suppliers) to communicate the desired message to influence the behaviour of customers.

Leveraging on stakeholder theory and the application of signalling theory, this paper analyses the relationship between corporate social responsible employees, corporate social responsible suppliers and customer value co-creation behaviour in banking industry (RQ). More in detail, it aims to investigate the mediating effect of relationship marketing orientation between CSR activities and customer value co-creation behaviour. Hence, to study these constructs this paper contributes in many ways. The first contribution is that this study extends the theory of stakeholder by linking three different constructs, namely CSR, relationship marketing orientation (RMO), and value co-creation behaviour. Secondly, it fulfils the limitations of value co-creation studies (Liu et al., 2019; Jarvis et al., 2017) by investigating the effect of CSR dimensions on value co-creation behaviour. Moreover, it explores RMO as a mediator between CSR activities and customer value co-creation, answering to the criticism of service-dominant logic (Jia, 2020; Vargo & Lusch, 2004) that considers interaction as a mandatory issue for customer value-co-creation (Vargo & Lusch, 2011).

Lastly, it contributes to applying this novel model in an Asian country (Pakistan) which is a highly collective society, whereas most CSR studies were conducted in western contexts (Marquina & Morales, 2012; Santos et al., 2016; Wei et al., 2014). This is the most obvious reason that the status of CSR in Pakistan is at a premature level (Bux et al., 2020; Mujahid & Abdullah, 2014) and needs to further explore for a better understanding of CSR activities. The remaining of the paper is organized as follows. After this introduction, pertinent literature has been reviewed and the conceptual framework is reported in Section 2. Section 3 presents the research methodology. Section 4 discusses the results. Finally, Section 5 extracts the conclusions, the implications and the future research directions.

2 | LITERATURE REVIEW

2.1 | CSR employees and customer value co-creation behaviour

Previous studies emphasized the role of external CSR activities involving customers and local community, whereas internal CSR activities involving employees remain less explored (Aguinis & Glavas, 2012; Akhouri & Chaudhary, 2019; Deng et al., 2020). Nevertheless, internal CSR activities are becoming more important because employees play a pivotal role to implement CSR strategies and interact between customers and service providers (Liu et al., 2019). Strautmanis (2008) identified that employee-related CSR activities are those which have value for employees such as quality, professionalism, personal development, employees' involvement, and participation.

If corporations focused the most important stakeholders (employees) through CSR activities it may generate several positive attitudes and behaviour-related outcomes such as employees' satisfaction about their jobs (Barakat et al., 2016; Suh, 2016; Valentine & Fleischman, 2008), citizenship behaviour (Choi & Yu, 2014; Kim et al., 2017; Lee & Seo, 2017), the commitment of employees (Ali et al., 2010; Brammer et al., 2007; Fu et al., 2014; Kim et al., 2010; Peterson, 2004). Based on the above-mentioned pieces of evidence, we argue that if employees-centric CSR activities can generate employees' positive outcomes (Kwan, 2020), then they can also play a role to build the customer value co-creation behaviour. Employees are responsible to interact with the customers directly and, in the banking sector, customers demand more quality-oriented interaction (Khan et al., 2015). Customer value co-creation behaviour has two dimensions: customer participation behaviour and customer citizenship behaviour. Customer participation behaviour consists of personal interaction, information sharing, responsible behaviour, and information sharing, whereas customer citizenship behaviour contains advocacy, helping, trust, and feedback. Luu (2019) also supports the linkage of CSR activities and customer value co-creation behaviour in his study. Therefore, we hypothesize:

H1a. *CSR employees have a positive role in customer participation behaviour.*

H1b. *CSR employees have a positive role in customer citizenship behaviour.*

2.2 | CSR suppliers and customer value co-creation behaviour

Like internal CSR, supplier-focused CSR activities are very pertinent to develop relationships between management and suppliers to improve the productivity of the organization (Giannakis, 2008; Sánchez-Rodríguez et al., 2005). To become a socially responsible company, firstly it is necessary to be a good partner and have good partners (Skudiene & Auruskeviciene, 2012). Defined CSR suppliers that 'socially responsible' company must stimulate their suppliers to meet the standard of products and services according to code of conduct and mutually agreeing on quality control process. Monitoring the labour standard of suppliers and other business partners in the code of compliance with legal requirements, as well as formulating the complaint' procedures fall under the head of CSR suppliers (Graafland & Van de Ven, 2006).

The most obvious reason behind the CSR suppliers is the pressure of customers who want to look beyond the activities of the company from which they buy (Bartley, 2007; Kolk & Van Tulder, 2002; Roberts, 2003). Corporations need to incorporate customers' demands, personal conviction, and moral obligations (De Ruyter et al., 2009). Supplier activities affect the customers' impression because they directly or indirectly use the end products/services of suppliers (Hietbrink et al., 2010). On these premises, we can argue that if CSR suppliers can affect the customers' buying pattern, then

there is a probability that suppliers' focuses on CSR can build the customer value co-creation behaviour. As the above-mentioned customer value co-creation behaviour is formed by two dimensions (customer participation and customer citizenship behaviour), recently Jarvis et al. (2017) came up with though that CSR activities have utility for customers which plays a role to shape customer value co-creation behaviour. So, we may hypothesize:

H2a. *CSR suppliers have a positive role in customer participation behaviour.*

H2b. *CSR suppliers have a positive role in customer citizenship behaviour.*

2.3 | Indirect impact of CSR employees on customer value co-creation behaviour through RMO

Berry (1983) defined the concept of relationship marketing as 'attracting, maintaining and enhancing relationships with customers'. The term relationship marketing orientation represents multi-dimensional activities towards customers' interest. This concept consists of different aspects, namely reciprocity, trust, communication, empathy, shared value, and bonding (Sin et al., 2002). Trust is known as the degree of preparedness to have confidence in a partner (Morgan & Hunt, 1994). Bonding is the business relationship stage in which both parties behave in unified manners (Callaghan et al., 1995). Communication is a meaningful conversation among parties formally or informally. Shared value is the degree in which both parties mutually believe what policies and objective are right or wrong, appropriate or inappropriate (Morgan & Hunt, 1994). Empathy is the business relationship in which one party looks into a situation from the perspective of others (Berry et al., 1990). Reciprocity is the extent to which both parties act for mutual benefits. If one party makes a favour the other party must make a favour to repay it (Callaghan et al., 1995). Stakeholder theory argued that relationship marketing is a further investment for creating stronger relationships of priority with stakeholders and customers (Knox & Gruar, 2007). Therefore, when stakeholders are focused through CSR, it emerges the organization's orientation towards its stakeholders which deepened the relationships with its stakeholders (Abugre & Nyuur, 2015; Khan et al., 2020). This relationship marketing orientation further improves the customer's perspective such as customer loyalty, customer share, higher prices, and lower costs, and higher sales (Alrubaiee & Al-Nazer, 2010). In the case the above-mentioned outcomes can be provided, CSR customers can generate customer value co-creation behaviour because RMO dimensions including reciprocity enable customers for mutual value co-creation (Luu, 2019).

H3a. *RMO mediates between CSR employees and customer participation behaviour.*

H3b. *RMO mediates between CSR employees and customer citizenship behaviour.*

2.4 | Indirect impact of CSR suppliers on customer value co-creation behaviour through RMO

Application of stakeholder theory claims that relationship marketing orientation is a form of investment to build stronger relationships with priority stakeholders (Knox & Gruar, 2007). This is the reason why companies address the concern of priority stakeholders through CSR activities which have utility for stakeholders (Jarvis et al., 2017). Many studies have demonstrated that CSR has an utility to fulfil the needs of most important stakeholders such as employees and suppliers (De Chiara & Russo Spena, 2011; Low et al., 2017; Skudiene & Auruskeviciene, 2012). If CSR activities incorporate the need of suppliers, then an organization can build stronger ties with stakeholders through relationship marketing orientation. Previous studies found a positive link in relationship marketing orientation and customers' outcomes including customer loyalty and customer behaviour (Alrubaiee & Al-Nazer, 2010; Luu, 2019).

On the above-mentioned pieces of evidence, we can argue that CSR suppliers can build value co-creation behaviour through relationship marketing orientation. In fact, when corporations focus on suppliers managing CSR actions, the orientation of corporations towards the partners (Abugre & Nyuur, 2015) is in the form of relationship marketing orientation. Relationship marketing orientation brings the values of CSR to the customers (Abela & Murphy, 2008) and dimensions of relationship marketing orientation (empathy, reciprocity, bonding, shared value, and communication) further reciprocate from customers in terms of value co-creation behaviour (Luu, 2019). Customer value co-creation behaviour is created by dual aspects, namely customer participation behaviour and customer citizenship behaviour (Yi & Gong, 2013).

H4a. *RMO mediates between CSR suppliers and customer participation behaviour.*

H4b. *RMO mediates between CSR suppliers and customer citizenship behaviour.*

In summary, the proposed framework is based on five constructs (Figure 1): (1) corporate social responsible employees, (2) corporate social responsible suppliers, (3) relationship marketing orientation, (4) customer participation behaviour, and (5) customer citizenship behaviour.

3 | METHODOLOGY

3.1 | Context of the study and data collection

Banks invest heavily in CSR practices (Raza et al., 2020). The advancement of CSR positioning at the strategic level could be considered straight and defensible competitiveness for multinationals. Scholtens (2009) studied CSR actions in 30 financial institutions from many countries and concluded that the CSR activities had remarkably enriched from 2000s. Throughout the previous two decades, the banking industry of Spain has

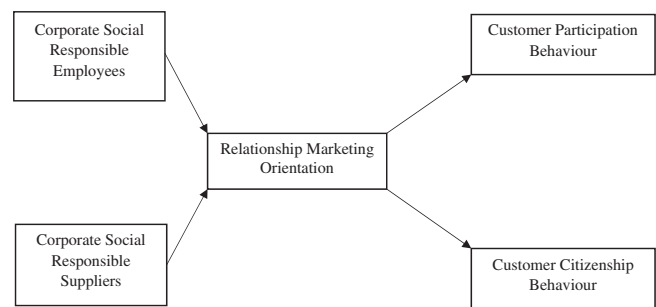


FIGURE 1 Conceptual framework

disseminated 20%–30% of its net revenue in public and bountiful accomplishments (Callado-Muñoz & Utrero-González, 2011). In spite of obligatory expenditure of corporations in CSR related practices, it emerges the necessity to investigate how consumers view the CSR activities in the banking industry (Rugimbana et al., 2008; Paluri & Mehra, 2018) because of the limited number of studies that evaluate consumer reactions against CSR activities in banking industry operating in emerging countries. Secondly, the disconnect between customers and management is existing in the banking sector (Khan et al., 2015; Mujahid & Abdullah, 2014). Therefore, the banking industry of Pakistan was selected for data collection. There are 48 banks operating in Pakistan. According to KPMG report (2015) banks were categorized on the basis of market share, total assets and number of branches. In this research, 10 medium banks were selected for data gathering. The reason for the selection of medium banks is that these banks are competing to enhance the market share and this aspect is mainly due to the fact that they are more customer-oriented (KPMG, 2015). Three hundred eighty-three questionnaires were returned among 500 questionnaires and the response rate was 76% which is in line with previous studies conducted in Asian countries (Abbass et al., 2012; Raja et al., 2004). According to the State Bank of Pakistan, only 16% of the Pakistani populations uses the bank account (State Bank of Pakistan, 2016). The total population of Pakistan is 207 million as per the recent census (Pakistan Bureau of Statistics, 2017). The total banking customers are only 33.1 million.

Out of 383 questionnaires, 270 questionnaires were filled by males and 113 filled by females and their percentage is 70.5% and 28.7%, respectively. The majority of our respondents belonged to the young age group. Out of total customers, the age of 96 customers falls between 18 and 24 years (25.1%), 133 customers having age between 25 and 31 years (34.7%), 86 customers having age between 32 and 38 years (22.5%), 59 customers having age between 39 and 44 years (15.4%) and 9 customers are having age between 45 and 50 years (2.3%).

3.2 | Measures

Questionnaires drawn from the literature were used to realize the survey including the following measures. The measurement scales are adapted from literature which is reported in Table 1.

TABLE 1 Variable definition

Variable type	Variable	Definition	Source
Independent	Employees CSR activities	Activities that have value orientation for employees such as quality, professionalism, personal development	Pérez and Rodríguez del Bosque (2013)
	Suppliers CSR activities	Activities that meet the standard of products and services according to the code of conduct and mutually agreeing on the quality control process	Cochius (2006)
Mediator	Relationship marketing orientation	The degree in which a firm involves for the development of long-lasting ties with its costumers	Sin et al. (2005)
Dependent	Customer participation behaviour	It consists of personal interaction, information seeking, responsible behaviour, and information sharing	Yi and Gong (2013)
	Customer citizenship behaviour	It comprises tolerance, feedback, helping and advocacy	Yi and Gong (2013)

Employee-focused CSR activities were adapted from the studies conducted by Pérez and Rodríguez del Bosque (2013). Specifically, we have adapted the measures reported in previous studies and designed the questionnaire to suit the Pakistani context. Five questions pertaining to five distinct dimensions of CSR activities related to employees were selected as appropriate items for the context of Pakistani banks, namely salary, safety at work, fairness, training and career opportunities, pleasant work environment. Respondents were asked to indicate the extent to which they agree to each statement on a five-point Likert scale ranging between 1 ('strongly disagree') and 5 ('strongly agree').

Supplier-focused CSR activities measurement items were extracted from Cochius (2006). Respondents were asked to indicate the extent to which they agree that their bank has implemented the supplier-focused CSR activities on a five-point Likert scale with 1 ('rarely') and 5 ('almost always').

Relationship marketing orientation was assessed through the measurement items adapted by Sin et al. (2005) in terms of trust, bonding, communication, empathy, shared value, and reciprocity. We used 22 items, and respondents were asked to indicate the extent to which their bank has achieved relationship marketing orientation on a five-point Likert scale with 1 ('rarely') and 5 ('almost always').

Customer value co-creation behaviour measures were adapted from Yi and Gong (2013) and is categorized into two parts: (1) customer participation behaviour and (2) customer citizenship behaviour. Respondents were asked to indicate the extent of their customer value co-creation behaviour in certain areas on a five-point Likert scale ranging between 1 ('not at all willing') and 7 ('completely willing'). Summarizing, the survey indicators resulted from the analysis of the scientific literature on the topic. The final questionnaire was reviewed by a panel of experts involving researchers and senior executives—with extensive experience on CSR in the Pakistani banking industry—and then three pilot tests were conducted. The questionnaire was reviewed after each step and then submitted for the empirical analysis. The final version of the questionnaire including all the statements is reported in the Appendix.

4 | RESULTS

4.1 | Measurement model

Table 2 explains the composite reliability (CR) which shows how the different constructs are internally consistent (Gefen et al., 2000). Memon et al. (2018) argued that 0.70 is the most appropriate and considered this value as a benchmark. As for our case, CR is higher than 0.70 and this shows that all items of every construct are highly consistent. The value of CSR employees is 0.860, CSR suppliers 0.823, RMO 0.858, trust 0.817, bonding 0.839, communication 0.837, empathy 0.769, shared value 0.791, reciprocity 0.769, information seeking 0.798, information sharing 0.826, responsible behaviour 0.827, personal interaction 0.874, advocacy 0.851, feedback 0.828, helping 0.843, and tolerance 0.852.

Outer loading (OL) is also known as indicator reliability which explains the intent of measurement which is being measured (Urbach & Ahlemann, 2010). Memon et al. (2018) came up with this suggestion that its cut-off value is 0.50 to measure its reliability. Table 2 depicts the true picture of all indicators and most of the indicators have 0.70 which is the reflection that indicator reliability has been achieved. Table 2 also explains the convergent validity and AVE value of every construct is higher than 0.50 which shows that every variable must explain a minimum of 50% of the variance by assigned items (Hair Jr et al., 2017). For the assessment of discriminant validity, we used the standard of Fornell and Larcker (1981) asserting that squared root of the AVE on the diagonal must be more than the correlation on the off-diagonal. Table 3 indicates that the diagonal values of all constructs are greater than off-diagonal values. The table shows that there is no discriminant validity issue. The direct effect of CSR employees and CSR suppliers on customer participation behaviour and customer citizenship behaviour are reported in Figure 2.

Table 4 describes the direct effect of CSR employees, CSR suppliers on customer participation behaviour, and customer citizenship behaviour. CSR employees have a positive impact on customer participation behaviour as t value of >1.645 at 0.05 level of significance.

**TABLE 2** Outer loading, reliability and AVE

Constructs	Items	OL	CR	AVE
Employee-focused CSR activities	CSRE1	0.763	0.860	0.606
	CSRE2	0.782		
	CSRE3	0.819		
	CSRE4	0.750		
Supplier-focused CSR activities	CSRS1	0.673	0.823	0.539
	CSRS2	0.714		
	CSRS3	0.747		
	CSRS4	0.796		
RMO				
Trust	TR1	0.807	0.858	0.602
	TR2	0.784		
	TR3	0.724		
	TR4	0.785		
Bonding	BO1	0.747	0.817	0.528
	BO2	0.666		
	BO3	0.766		
	BO4	0.724		
Communication	COM1	0.790	0.839	0.635
	COM2	0.770		
	COM3	0.830		
Empathy	EM1	0.595	0.837	0.566
	EM2	0.785		
	EM3	0.807		
	EM4	0.802		
Shared Value	SV1	0.767	0.769	0.527
	SV2	0.735		
	SV3	0.673		
Reciprocity	RE1	0.807	0.791	0.558
	RE2	0.784		
	RE3	0.724		
	RE4	0.785		
Information seeking	INSE1	0.708	0.798	0.569
	INSE2	0.773		
	INSE3	0.781		
Information sharing	INSH1	0.731	0.826	0.544
	INSH2	0.748		
	INSH3	0.768		
	INSH4	0.702		
Responsible behaviour	RB1	0.709	0.827	0.546
	RB2	0.781		
	RB3	0.749		
Personal interaction	PI1	0.679	0.874	0.528
	PI2	0.771		
	PI3	0.734		
	PI4	0.836		
	PI5	0.785		

TABLE 2 (Continued)

Constructs	Items	OL	CR	AVE
Advocacy	AD1	0.818	0.851	0.655
	AD2	0.849		
	AD3	0.759		
Feedback	FB1	0.731	0.828	0.617
	FB2	0.831		
	FB3	0.792		
Helping	H1	0.731	0.843	0.547
	H2	0.828		
	H3	0.781		
	H4	0.683		
Tolerance	TO1	0.843	0.852	0.657
	TO2	0.798		
	TO3	0.791		

Abbreviations: AD, advocacy; BO, bonding; COM, communication; CSRE, corporate social responsibility employees; CSRS, corporate social responsibility suppliers; EM, empathy; FB, feedback; H, helping; INSE, information seeking; INSH, information sharing; PI, personal interaction; RB, responsible behaviour; RE, reciprocity; SV, shared value; TO, tolerance; TR, trust.

TABLE 3 Discriminant validity using Fornell and Lacker criteria

Constructs	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
AD	0.81															
BON	0.13	0.72														
COM	0.16	0.04	0.79													
EMP	0.17	0.39	0.10	0.75												
CSRE	0.31	0.12	0.22	0.31	0.77											
FB	0.25	0.22	0.19	0.38	0.28	0.78										
HLP	0.21	0.11	0.20	0.26	0.17	0.28	0.75									
IS	0.27	0.23	0.13	0.39	0.14	0.38	0.30	0.75								
ISH	0.12	0.11	0.23	0.29	0.41	0.28	0.14	0.11	0.73							
PI	0.2	0.15	0.14	0.21	0.30	0.28	0.26	0.24	0.19	0.76						
RE	0.07	0.02	0.03	0.39	0.13	0.15	0.11	0.23	0.03	0.12	0.74					
RB	0.18	0.16	0.18	0.19	0.35	0.32	0.23	0.19	0.17	0.44	0.07	0.73				
SV	0.13	0.26	0.21	0.36	0.26	0.12	0.20	0.16	0.11	0.16	0.21	0.21	0.72			
CSRS	0.10	0.02	0.17	0.21	0.22	0.13	0.21	0.17	0.17	0.15	0.18	0.15	0.11	0.73		
TOL	0.22	0.04	0.08	0.12	0.19	0.15	0.15	0.15	0.08	0.15	0.04	0.23	0.10	0.12	0.81	
TR	0.11	0.21	0.09	0.31	0.3	0.24	0.12	0.16	0.15	0.18	0.18	0.21	0.30	0.10	0.02	0.77

Abbreviations: AD, advocacy; BON, bonding; COM, communication; CSRE, corporate social responsibility employees; CSRS, corporate social responsibility suppliers; EMP, empathy; FB, feedback; HLP, helping; INSE, information seeking; ISH, information sharing; PI, personal interaction; RB, responsible behaviour; RE, reciprocity; SV, shared value; TOL, tolerance; TR, trust.

CSR employees positively affect customer citizenship behaviour as t value of >1.645 at 0.05 level of significance. The value of beta for CSR employees is 0.464 and 0.335 for customer participation behaviour and customer citizenship behaviour respectively. It shows that 1 unit change in CSR employees brings 46% and 35% change in customer participation behaviour and customer citizenship behaviour. CSR suppliers positively affect customer participation behaviour and customer citizenship behaviour. The beta value of CSR suppliers is

0.153 and 0.141 against customer participation and customer citizenship behaviour respectively. It shows that CSR suppliers bring 15% and 14% change in customer participation behaviour and customer citizenship behaviour, respectively. The R^2 value is 0.265 and 0.169 shows that both independent variables: CSR employees and CSR suppliers explain 26% variation in customer participation behaviour, whereas both independent variables CSR employees and CSR suppliers explain 16% variation in customer citizenship behaviour

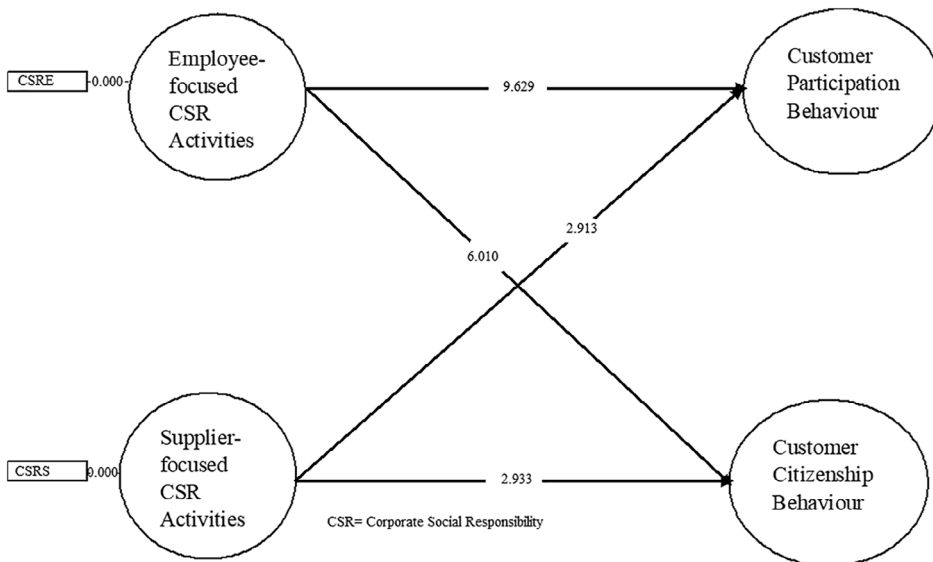


FIGURE 2 Direct effect of CSR employees and CSR suppliers on customer participation behaviour and customer citizenship behaviour

TABLE 4 Direct hypothesis testing

		β	SD	t-Value	R ²	f ²
H1a	CSRE → CPB	0.464	0.048	9.629	0.265	0.278
H1b	CSRE → CCB	0.335	0.059	6.010		0.144
H2a	CSRS → CPB	0.141	0.048	2.913	0.169	0.026
H2b	CSRS → CCB	0.153	0.048	2.933		0.023

Abbreviations: CCB, customer citizenship behaviour; CPB, customer participation behaviour; CSRE, corporate social responsibility employees; CSRS, corporate social responsibility suppliers.

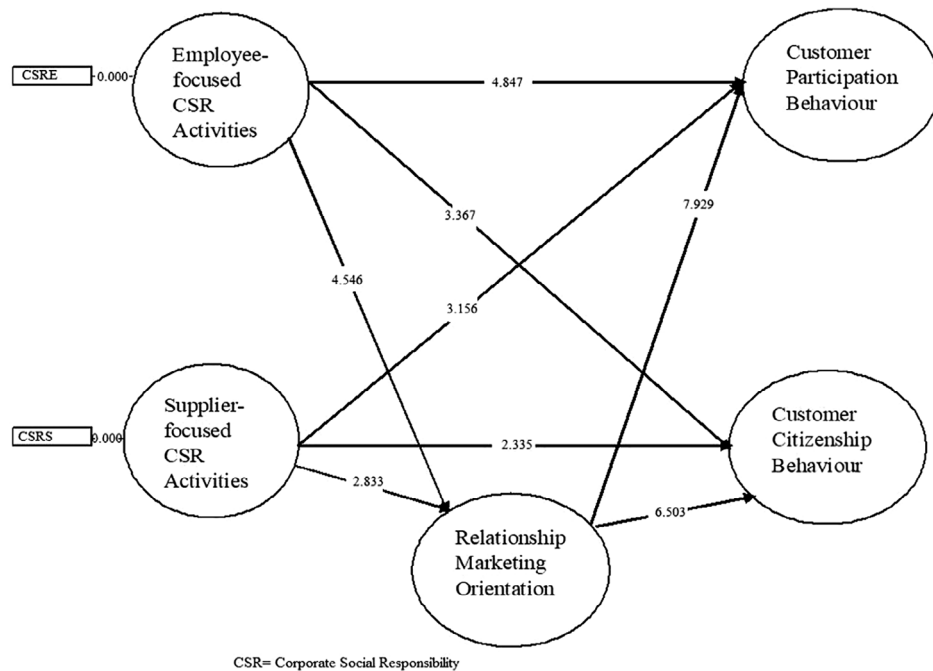


FIGURE 3 Mediation model

respectively. Table 4 also explains the f² to show the effect size as CSR employees have 0.278 and 0.144 for customer value co-creation. CSR employees have 0.026 and 0.023 for customer value co-creation

behaviour. CSR employees have a medium effect on customer participation behaviour and a small effect on customer citizenship behaviour. Whereas CSR supplier has a small effect on customer

TABLE 5 Direct effect and indirect effect

	Mediation hypotheses	β	SD	t-Value	β	SD	t-Value
H3a	CSRE \rightarrow RMO \rightarrow CPB	0.321	0.064	5.004	0.123	0.025	4.843
H3b	CSRE \rightarrow RMO \rightarrow CCB	0.229	0.074	3.092	0.119	0.029	4.173
H4a	CSRS \rightarrow RMO \rightarrow CPB	0.101	0.043	2.356	0.049	0.020	2.417
H4b	CSRS \rightarrow RMO \rightarrow CCB	0.098	0.046	2.106	0.048	0.020	2.354

Abbreviations: CCB, customer citizenship behaviour; CPB, customer participation behaviour; CSRE, corporate social responsibility employees; CSRS, corporate social responsibility supplier; RMO, relationship marketing orientation.

TABLE 6 Variance accounted for (VAF)

VAF	Variables	Indirect effect/Total effect	%	Types of mediation
	CSRE > RMO > CPB	0.123/0.464	26%	Partial mediation
	CSRE > RMO > CCB	0.119/0.335	35%	Partial mediation
	CSRS > RMO > CPB	0.049/0.141	34%	Partial mediation
	CSRS > RMO > CCB	0.048/0.153	31%	Partial mediations

participation and customer citizenship behaviour. Figure 3 reports the mediation model.

Table 5 shows the direct effect and indirect effects of CSR activities and customer value co-creation behaviour through RMO. In the direct effect of CSR, the beta values of H3a, H3b, H4a and H4b are 0.321, 0.229, 0.101, and 0.098. They are statistically significant as t value is >1.64 (Hair Jr et al., 2017). In the indirect effect the beta value of H3a, H3b, H4a, H4b are 0.123, 0.119, 0.049, 0.048. They are significant and t values are >1.64 (Hair Jr et al., 2017). In the indirect effect with the appearance of relationship marketing orientation as a mediator, the beta values decreased which highlights that relationship marketing orientation mediates in these activities and customer value co-creation behaviour. So, H3a, H3b, H4a, and H4b are accepted.

4.2 | Variance accounted for

To check mediation strength, we calculate variance accounted for (VAF). If the VAF value is greater than 80%, it highlights RMO fully mediates, if it falls between the 20% and 80% range, it describes partial mediation and if it is below 20% it describes no mediation (Hair et al., 2014).

As Table 6 explains the strength of RMO as mediation in CSR activities and customer value co-creation behaviour. The value of CSR employees for customer participation and customer citizenship behaviour is 26% and 35%, respectively. The value of CSR suppliers for customer participation and customer citizenship behaviour is 34% and 31%, respectively. All values fall between the range of 20%–80% which shows that RMO partially mediates between CSR activities (employees, suppliers) and customer value co-creation behaviour.

5 | CONCLUSIONS AND IMPLICATIONS

The primary objective of this research was to check the impact of customized CSR activities on customer value co-creation behaviour to

meet challenges for changing role of customers. The study demonstrated that CSR employees have a positive impact on customer participation and customer citizenship behaviour. CSR suppliers have also a positive impact on customer participation behaviour and customer citizenship behaviour. Moreover, results showed that relationship marketing orientation mediates between CSR employees, customer participation behaviour and customer citizenship behaviour. Similarly, relationship marketing orientation mediates between CSR suppliers, customer participation behaviour and customer citizenship behaviour. The results of the study confirmed the results of Luu (2019) demonstrating the role of CSR and customer value co-creation behaviour. This study checked the dimensional effect of CSR and concluded that it has also a positive impact on customer's outcome. The results fulfilled the call of Murphy (2006) that CSR must be explored with other concepts and links the domains of CSR to value co-creation (Jarvis et al., 2017). Previously, researchers asserted the positive connection between CSR and behavioural consequences, but this study concluded that the wider gap between customers and management of corporations can be minimized (Mujahid & Abdullah, 2014) by focusing on the dimensions of CSR and value co-creation. CSR employees must be the top priority of banking industry because they have an effect on the customers, and they are responsible for mentioning ties between service providers and customers, and this interaction is the most important expectation of banking customers.

5.1 | Limitations and future directions

In this research, data were collected from twin cities and results may differ if data would collect from more than two cities. This research did not incorporate other stakeholders such as customers and the local community which is considered other crucial actors in the service industry. Future research can be conducted to compare service and manufacturing industries and evaluate the relationship between CSR activities and customer value co-creation behaviour.

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APPENDIX A

Muslim Commercial Bank Allied Bank Ltd. Bank Al-Falah

Name: _____ Gender: _____ Age: _____

From how many years you are regular customer of this bank ...

Habib Bank Ltd. National Bank of Pakistan United Bank Ltd. 1–3 Years 4–6 Years 7–9 Years More than 10 Years

<i>Employee-focused CSR activities</i>	<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly agree</i>
This bank pays fair salaries to its employees	1	2	3	4	5
This bank offers safety at work to its employees	1	2	3	4	5
This bank treats its employees fairly (without discrimination or abuses)	1	2	3	4	5
This bank offers training and career opportunities to its employees	1	2	3	4	5
This bank offers a pleasant work environment (e.g., flexible hours, conciliation)	1	2	3	4	5
<i>Supplier-focused CSR activities</i>	<i>Rarely</i>	<i>Sometimes</i>	<i>Occasionally</i>	<i>Frequently</i>	<i>Almost always</i>
This bank incorporates the interests of their suppliers in their business decisions	1	2	3	4	5
This bank informs their suppliers about organizational changes affecting their purchasing decisions	1	2	3	4	5
This bank opens the purchasing principles and sign the contract according to the law	1	2	3	4	5
This bank pays attention to how suppliers manage the ethical performance of their partner	1	2	3	4	5
<i>Relationship Marketing Orientation</i>					
<i>Trust</i>					
We trust each other	1	2	3	4	5
My bank is trustworthy on important things	1	2	3	4	5
According to our past business relationship, my bank thinks that they are trustworthy people	1	2	3	4	5
My bank trusts us	1	2	3	4	5
<i>Bonding</i>					
We rely on each other	1	2	3	4	5
We both try very hard to establish a long-term relationship	1	2	3	4	5
We work in close cooperation	1	2	3	4	5
We keep in touch constantly	1	2	3	4	5
<i>Communication</i>					
We communicate and express our opinions to each other frequently	1	2	3	4	5
We can show our discontent towards each other through communication	1	2	3	4	5
We can communicate honestly	1	2	3	4	5
<i>Empathy</i>					
We share the same worldview	1	2	3	4	5
We share the same opinion about most things	1	2	3	4	5
We share the same feeling about most things around us	1	2	3	4	5
We share the same values	1	2	3	4	5
<i>Shared value</i>					
We always see things from each other's view	1	2	3	4	5
We know how each other feels	1	2	3	4	5
We understand each other's values and goals	1	2	3	4	5

(Continues)



We care about each other's feelings	1	2	3	4	5
<i>Reciprocity</i>					
My bank regards 'never forget a good turn' as into business motto	1	2	3	4	5
We keep our promises to each other in any situation	1	2	3	4	5
If customers gave assistance when my bank had difficulties, then it would repay their kindness	1	2	3	4	5
<i>Customer value co-creation behaviour</i>	<i>Not at all willing</i>	<i>Slightly willing</i>	<i>Neutral</i>	<i>Willing</i>	<i>Completely willing</i>
<i>Customer participation behaviour</i>					
<i>Information seeking</i>					
I have asked others for information on what this bank offers	1	2	3	4	5
I have searched for information on where this bank is located	1	2	3	4	5
I have paid attention to how others behave to use this service well	1	2	3	4	5
<i>Information sharing</i>					
I clearly explained what I wanted the employee to do	1	2	3	4	5
I gave the employee proper information	1	2	3	4	5
I provided necessary information so that the employee could perform his or her duties	1	2	3	4	5
I answered all the employee's service-related questions	1	2	3	4	5
<i>Responsible behaviour</i>					
I performed all the tasks that are required	1	2	3	4	5
I adequately completed all the expected behaviours	1	2	3	4	5
I fulfilled responsibilities to the business	1	2	3	4	5
I followed the employee's directives or orders	1	2	3	4	5
<i>Personnel interaction</i>					
I was friendly to the employee	1	2	3	4	5
I was kind to the employee	1	2	3	4	5
I was polite to the employee	1	2	3	4	5
I was courteous to the employee	1	2	3	4	5
I did not act rudely to the employee	1	2	3	4	5
<i>Advocacy</i>					
If I have a useful idea on how to improve service, I let the employee know	1	2	3	4	5
When I receive good service from the employee, I comment about it	1	2	3	4	5
When I experience a problem, I let the employee know about it	1	2	3	4	5
If I have a useful idea on how to improve service, I let the employee know	1	2	3	4	5
<i>Feedback</i>					
I said positive things about my bank and the employee to others	1	2	3	4	5
I recommended my banks and the employee to others	1	2	3	4	5
I encouraged friends and relatives to use services of my bank	1	2	3	4	5
<i>Customer citizenship behaviour</i>					
<i>Helping</i>	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
I assist other customers if they need my help	1	2	3	4	5
I help other customers if they seem to have problems	1	2	3	4	5



I teach other customers to use the service correctly	1	2	3	4	5
I give advice to other customers	1	2	3	4	5
<i>Tolerance</i>					
If service is not delivered as expected, I would be willing to put up with it	1	2	3	4	5
If the employee makes a mistake during service delivery, I would be willing to be patient	1	2	3	4	5
If I have to wait longer than I normally expected to receive the service, I would be willing to adapt	1	2	3	4	5
