Article

Relationship between Corporate Social Responsibility, Organizational Trust, and Corporate Reputation for Sustainable Performance

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Abstract: In the current study, the authors looked at how companies’ corporate social responsibility (CSR) initiatives affect their reputation in the community using the stakeholder theory. More specifically, it is claimed that CSR initiatives with a particular focus on employees help firms create employee trust, which is an essential component of organizational long-term sustainable performance. Administrative fairness as a boundary condition bolsters the relationship between corporate reputation and trust. A non-probability convenience sampling technique was used to poll Chinese restaurant managers and non-managers on a 5-point Likert scale. Structural equation modeling was used to conduct structural analyses. CSR is a significant predictor of business reputation in the Chinese restaurant industry. It has also been discovered that trust in the organization is a partial mediator between the two. Furthermore, the data show that organizational justice moderates trust in the organization and the company’s reputation. This research examines the relationship between internal stakeholders’ perceptions of CSR activities and the company’s reputation, i.e., employees, for the first time. The findings provide vital information for restaurant management to boost their reputation in the market by engaging in E-CSR activities to strengthen their internal stakeholders.

Keywords: organizational justice; organizational trust; corporate reputation; corporate social responsibility; restaurant industry; employee relationship

1. Introduction

Corporate reputation is the perception of the company by various stakeholders that determines a company’s reputation [1]. It has become a hot topic recently because of its intangible nature. One of the essential aspects of corporate social responsibility (CSR) is corporate philanthropy, which can increase organizational reputation [2]. CSR refers to firms’ volunteer initiatives to protect the natural environment and promote the wellbeing of society and organizational employees [3].

During the last few decades, incorporating CSR activities has largely been a success factor for firms in Europe and America due to its strategic value [4]. Dynamic organizations take it as a long-term investment and assume it as an integral part of their business strategy [5]. Firms in Asia also have realized its importance and have started paying adequate attention to this concept [6]. Several researchers have studied CSR from different perspectives. For instance, in Taiwan, Hou [7] studied the relationship between CSR activities and sustainable financial performance and found a positive relationship between the two variables. Kumari et al. [8] found that CSR activities positively impact customers’ trust and purchasing habits. Bardos et al. [9] looked at CSR from the customers’ perspective and found that it increases their sense of wellbeing.
CSR has gained enormous importance in recent years. However, most studies have focused on how CSR initiatives affect a company’s profitability and relationship with external stakeholders, such as customers, in regard to trust, loyalty, and satisfaction. Studies forging a link between CSR, organizational justice, and employee trust are rare in the literature. The current study examines whether the insights of employee-oriented CSR (E-CSR) activities build a corporate reputation among its stakeholders through trust and justice among its employees, particularly in the restaurant industry. The current research takes organizational trust as the mediating variable between E-CSR and corporate reputation. It hypothesizes that E-CSR practices lead to organizational trust among its employees, which builds the institutions’ reputation. It is also argued that justice within firms serves as the boundary condition in the relationship between organizational trust and corporate reputation and moderates their relationship.

People’s views of a company’s image and reputation are influenced by how they view and interact with it. An organization’s image is more about how it affects people’s impressions of the company, while its reputation is about how it affects people’s perceptions of the firm’s products, leadership, and finances. Both a company’s image and reputation can have a significant impact on its revenue and profitability. Even if a company is well-known, a negative public image might harm its bottom line. The reach and success of a brand can be increased using image consultancy as part of its reputation management plan.

The restaurant industry is a rapidly growing industry in the world. Different countries, such as the United States, the United Kingdom, France, etc., generate billions of dollars from this industry annually [10]. The primary reason for focusing on the restaurant industry is the inadequacy of the literature on CSR activities with an exclusive focus on the restaurant industry. The literature on the CSR realm provides multiple studies that have discussed CSR initiatives in manufacturing, service, banking, automobile, etc. [11,12]. However, few studies have explicitly focused on E-CSR and its relations with organizational reputation, particularly from the restaurant industry perspective. This study aims to bridge this literature gap. This study provides an in-depth analysis of the underlying relationship between perceived E-CSR activities and corporate reputation from the internal stakeholders’ perspective, i.e., employees, who have rarely been studied in the literature. It also provides valuable insights into restaurant management and can help build their reputation in the market by strengthening the relationships with their internal stakeholders by investing in E-CSR activities.

2. Conceptual Model and Review of Literature
2.1. Theoretical Foundation

The sustainable development of businesses and societies plays a critical role in solving social and environmental issues, such as preserving natural resources, since it is an integral element for human survival. The idea of social responsibility is highlighted in the same context. The current research builds its arguments on the principles of stakeholder and commitment–trust theories by Freeman [13] and Morgan and Hunt [14]. The stakeholder theory states that businesses must develop relationships with their stakeholders and create value. They also should take the initiative to safeguard their interests. Organizations have different stakeholders depending on their business model and the nature of the industry; however, employees, shareholders, suppliers, and customers are the most common stakeholders. Freeman and Dmytriyev [15] linked the stakeholder theory with CSR initiatives. They stated that the stakeholder theory and CSR are umbrella concepts that emphasize the stream of an organization’s responsibilities to its employees, the community, and society. It also says that firms that integrate employees’ and societal interests into business operations enjoy more loyalty, reputation, and trust in society.

Similarly, the commitment–trust theory by Morgan and Hunt [14] states that commitment and trust must exist together for the relationship’s success. Rather than gaining short-term benefits, dynamic firms focus on developing long-term relations with their employees and customers. As a result, employees trust their organizations, and this mutual
loyalty facilitates both parties to achieve their goals. Commitment refers to a firm desire and initiative to develop and maintain smooth relations with employees and customers, strengthening the parties’ trust. This trust promotes a positive image of firms in society and helps the firm achieve a competitive advantage.

2.2. Corporate Social Responsibility in the Restaurant Industry

Businesses, societies, and related stakeholders are increasingly intertwined in today’s highly competitive business environment [16]. Thus, CSR has become a significant concern in the present business world [17,18]. It is defined as the long-term commitment of an organization to contribute ethically to economic development by improving personal satisfaction, the workplace environment, and the welfare of society as a whole [19]. Scholars and academicians have categorized philanthropic CSR, ethical CSR, and strategic CSR as the three main dimensions of CSR. Moral values and principles are the foundation of ethical CSR [8]. Philanthropic CSR focuses on giving back to the community without expecting anything in return [9]. Strategic CSR refers to any social activity or service the firm engages in and results in the firm’s profit orientation [20].

Dynamic firms give utmost importance to CSR activities since they act as leading factors in formulating corporate strategies [21,22]. The rules and norms of business responsibility and the organization’s general obligations are reflected in explicit and implicit CSR policies [23]. Organizational long-term success is attributed to creating value for shareholders [20]. This includes all activities undertaken by companies to improve their long-term sustainability [24] and relationships with their stakeholders while also considering environmental and social issues [25,26]. As an essential part of business strategy, CSR has been interpreted as valuing and feeling the collective understandings of social partners. Modern firms should integrate human, social, ethical, and environmental concerns into business strategies by closely coordinating with related stakeholders.

Earlier, CSR was considered a voluntary act. However, recently, many countries have introduced legislation for it. For instance, India, Indonesia, and China have explicitly designed laws that companies must involve in CSR-related activities. China is among the leading countries adopting CSR as a law. However, rather than the organizational activities standard, this law is more focused on the judicial review standard, confirming the importance of vague law. Since 2006, more than 170 courts in China have gone through cases related to CSR, indicating the importance of CSR in legal manners.

More than a few scholars have investigated the role of CSR in various scenarios where stakeholders differ based on industry characteristics. The influence of CSR on financial success varies depending on industry factors (e.g., employment, community, consumer, and product). Kim and Kim [24] also showed a link between restaurant CSR and financial risk. Many scholars have suggested that the value of restaurants is determined by how well they manage their stakeholders (such as their employees and the environment), which relates to the stakeholder theory. Restaurant sector experts have already investigated CSR and its significance in this industry because of its distinctive characteristics and relevance. According to Kang et al. [27], CSR can positively and negatively affect the financial performance of restaurant firms. When it comes to the economic success of restaurant companies, Inoue and Lee [28] looked at the stakeholder impact on five dimensions of CSR: community, diversity, employee, environment, and product.

Compared to other industries, the restaurant business is particularly concerned with customers’ well-being, financial stability, and the state of the environment. McDonald’s and Starbucks, for example, have dedicated their resources to sourcing nutritious food components, reducing food and packaging waste, and offering reasonable prices to customers [29]. Despite the importance of the triple-bottom-line features in the restaurant sector, little research has studied the theory’s implementation. In addition, despite the high likelihood of linkage, research on the restaurant industry has not adequately studied the environmental and employee aspects.
2.3. Corporate Reputation and Corporate Social Responsibility

One popular way to gauge a company’s reputation is its ranking with competitors [30]. According to Lee (2020), corporate reputation is a general assessment by external and internal stakeholders about an organization’s current and future positions based on past activities. According to Bardos et al. [9], reputation is essential to a company’s ability to survive and thrive during difficult times in its life cycle. This is in line with Tao and Song’s [31] study, which found that having a solid reputation helps firms perform better both before and after a crisis. A firm’s CSR activities and reparation serve as a strategy for crisis aversion, risk management, and long-term assets. It also helps in building positive social exchanges between organizations and employees [32,33].

The stakeholder theory states that if a firm wants to gain a positive image in the industry, it must pay attention to its stakeholders’ rights and fulfill its obligations to society, employees, and customers. The literature provides a few studies where researchers have explained firms’ CSR activities from the stakeholders’ perspective. Maintaining a mutually beneficial relationship between an organization and its customers is facilitated by a positive perception of its CSR. It also leaves an admirable influence on customer trust and satisfaction concerning organizational goods and services [34]. Kim [35] emphasized that firms should inform employees about their CSR initiatives to develop loyalty and strengthen their reputations. Eventually, CSR helps to improve the relationship between employees and their employers. Previous studies [36,37] have indicated that CSR has excellent potential to increase customer satisfaction and loyalty. As a result, most businesses include it as an essential component of their business strategy [5]. It is a long-term investment and a critical step in building its reputation. Thus, the value of a company increases when it engages in CSR activities [38,39].

The current research focuses on CSR activities from employees’ perspectives since employees are the most critical stakeholders and resources. Based on the stakeholder theory perspective, the authors claim that if a restaurant owner takes care of its employees’ needs, offers a good working environment, deals with employees fairly, and supports them in development activities, it will have a positive impact on the firm’s reputation in the market as well as in society (see Figure 1).

![Figure 1. Conceptual model.](image)

2.4. Organizational Trust and Corporate Social Responsibility

Organizational trust is how employees perceive an organization’s global trustworthiness [40]. It also serves as a competitive advantage for businesses since it can boost their profits in the market [8,41]. For effective performance, employees must trust that they will not engage in any activity that could harm them [42]. Trust in the workplace is linked to organizational innovation and performance. Furthermore, it has a significant impact on the retention of long-term employees [43]. The more committed an employee is to the company, the less
time and money it takes to hire and train new employees, and the less likely it is to lose
potential or existing employees [44,45].

Companies must be actively involved in CSR activities to build and recover trust [46]. Vig-
orous CSR activities influence employees’ perceptions and attitudes toward the company [37].
Enhancing workplace trust between employees and managers can lead to better outcomes
for both parties [20]. Many companies use CSR practices to build employee trust. Employ-
ees prefer to work for organizations that exhibit responsible behavior, increasing employees’
confidence in their firms [47]. Kazmi and Abbas [48] stated that if a firm is committed
to taking care of its stakeholders’ needs and respecting their rights, it will promote trust
between the parties.

An organization’s CSR mechanism positively impacts CSR outcomes, such as em-
ployee cynicism, organizational citizenship behavior (OCB), competitiveness, and work
engagement [49,50]. It has been found that CSR activities and employee job satisfaction
are linked by trust in its leadership. Corporate trust was used by Manimegalai and Baral
(2018) as a mediating variable between employees’ perceptions of CSR and job outcomes,
motivation at work, and OCB. They argued that trust in the organization partially mediates
this relationship. The current study proposes its arguments from the restaurant industry
 perspective and, based on the principles of commitment–trust theory, argues that if restaur-
ant owners fulfill their employee-oriented CSR commitments, it will cultivate trust levels
among employees in the firm.

2.5. Corporate Reputation and Organizational Trust

When employees have a sense of trust in their management, their attitudes change
positively [51]. Supervisors can have a significant impact on fostering employee trust in
the workplace. Almarshoud [44] stated that corporate trust largely enables firms to boost
their performance and profitability. Moreover, organizational reputation helps firms gain
the confidence of various stakeholders, including customers and suppliers [52]. Stake-
holders have high expectations for companies that engage in socially responsible activities.
Many stakeholders make decisions based on these organizations’ positive reputations [17].
Creating value for stakeholders and respecting their rights fosters their confidence in the
company [53,54]. Positive perceptions of an organization’s overall assessment and reputa-
tion are encouraged by the trust built through companies’ observance of stakeholder rights.
The restaurant industry rarely studies this phenomenon, especially in Asian countries.

2.6. Moderating Role of Organizational Justice

Organizational justice is a member’s perception of the fairness of a procedure (such
as the opportunity to participate) and distribution in an organization (e.g., knowledge
allocation) [40]. Moreover, organizational justice is one of the most powerful driving forces
that affect an organization’s relationship with its employees’ trust and commitment. Higher
organizational justice is associated with sturdier employee trust in and commitment to their
organizations. Individuals expect fairness in the distribution of rewards and the conduct
of their business. Negative feelings may arise in the workplace if these expectations are
not met [16]. Fairness among employees is enhanced when compensation, resources, and
information are shared without favoritism [55].

The relationship between corporate reputation and organizational trust has also been
examined from employees’ perspectives (the internal stakeholders). Kumari et al. [8]
termed trust as an antecedent of corporate reputation, while Lee [37] found that reputation
precedes and leads to increased trust within an organization. This study assumes that
trust is a reason for reputation rather than a result. According to this belief, cognition
influences one’s attitude. Trust is a mental construct since it can be thought of as a collection
of beliefs. Corporate reputation is an attitude towards an object based on the strength of
individuals’ beliefs regarding the thing [56]. This research claims that increased employee
trust increases corporate reputation. The level of justice within the organization, as the
boundary condition, impacts the strength of the relationship between these two variables.
Ardalan [57] stated that organizational justice strengthens the relationship between organizational change intensity and organizational commitment. Castro-González et al. [58] said that the ethical climate and interpersonal justice play significant roles in the relationship between perceived CSR and employee commitment to the company. However, it is yet to be explored if corporate justice moderates corporate reputation and trust, particularly in the context of the restaurant industry.

3. Research Methodology

3.1. Conceptualizing Study

Considering the increasing importance of CSR, different firms are rapidly incorporating it into their operations. Multiple firms link it with the prime business strategy. Most studies relating to CSR are linked with employee behavior [59], sustainable development [60], financial performance, and customer loyalty [8]. There are few studies that have investigated the role of CSR initiatives from employees’ perspectives, the internal stakeholders, and its role in organizational reputation. Whether E-CSR initiatives strengthen organizational reputation and promote employee trust is yet to be known. It also examines whether organizational justice strengthens the relationship between organizational trust and corporate reputation or not. Based on this discussion and the literature discussed in the second chapter, this study examines the following hypotheses:

H1. Restaurants that engage in employee-focused CSR activities enjoy a better reputation in society.

H2. Restaurants that engage in employee-focused CSR activities appreciate more employee trust in their organization.

H3. Restaurant employees’ trust in their organization has a significant positive impact on the restaurant’s reputation.

H4. The relationship between employee-focused CSR activities and restaurant reputation is mediated by organizational trust.

H5. Organizational justice moderates between corporate reputation and organizational trust in the restaurant industry.

3.2. Target Population

The target population of the current research includes the managers and employees of restaurants in Beijing and Shanghai, China, because these cities are considered the most popular venues in China. Furthermore, these cities have a wide range of people from different cultures, making them the best to represent our target group. The authors chose managerial and non-managerial staff since the restaurant business comprises these two broad categories. The non-managerial staff is responsible for food production, customer service, etc., while managers are responsible for ensuring the smooth function of all operations by assisting the non-managerial staff.

3.3. Sampling

As the researchers could not access all restaurant employees in Beijing and Shanghai, the authors preferred to follow a convenience-based sampling technique since it is considered the best in such a situation [61]. The authors distributed 697 questionnaires to restaurant employees. In the first three weeks, 205 of the distributed questionnaires were received. The remaining respondents received reminders through emails and personal visits to their respective offices to collect the data. One hundred seventy-five more responses were received, resulting in a total of 380 returned responses.

The data were gathered from employees who had worked for the company for at least one year to ensure they knew about its CSR activities. Demographic variables in the study included the respondents’ age, gender, length of service, nature of work, etc. (see Table 1). The participants of the study were approached individually in their respective
restaurants. The data were collected from only those employees who agreed to participate in our research. The researchers had detailed sessions with the respondents on the subject matter and explained how to fill out the questionnaire to obtain unbiased and reliable data.

Table 1. Demographic characteristics of respondents (N = 380).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20–35</td>
<td>108</td>
<td>28</td>
</tr>
<tr>
<td>36–50</td>
<td>196</td>
<td>52</td>
</tr>
<tr>
<td>&gt;50</td>
<td>76</td>
<td>20</td>
</tr>
<tr>
<td>01–05</td>
<td>171</td>
<td>45</td>
</tr>
<tr>
<td><strong>Length of Service</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>06–10</td>
<td>122</td>
<td>32</td>
</tr>
<tr>
<td>&gt;10</td>
<td>87</td>
<td>23</td>
</tr>
<tr>
<td><strong>Nature of Work</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-managerial</td>
<td>267</td>
<td>57</td>
</tr>
<tr>
<td>Managerial</td>
<td>113</td>
<td>43</td>
</tr>
<tr>
<td>Male</td>
<td>78</td>
<td>35</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>47</td>
<td>22</td>
</tr>
<tr>
<td>Prefer not to disclose</td>
<td>43</td>
<td>20</td>
</tr>
</tbody>
</table>

3.4. Description of Measures

For the current study, items were chosen from questionnaires developed and used in previous research. For instance, for E-CSR, items were taken from Turker’s [62] study. The instrument developed by Niehoff and Moorman [63] was used to measure organizational justice via three dimensions, i.e., distributive justice, procedural justice, and interactional justice. Items from Mayer and Davis’s (1999) studies were used to measure trust. Finally, Lai et al.’s [64] scale was used to measure company reputation.

A five-point Likert scale was used to collect the data, where 1 meant “strongly disagree” and 5 meant “strongly agree”. The questionnaire had five parts: The first part inquired about the demographics of the people. The remaining sections contained CSR, organizational justice, trust, and corporate reputation questions. Before conducting the comprehensive survey, as Hinkin [51] recommended, the authors ensured the reliability and validity of the new instrument. A pilot study was conducted by collecting responses from 49 employees. The preliminary results indicated the constructs’ internal consistency, which showed values in the range of 0.7 to 0.91 and met the minimum recommended value of Hair et al. (2012). As the initial survey was reliable, no further changes were introduced to the instrument used for the pilot study, and the same was carried forwards for the comprehensive research.

3.5. Limitations and Suggestions for Future Research

There are some limitations to this study as well. This study focused on a segment of China’s service sector (the restaurant industry). As a result, the findings may not apply to all service industries. Secondly, this study focused on E-CSR and corporate reputation by involving organizational trust and justice. Thirdly, the researchers collected data from the employees of restaurants in China only. Because of the lack of time and resources, conducting a comprehensive study of all Chinese restaurants involved in E-CSR was impossible. Even though the findings are substantial, the small sample size is expected to limit its applicability and statistical power to all service industries. Researchers in future studies can address this problem by increasing the sample size. Finally, the authors checked only the moderating effect of organizational justice in the relationship between trust and corporate reputation. Future researchers can improve the model by incorporating the moderated mediation concept to observe more comprehensive results.

4. Results and Findings

The collected data were subjected to statistical and structural analyses using SPSS 25 and Smart PLS 3. The researchers followed the structural equation modeling (SEM)
approach to examine the uniformity of the data. This approach can handle the structural and measurement models simultaneously and helps the researchers eliminate the bias caused by measurement errors. The sample adequacy was validated via the Kaiser–Meyer–Olkin (KMO) test, which highlighted a 0.919 value that significantly matched Kaiser and Rice’s [65] suggested lowest value of 0.6, confirming the adequacy of the sample for empirical analyses. Subsequently, the reliability of data was examined through Cronbach’s alpha test, and values for all constructs were in the range of 0.801 to 0.911. It also complied with Molina et al.’s [66] recommended ideal value above 0.7, confirming statistical and structural analyses (see Table 2).

Common method bias (CMB) is common in quantitative studies and arises when data are collected mainly from a single group. Harman’s single-factor test was used to examine the CMB issue, which indicated a value of 33.98%. According to Podsakoff et al. [67], the maximum allowed value for CMB is 0.5 or 50%. Thus, the results also indicate the non-existence of the CMB issue.

Table 2. Validation of constructs.

<table>
<thead>
<tr>
<th>Construct</th>
<th>CA</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social Responsibility</td>
<td>0.814</td>
<td>0.889</td>
<td>0.728</td>
</tr>
<tr>
<td>Organizational Trust</td>
<td>0.911</td>
<td>0.938</td>
<td>0.791</td>
</tr>
<tr>
<td>Organizational Justice</td>
<td>0.817</td>
<td>0.880</td>
<td>0.647</td>
</tr>
<tr>
<td>Corporate Reputation</td>
<td>0.839</td>
<td>0.890</td>
<td>0.670</td>
</tr>
</tbody>
</table>

4.1. Studying the Structural and Measurement Models

To examine the measurement model, Hair et al. [68] suggested studying the validity and reliability of the data. As stated earlier, the reliability was examined through Cronbach’s alpha test, and all constructs were found reliable, with values from 0.801 to 0.911. The convergent validity was studied through factors’ loading, and all factors specified a factor loading above 0.7. Moreover, the importance of the average variance extracted (AVE) was higher than the recommended least value of 0.5 (see Table 2). The variance inflation factor (VIF) examined the multi-collinearity aspect, which showed a value of 3.232 and adequately matched with Sarstedt et al.’s [69] cut-off value of 5.0.

4.2. Discriminant Validity

Discriminant validity measures how one model’s constructs differ from those of others. One of the most commonly used methods to study this element is the heterotrait–monotrait (HTMT) ratio of correlation and Fornell and Larcker’s [70] criterion. In accordance with Fornell and Larcker’s method, the square root of the AVE should be greater than the correlation values of the constructs. Table 3 shows that the constructs’ square root values of the AVE are higher than the correlations between the constructs. This indicates that the discriminant validity of the constructs is not a problem. According to Henseler et al. [71], calculating the HTMT ratio of correlation is a modern method for assessing discriminant validity. It is recommended that the value of HTMT be less than 0.85. Table 4 shows that all constructs have a value less than or equal to 0.85, indicating that discriminant validity is not an issue [71].

Table 3. Fornell–Larcker criterion for discriminant validity.

<table>
<thead>
<tr>
<th></th>
<th>CSR</th>
<th>OT</th>
<th>OJ</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social Responsibility</td>
<td>0.854</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Trust</td>
<td>0.581</td>
<td>0.889</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Justice</td>
<td>0.593</td>
<td>0.535</td>
<td>0.805</td>
<td></td>
</tr>
<tr>
<td>Corporate Reputation</td>
<td>0.718</td>
<td>0.618</td>
<td>0.586</td>
<td>0.819</td>
</tr>
</tbody>
</table>
Table 4. Heterotrait–monotrait (HTMT) ratio.

<table>
<thead>
<tr>
<th></th>
<th>CSR</th>
<th>OT</th>
<th>OJ</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social Responsibility</td>
<td>0.670</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Trust</td>
<td>0.726</td>
<td>0.623</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Justice</td>
<td>0.837</td>
<td>0.700</td>
<td>0.698</td>
<td></td>
</tr>
</tbody>
</table>

The inner or structural model is used to study the link between the model’s constructs [72]. The coefficient of determination ($R^2$) and blindfolding ($Q^2$) are two tests used to examine the same. The $R^2$ test helps researchers look at a model’s predictive accuracy and represents all the independent variables’ contributions to the dependent variable. The $R^2$ value for organizational trust is 0.515, for organizational justice, it is 0.513, and for corporate reputation, it is 0.514, representing a moderate contribution to explaining organizational trust, justice, and reputation [71]. To examine the predictive relevance of the model, Sarstedt et al. (2017) proposed a blindfolding test ($Q^2$). This test helps estimate how efficiently the path model can predict the original observed values. The $Q^2$ values in the range of 0.02, 0.15, and 0.35 represent the low, medium, and high levels of predictive relevance [69]. The $Q^2$ value for organizational trust is 0.346, for organizational justice, it is 0.305, and for corporate reputation, it is 0.325, representing a high predictive relevance (see Table 5).

Table 5. Blindfolding test.

<table>
<thead>
<tr>
<th>Construct</th>
<th>$Q^2$</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Trust</td>
<td>0.346</td>
<td>0.515</td>
</tr>
<tr>
<td>Organizational Justice</td>
<td>0.305</td>
<td>0.513</td>
</tr>
<tr>
<td>Corporate Reputation</td>
<td>0.325</td>
<td>0.514</td>
</tr>
</tbody>
</table>

4.3. Testing the Hypotheses

The path analysis indicated that CSR significantly positively impacts corporate reputation, with a $\beta$-value of 0.411, $t$-value of 10.913, and $p$-value of 0.000. Hence, the first hypothesis (H$_1$), i.e., restaurants that engage in employee-focused CSR activities enjoy a better social reputation, is accepted. The relationship between E-CSR and organizational trust represented a $\beta$ value of 0.325, a $t$-value of 8.673, and $p$-value of 0.000. Therefore, the second (H$_2$) hypothesis, i.e., restaurants that engage in employee-focused CSR activities enjoy more trust in their organization, is also accepted. Likewise, the investigation of the relationship between organizational trust and corporate reputation also highlighted a significant positive relationship with a $\beta$-value of 0.399, $t$-value of 10.117, and $p$-value of 0.000. Therefore, the third (H$_3$) hypothesis, i.e., restaurant employees’ trust in their organization has a significant positive impact on restaurant reputation, is also accepted.

The present study includes organizational trust as the intervening variable between corporate reputation and CSR. Before examining the mediating effect, Preacher and Hayes [73] suggested examining the direct impact. The immediate effect of CSR on corporate reputation has a $\beta$-value of 0.411 and a $t$-value of 10.913. The inclusion of organizational trust as a mediating variable diminished the $\beta$-value to 0.318 and the $t$-value to 7.386, with a $p$-value of 0.000. Since the results are significant, it represents the partial mediation and favors the acceptance of the fourth (H$_4$) hypothesis, i.e., organizational trust mediates the relationship between employee-oriented corporate social responsibility activities and restaurant reputation. Finally, the fifth path represents the moderated relationship between corporate reputation and organizational trust via organizational justice. According to the results, the $p$-value is less than 0.05, indicating a significant correlation. Moreover, the beta value of 0.408 of this path indicates a moderated relationship between organizational trust and corporate reputation. Organizational trust and corporate reputation go hand in
hand in the restaurant industry, with higher levels of perceived organizational justice and confidence in the organization (see Table 6).

Table 6. Coefficients.

<table>
<thead>
<tr>
<th>Path</th>
<th>Beta</th>
<th>T-Value</th>
<th>p-Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: CSR &gt; CR</td>
<td>0.411</td>
<td>10.913</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2: CSR &gt; OT</td>
<td>0.325</td>
<td>8.673</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3: OT &gt; CR</td>
<td>0.399</td>
<td>10.117</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4: CSR -&gt; OT -&gt; CR</td>
<td>0.318</td>
<td>7.386</td>
<td>0.000</td>
<td>Partially Accepted</td>
</tr>
<tr>
<td>H5: OT_X_OJ -&gt; CR</td>
<td>0.408</td>
<td>9.142</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

5. Discussing the Findings

This research examined how the perceived E-CSR initiatives impact the corporate reputation of restaurants in China. The authors took organizational trust as a mediating variable between E-CSR and corporate reputation and examined whether it mediates the relationship between the two variables. In addition, this research also intended to investigate the moderated effects of organizational justice in the relationship between organizational trust and corporate reputation.

The structural analysis indicated that E-CSR significantly builds restaurants’ reputations. Further investigation revealed that E-CSR activities in the restaurant industry cultivate trust among its employees, building corporate reputation. These findings relate to Kucharska’s [30] study, which stated that the firms that take care of their employees’ needs enjoy more loyal and satisfied employees. Such employees praise their organizations in society, which serves as a positive word of mouth, strengthening their reputation. The findings are also consistent with Makhdoom and Anjum’s [63] study, which stated that companies that engage in socially responsible activities meet the expectations of a wide range of stakeholders. These stakeholders base their decisions on associating with these organizations mainly because of the positive image they hold of the organization. This means that firms may strengthen their reputation by engaging in E-CSR activities. Firms can invest in their employees from different perspectives, such as offering health and education benefits to them and their families, ensuring a safe and healthy working environment, cultivating a cooperative working environment, providing training, rewarding effective performance, etc. The more firms invest in their employees’ well-being, the more they will appreciate their firms and spread positive words about their organization, i.e., building corporate reputation. Furthermore, employees’ trust in the organization partially mediates between E-CSR practices and corporate reputation. This means that E-CSR directly impacts the corporate reputation and organizational trust. It also means that organizational trust partially contributes to the relationship between E-CSR and corporate reputation.

The analysis of organizational justice as a conditional boundary in the organizational environment was performed to measure its role as a moderating variable in the relationship between organizational trust and corporate reputation and indicated that organizational justice positively moderates the strength of the relationship between organizational trust and corporate reputation. The more justice prevails in the restaurant industry, the stronger the relationship is between employee trust and corporate reputation. Organizational faith and corporate reputation can be strengthened by fairly distributing compensation, resources, and information participation in the decision-making process, thus creating a sense of justice among employees.

5.1. Managerial Implications

This study provides valuable insights for restaurant owners and senior management into how E-CSR activities influence their reputations. Internal stakeholders (specifically employees) see CSR as an essential driver of corporate reputation, which ultimately encourages organizations to invest in E-CSR initiatives. If restaurant management takes
care of the interests of their employees and general stakeholders, it will promote the trust level, fostering the corporation’s reputation. In this way, the findings may aid management in making the most of their participation in various E-CSR activities to enhance their brand’s reputation.

While looking at the role of trust between E-CSR and corporate reputation, it is stated that trust in the organization plays a critical role. Employees who observe that their company has a high level of E-CSR activities believe that their company will also be ethical in its dealings with them. A significant ratio of E-CSR activities can serve as a powerful signal to employees that their needs and interests are taken seriously. The company’s positive contributions could facilitate the development of trust among employees. Employees who believe in their employers are more likely to view their firms positively. As a result, to reap these advantages, CSR activities geared toward the advancement of employees must be implemented at the corporate level.

According to the current research, various factors can improve employee performance, including organizational justice. A decrease in productivity can be attributed to the unfair treatment of staff members. Thus, it is suggested that restaurant businesses consider promoting organizational justice built around the employee’s psychological needs and providing them with a platform that encourages two-way communication. Favorable employee perception of organizational justice can positively affect employees’ perceptions of their organizations and attitudes toward them. The study identifies perceived E-CSR as a distal antecedent of corporate reputation among employees. To reap the full benefits of their investments in E-CSR, managers must build trust and feelings of justice among their employees. Employees should be aware of their company’s E-CSR activities to reap CSR’s full benefits.

5.2. Theoretical Contribution to Academicians

The current study also makes multiple theoretical contributions. For instance, most previous studies have given little attention to CSR from internal stakeholders’ perspectives, particularly employees. The article argues that the factors affecting a company’s reputation among employees in Asia differ from those involving a company’s reputation with customers. Studies investigating similar phenomena in developing countries, such as China, are few and far between. Most previous research on similar variables has been carried out on manufacturing firms in developed nations. However, there are significant differences between studies conducted in developed countries and those undertaken in developing ones. These disparities may exist because our society has a lower level of economic wellbeing and a higher level of collectivism. This means that these parameters can affect the potential of organizations to adopt CSR, the available set of CSR initiatives, and the perception and implementation of CSR.

Even the few studies evaluating similar frameworks in the restaurant industry in developing countries highlight another distinctiveness of the present study. A gap in the literature on CSR activities has been bridged by this study, which explains the mechanism for securing high levels of corporate reputation and provides empirical validation by considering the perception of internal stakeholders, i.e., employees. Therefore, this study provides a deeper understanding of how to improve employee relations and build stronger relationships with them in the context of CSR, business reputation, organizational trust, and justice.

5.3. Recommendations for Future Studies

Based on the limitation of the current research, this study proposes some recommendations for future studies. For instance, E-CSR activities and corporate reputation can be further studied by examining the relationship between other service industries, such as health and safety, social services, and education. Other variables, such as organizational commitment, citizenship behavior, employee engagement, etc., can also be researched with the main variables to further understand E-CSR’s role. Future studies should also broaden
their scope by including another region along with China. It is also recommended to investigate the differences in the given group, i.e., across the managerial and non-managerial staff, where the results of CSR, organizational justice, and corporate reputation would significantly vary. We suggest future researchers conduct multi-group analysis concerning the different groups to obtain more interesting results. Considering the pivotal role of organizational culture in determining individual perception, it is also recommended to include corporate culture in future studies along with the main variables.

6. Conclusions

Today, CSR is more important to customers than ever, regardless of industry. A company’s reputation depends on how well it treats its workers and the areas in which it operates. Some corporations have difficulty finding methods to get involved in the community because of the numerous dimensions of CSR. The larger the company, the more difficult it might be to establish a relationship with locals. There is no exception to this rule in the restaurant industry. This study examined the role of restaurant CSR initiatives from the employees’ perspectives by incorporating organizational trust and justice. It was found that E-CSR enterprises by restaurants significantly build a reputation in society. It also builds employees’ trust in the organization, further increasing its reputation. Finally, it was found that if firms promote justice in their setup, it will strengthen the relationship between organizational trust and corporate reputation.

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