Does What Goes Around Really Comes Around? The Mediating Effect of CSR on the Relationship between Transformational Leadership and Employee’s Job Performance in Law Firms

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Abstract: Leadership is essential for the success of every organization, as people believe in the ability of their leaders to guide change and achieve success. Today’s law firms are operating in a complex business environment and facing huge competition from both clients and talent. Tough competition, business alliances, corporate social responsibilities, and market conditions demand a huge transformation in the law industry. This study was designed to investigate the relationships between transformational leadership (TL), employee’s job performance (JP), and corporate social responsibility (CSR), as well the mediating mechanism of CSR among TL and JP. The data has been collected from 200 employees working in law firms of Pakistan by using a cross-sectional research method. The study hypothesized that TL is significantly related to JP and CSR; in addition, CSR mediates the relationship between TL and JP. Results confirm our conjectures, hence allowing us to contribute to the scant literature of TL, CSR, and JP in the law industry. Our study provides important information to the decision makers who are involved in policymaking; that the adoption of TL practices and involvement in CSR activities can improve JP. Moreover, theoretical and practical implementations are provided for generalization.

Keywords: leadership; transformational leadership; corporate social responsibility; job performance; law firms; lawyers

1. Introduction

Leadership matters in every walk of public and private life and is a critical factor to the success of every organization; the same is true for law/legal industry [1]. Lawyers provide leadership to their clients and organizations; for instance, playing traditional leadership roles in law firms, non-profit organization and corporate legal departments; and working in teams providing a leadership role to envision how to achieve organizational goals [2]. Scholarly trends suggest that workplace culture was seen by law firms as an important source of competitive advantage in attracting and retaining talent.
and in developing strong relationships with clients [3,4]. Previous studies had established a relationship between leadership, organizational culture, and financial performance [5]. Scholars suggested that leadership development is essential for small and large law firms, as for other services industries [6].

Studies suggested that since 2008, the rapid growth of technology and recession has changed the market landscape of the law industry; furthermore, law firms have been forced to go through great changes to their business as well as delivery models [7]. Law services became commoditized and law firms have started to hunt for the best talent to differentiate their value proposition [8]. The law firm leaders who were willing to adopt the changes [9], face the challenges with innovative thinking, teamwork enthusiasm, and develop new ideas to facilitate the end user, were successful [10]. Law firms need effective leaders to set the direction for the organization; and who are worthy of respect and considered as a source of influence. Unfortunately, the literature suggests that most big law firms have failed due to ineffective leadership [3,11]. The McBassi and Company study regarding law firms suggest that law firm profitability depends on leadership skills, inclusiveness, and managerial skills; in addition, it mentioned that successful law firms have leaders with specific characteristics i.e., they eliminate barriers, innovative, motivate, recognize, value and support learning and development [12].

Most leadership theories are applicable to law firms, but this study will focus on transformational leadership. The transformational leadership scholarship suggests that it contributes to employee and organization performance in the developing world (for example Pakistan, Nigeria, Bangladesh, India, and Sri Lanka) [13–15]. Pakistan is a growing economy and has huge strategic importance in world trade due to the China Pakistan Economic Corridor (CPEC). In the recent past, China’s largest law firm, Dacheng Dentons, expressed its keen interest for establishing joint ventures with the local private sector in special economic zones (SEZs) being set up under the CPEC project for facilitating investors and traders [16]. We selected Pakistan for this study due to certain reasons; first, its growing importance on the world trade radar and its future potential market of legal services. Second, most of the studies on TL and CSR had been conducted in the developed economies. Third, little research is available regarding Pakistan in the context of organization behavior. The main objective of the study is to investigate that whether any causal relationship exists between TL, CSR, and JP in law industry in Pakistan. In addition, we examine the influence of CSR on the relationship between TL and JP.

Transformational leadership theory is widely debated in organizational studies since it examines how leaders get involved in an organization and then attempted to realign the organization to a new vision and mindset to improve team and organizational performance [17–19]. Transformational leaders influence followers through recognition, addressing employee’s needs, participation in decision making, and encouragement for innovative thinking, learning, and team work. In addition, transformational leaders motivate subordinates to achieve excellence through high individual job performance and higher level of organization commitment [20]. Summing up, TL has been deemed to be characterized by the 4 Is, namely intellectual stimulation, idealized influence, inspirational motivation, and individualized consideration [18,21]. All in all, the growing interest in TL theory suggest that TL is the most dominant theory in leadership research [22]. Specifically, the accumulated literature trends suggest that TL influences employee job satisfaction, task performance, job performance, organization performance, and CSR [23].

At organizational level, variables such as job performance (JP) can be influenced by various drivers at different levels; for instance at individual (e.g., self-efficacy), team (e.g., social support), and organization (e.g., culture, values) levels [22,24]. In the current study, we aim to investigate the role of CSR as an organizational mediator between TL and an employee’s job performance in law firms in Pakistan. The introduction of CSR between TL and JP is meaningful for at least four reasons. First, in the literature, CSR have been linked with considerable organizational outcomes such as corporate reputation, good public image, and financial benefits [25]. Secondly, to check that CSR has any direct effect on an employee’s job performance. Thirdly, we addressed calls by scholars to examine the relationship between leadership and CSR [26] and explore the relationship between CSR and JP [27]. Fourthly, scant scholarly studies are available that addresses the association between TL, CSR, and JP.
However, a growing body of research has pointed out the dearth of investigations on external and internal factors that might influence JP; yet scholars vigorously call for more research [28]. Reflecting the urgent need to bridge leadership theories and CSR literature, Waldman et al. (2006) called for precise research that “consider [s] a broader array of leadership components and practices”, such as transformational and transactional leadership styles, as drivers of CSR practices [29]. No prior research has investigated how TL influence CSR activities and JP in a law firm organizational context. This study addresses these research gaps by investigating how TL influences law firm CSR practices and organizational outcome. The assessment of the current research about TL, CSR, and JP is important for several reasons. First, this study focuses on the effectiveness of TL in the enhancement of employee’s job performance. Second, it assesses the role of transformational leadership in implementing corporate social responsibility strategies. Third, we move CSR beyond the notion of simple responsible actions and policies, and introduce it as complex psychological phenomena that relates to individuals within the organization. Fourth, in the context of the China Pakistan Economic Corridor (CPEC), it becomes highly important to investigate this relationship as international law firms are keenly interested in investment in the law sector of Pakistan, and foreign investors will put real pressure on companies’ engagement in sustainable business practices. Our study provides great insight to the firms, policymakers, CEOs, and government that transformational leadership not only enhances job performance but also supports CSR practices that further improve JP and creates a valuable image of the firm in the national and international market.

This study contributes in several ways to the interface of organizational leadership and CSR. First, to the best of our knowledge, it is the prime study that investigates the relationship between TL, CSR, and JP in context of law firms. Secondly, rare studies are available on the mediating role of CSR between TL and JP. Thirdly, it responds to calls for more research examining the intervening mechanisms that explain how TL might affect JP [30]. In sum, by investigating the above, this research offers valuable and useful insights into TL and CSR literature and provides evidences to the organization policy and decision makers that the implementation of TL and CSR can make a difference in JP.

The main question of this article is to investigate the direct and indirect relationships between TL, CSR, and JP in law firms.

To answer the above questions, this study is based on a sample of 200 respondents. The results of the study suggests that TL influences JP, CSR influences JP, and CSR mediates the relationship between TL and JP. This study is composed of five parts. The second part deals with the relevant literature and hypotheses development. Parts third and fourth define the methodology and presents the results. The fifth part discusses the findings and the sixth part reveals the conclusion, limitation, and future research directions.

2. Background and Hypotheses Development

2.1. Conceptual Frame Work

There are numerous definitions of leadership, defined by scholars according to their individual perspective and phenomena of interest. Leadership has been defined in terms of leader behavior, relationship, role, personal traits, influence on goal achievement, followers’ perception, influence over followers, pattern of interaction, and influence on organization values and culture. Koontz [31] defined leadership as “the art or process of influencing of people so that they will strive willingly towards the achievement of goals”.

The study of leadership style has been the central part of management and organizational studies for decades [32]. Leadership is responsible for the development of an inspiring and enthusiastic working environment and organization culture [33,34]. Literature suggests that in the past, leadership theories were treated mainly as a concern of organization behavior and applied at a small group or micro level perspective, for instance the path-goal theory which is readily applicable to the lower leadership behavior and employee performance, but ignores the promotion of higher level organization
phenomena such as CSR [29]. Scholars have severally criticized most of the leadership theories for their application to lower level leadership and ignoring the broader spectrum of organizational phenomena. TL as compared to the other theories of leadership provides a broader perspective for understanding interplay between various factors of organization performance and offer new possibilities for investigating the interaction between leadership and CSR [18,35].

The traditional theories emphasized rational processes, while transformational leadership (TL) theories emphasize values, emotions, and symbolic behavioral role of the leaders for the followers. Transformational leadership theories demand more sacrifices, commitment to difficult objectives, and higher achievements than expected. Burns was of the opinion that transformational leaders encourage followers to uphold their morals, beliefs, values, perception, focus on team work, and achievement of the organizational goals [36].

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Literature trends suggest that TL greatly influence JP [37]. Performance is defined as the collective function of knowledge, skills, abilities, and motivation directed at prescribed behavior, such as formal job responsibilities [37]. Job performance reflects the completion of the role/task allocated to a particular person/employee. Research has indicated that JP is a multi-dimensional construct consisting of task and contextual performance [38,39]. The trends suggest that there is a significant relationship between TL and JP [38]. Under TL, the follower feels admiration, loyalty, trust, and respect for the leader and motivated to perform better than expected. For this study, transformational leadership means raising employee awareness about the value of the organizational designated goals, motivating and inspiring subordinates to exceed their own self-interest for the sake of organizational or group interest, and changing subordinates needs [40,41].

The literature provides linkages between transformational leadership and a firm’s orientation towards CSR. Bass and Steidlmeier (1999) argued that leadership should be regarded in the context of stakeholder theory, where workers, customers, suppliers, local communities, and governments have a legitimate strategic and moral stake in the firm [42]. Some of the scholars indicated that transformational leadership can help people to develop the common interests of a community beyond the aggregated interests of its individuals. Thus, transformational leadership is associated with the advanced stages of moral development, where leaders take all stakeholders’ interests into account and participate in organizational governance based on universal ethical principles [43]. Researchers use alternative names of corporate social responsibility such as corporate sustainability, sustainable business, corporate citizenship, responsible business, corporate social performance, and conscious capital [44]. Scholars have addressed different dimensions of CSR i.e., social issues, social responsibility, philosophies of social responsiveness, and national development [45]. Research reveals that CSR develops a positive image of the organizations and influences job performance [46]. From various scholarly manuscripts, it is evident that CSR influences employees’ emotions, working behavior, and job attitude [45]; in addition, such organizations are highly attractive to prospective candidates [47]. A few studies suggest that CSR influences the relationship between TL and JP [14]. Moreover, the emphasis on internal CSR dimensions pertaining to aspects of organizational efficiency (i.e., quality, health and safety, human resources, and environmental management) reflects recent trends of modernization in business systems [48]. Furthermore, scholars believed that CSR is a source of business innovation [49].

Law firms and corporate legal departments that have received recognition for success in creating diverse and inclusive environments have leaders who are public and outspoken about their commitment to diversity, who are proactive and innovative in their strategies, and are consistent and persistent in their expectations [50,51]. Scholars suggest that transformational leadership will not only benefit law firm executives but also solo practitioners [51], while some recommended TL for eliminating gender and racial inequalities in law firms [52].

The winner of the Financial Times (FT) award highlighted that law firms and corporate legal departments can deploy their skills to support charities and community projects (CSR). For instance, the FT third Asia-Pacific innovative lawyer’s awards recognized firms that take pro bono work to help international human right issues, the legal aspect of Europe’s refugees crisis, poverty alleviation,
Effective leadership is vital for developing a better working environment and to encourage individual lawyers to do their best. According to the latest research, TL style is considered most effective for influencing employees and achieving organizational goal across various disciplines [56]. Leadership education for lawyers is emphasized by scholars for the successful handling of client services and a value-driven profession [28,57]. Researcher has defined TL in terms of leader stress and self-sacrifices for the achievement of long term goals for larger groups [18,21]. Transformational leadership theory provides a sound ground for understanding the relationship between leadership and employee job performance [29]. Charisma has been considered by the researchers as the main component of transformational leadership [29,58] and has portrayed inspirational leaders in heroic terms [18,29]. It is believed that charisma arouses follower emotions and leader identification; while rational identification occurs through the adoption of attitudes and behaviors with a self-defining relationship and satisfaction with a person or group. This kind of relationship between the leader and his followers leads to an environment where the followers are motivated and happy to work for their leader. Followers with strong identities are motivated to fulfill their tasks according to the leader’s expectation; which enhances their job performance [38,59].

The evidence from the literature collectively suggests that TL has a direct relationship with employee work attitudes and behaviors at the individual as well as organizational level [41,60]. The studies of Bushra et al., [13] and Jiang [56] reveals a significant association between TL and JP. Similarly, other researchers have identified the direct impact of TL on employee job performances [38,61,62]. Based on the evidence from previous scholarships, we posit the following hypothesis.

**Hypothesis 1.** Transformational leadership has a significant relationship with employee’s job performance.

2.1.2. Transformational Leadership and Corporate Social Responsibility

TL mainly focuses on a leader’s ability to articulate ideological values, inspirational thinking, and imagery power that adopts innovative solutions to main problems and stresses fundamental changes for high performance expectations [29]. Such leaders build a high level of employee confidence, key motivation, trust, admiration, and emotional appeal [29]. Transformational leadership theory provides a strong background for understanding the relationship between leadership and CSR [29,46]. Scholars are of the opinion that self-concepts of followers in TL theory predominantly applicable to CSR [14,15]. CSR can be defined as the continued commitment of a business to behave ethically and contribute to the economic development while improving the quality of life of its workforce as well their families, local community, and society at large [63]. Organizations use CSR for various purposes,
for example, reduction in cost and increase operational efficiency, to create a good reputation, and as a moral commitment [64].

According to McWilliams et al., [65] managers use and promote CSR instrumentality either for own benefit, following agency theory [66], or to maximize firm profitability based on the theory of the firm [29]. Scholarly trends suggest that an optimal level of CSR maximizes profitability and satisfies stakeholders’ demand for CSR, which integrates stakeholder theory and the theory of the firm [29,65]. In addition, investment in CSR is used as a strategy by the leaders for differentiation and image building in society [29,58]. The trends indicate that transformational leadership is a tool of governing the level of CSR activities in an organization [15]. However, a business can establish a unique corporate image in the marketplace by contributing to the solution of social problems. Quazi and O’Brien [67] suggested that CSR is two dimensional and universal in nature, and that differing culture and market settings in which managers operate may have little impact on the ethical perception of corporate managers. Halkos and Skouloudis [49] argued that the level of CSR practices vary around the world’s regions due to national policies, institutional rules, socioeconomic, political, cultural conditions, and societal values and norms. The literature trends suggest a significant relationship between TL and CSR [15,46,68]. Thereafter we posit the following hypothesis.

**Hypothesis 2.** Transformational leadership has a significant relationship with corporate social responsibility.

### 2.1.3. Corporate Social Responsibility and Employee Job Performance

The successful management of human resources ensures a firm’s survival; it is defined as the firm’s ability to combine employee and manager perception to achieve organizational goals [69]. The employee’s performance determines the achievement of organizational goals [70]. Managers have turned to CSR for enhancing JP and organization identification [71]. In addition, several studies suggest a significant association between CSR actions, employee’s organization commitment, and JP; however, it is noted that the effects are stronger in employees for whom CSR is already tied to their sense of self [71]. Furthermore, the literature suggests that CSR not only helps in the improvement of JP but also attracts qualified and skilled talent [72].

Law firms are always keeping social responsibility as a top agenda [53]. Most of the law firm websites show a strong engagement in giving feedback to society through pro bono legal advices, charitable work, education initiatives, and awareness about protecting environment, sustainable business, equality and diversity [53]. Lawyers are motivated by altruistic motives (a belief in promoting justice and human rights) [73]. Scholars have debated the social responsibility of law firms in terms of pro bono services [74], community services, and many more; for instance the Tokyo office of Morrison and Foerter has a donation team that supports families in Tohoku [75].

Corporate social responsibility has grown and gotten significant attention after the work of Bowen [76]. The concept of CSR is based on stakeholder theory as it takes in account all the relevant parties [77] i.e., owner, customers, employees, suppliers, NGOs, and the regional/national/local community. Stakeholder theory encourages the manager to develop a shared sense of value creation and to bring its stakeholders together; and reminds management about the responsibilities towards stakeholders. The literature’s evidence reveals that CSR has encouraging association with employee job performance [72], job satisfaction [78], and employees’ affective commitment [79]. Skouloudis and Avlonitis [48] argued that individual perception of CSR affects individual responsibilities on the job and organization social orientation that can shape recruitment as well as employee aspiration levels. Based on the knowledge of previous literature, we postulate the following hypothesis.

**Hypothesis 3.** Corporate social responsibility has a significant relationship with employee job performance.
2.1.4. Corporate Social Responsibility Mediation Effects on TL and Employee Performance

Leadership inspires people towards positive and ethical change which is crucial to the success of organizations, communities, businesses, and groups. Leadership makes a difference in all manufacturing and services industries, and the same is true for lawyers working in various organizational setups [1]. The trends reveal that leadership is the most crucial factor that influences employee job performance, job satisfaction, and overall organization performance [71,80]. Research approaches that assess CSR at the individual level have developed measures and offered evidence on the consequences of CSR/ethical values, social orientation, and attitudes on managerial intention or decision making [48]. A manager’s commitment to responsible business behavior summarizes his/her long-term success in an organization, shaped by the level of moral development, personal attributes, resource availability societal expectations, sector, and regulations [81].

According to Bass, transformational leaders endorse four abilities i.e., charismatic influence, intellectual stimulation, inspirational motivation, and individual consideration [82]. Transformational leadership is the most cited and researched concept for individual [83,84] as well as team level performance [71]. The study of Du et al. [85] suggest that transformational leadership has a significant relationship with CSR. Similarly, scholars found that transformational leadership influences employee performance [56]. Obeidat et al. [15] claim that transformational leadership significantly influences CSR. The study of Ali et al. [45] suggests that there is a significant association between CSR and employee organizational commitment; CSR and organizational performance. Some of the studies suggest an association between CSR and employee job performance [71]. Based on the findings of previous literature, it is believed that organizations involved in more CSR activities under transformational leadership will enhance employee job performance [14,45,47]. Therefore, we posit the following hypothesis.

**Hypothesis 4.** Corporate social responsibility significantly mediates the relationship between transformational leadership and employee job performance.

3. Methodology

This study investigates the relationship between TL, CSR, JP, and the mediating role of CSR between TL and JP. Based on the literature trends and our proposed hypotheses, the model in Figure 1 was redesign, as shown in Figure 2. Our proposed model states that TL practices improve employee job performance as proposed in hypothesis H1; in addition, TL strategies in a firm promote and enhance CSR activities (hypothesis H2); furthermore, increase in CSR activities significantly enhance employee JP (hypothesis H3). However, CSR also mediates the relationship between TL and JP, as posited in hypothesis H4.

![Figure 2. Proposed Hypotheses Model.](image-url)
3.1. Sampling

There are two main types of sampling i.e., probability and non-probability sampling [86]. In probability sampling, each subject of the population gets equal opportunity to be selected as a representative [17]. We have used the non-probability sampling technique [86] because of the availability and consents of the respondents. This research explored the casual relationship between the mentioned variables, and we used a cross sectional study design as this design is best suited for analyzing observational data from a population. The data was collected from the law firms in the five main cities of Pakistan i.e., Peshawar, Lahore, Islamabad, Abbottabad, and Karachi. All the firms were contacted face to face, through the telephone and emails, and were explained the nature of the study. A questionnaire (attached in Appendix A) with a self-explanatory letter was distributed among the potential respondents through various means; we received 200 questionnaires out of 600 in good form, hence having a response rate of 33%, which is greater than the most common response rate of about 15–20% [87,88]. Furthermore, we applied the multiple regression technique for testing our hypotheses. The demographic characteristics of the sample are given in Table 1.

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Description</th>
<th>Frequency (Per)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>119 (59.50%)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>81  (40.50%)</td>
</tr>
<tr>
<td>Education</td>
<td>LLM</td>
<td>17  (8.50%)</td>
</tr>
<tr>
<td></td>
<td>LLB</td>
<td>163 (81.50%)</td>
</tr>
<tr>
<td></td>
<td>BA</td>
<td>20  (10.00%)</td>
</tr>
<tr>
<td>Job Experience</td>
<td>2–3 years</td>
<td>53  (26.50%)</td>
</tr>
<tr>
<td></td>
<td>4–5 years</td>
<td>56  (28.00%)</td>
</tr>
<tr>
<td></td>
<td>6–8 years</td>
<td>91  (45.50%)</td>
</tr>
</tbody>
</table>

3.2. Measurements

As mentioned in the literature section, TL is conceptualized around four main dimensions i.e., intellectual stimulation, inspirational motivation, charismatic influence, and individual consideration [23,89]. In assessing TL, scholars around the world have maximally used a multifactor TL questionnaire with a varying Likert scale [29,41,46,56,90]. Based on previous studies and the core concept of TL, this study adopted a nine item measure on the Likert scale (1-strongly disagreed and 5-strongly agreed) for measuring TL with a reliability 0.838. Furthermore, this scale was adopted from literature with changes according the nature of law industry. In addition, the reliability value was greater than 0.6, which indicates a high reliability of our scale.

Corporate social responsibility is a set of meaningful social engagements that not only help an organization to develop a good public image but also wins work engagement and employees trust, loyalty, enhances JP and psychological attachment [27,91,92]. Scholars have used multiple items Likert scales for measuring CSR [15]. Based on the previous literature, this study use 12 items on Likert scale (where 1 stands for strongly disagreed and 5 means strongly agreed) for measuring CSR with a reliability of 0.866.

Employee job performance is of the main determinant of organization achievements. Literature trends reveal that job performance is influenced by TL and CSR. This study adopted a seven items measure [14,15] on the Likert scale (1-strongly disagreed and 5-strongly agreed) for assessing employee job performance with a reliability of 0.705. Furthermore, all the items/statements of TL, CSR, and JP measures are given in Appendix A. Moreover, Table 2 provides detail about the reliability of the measurements; scholars suggest that a Cronbach’s Alpha value greater than 0.6 is considered reliable [93].
Table 2. Reliability of Scale.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Reliability (Cronbach’s Alpha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL</td>
<td>0.838</td>
</tr>
<tr>
<td>CSR</td>
<td>0.866</td>
</tr>
<tr>
<td>JP</td>
<td>0.705</td>
</tr>
</tbody>
</table>

4. Findings

4.1. Descriptive

Descriptive statistic and correlations is given in Table 3; the findings suggest that TL has positive correlation with JP \((r = 0.67, p = 0.01)\). Similarly, it is found that CSR and JP are positively correlated \((r = 0.74, p = 0.01)\). In addition, TL and CSR also have significant positive correlation \((r = 0.59, p = 0.01)\); moreover the findings in Table 3 support the primary relationship of the proposed model.

Table 3. Descriptive.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>TL</th>
<th>CSR</th>
<th>JP</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL</td>
<td>3.45</td>
<td>0.575</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR</td>
<td>3.81</td>
<td>0.474</td>
<td>0.59**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>JP</td>
<td>4.00</td>
<td>0.417</td>
<td>0.67**</td>
<td>0.74**</td>
<td>1</td>
</tr>
</tbody>
</table>

** Represent correlation significance at 0.01 level (2-tailed).

4.2. Common Method Bias

In social science, common method bias is the spurious variance associated with measurement method. The literature reveals that common method bias deal with types of measurement methods including self-reported [94]. This study checked measurement method bias by applying the Harman’s single factor, which indicates that total variance explained by a single factor is 37.84% which is less than 50%; reveals that the data does not suffered from common method bias [95].

4.3. Regression and Mediation Analysis

This study is conducted through Andrew F. Hayes process macro 3.1 in SPSS 23 by using the concept of multiple linear regression. First, standardized average value is calculated for all the dimensions included in the variables. Scholars suggest that standardized average value provides an inclusive measurement of the variable [96]. The regression results are presented in Table 4, which are well in line with the hypotheses of the proposed study. The findings suggest a positive significant relation between TL and JP \((b = 0.4896, p = 0.0000)\), with an overall model fit \(F(1198) = 166.158, p = 0.000\) and \(R^2 = 0.4563\), which support hypothesis H1.

Table 4. Regression and Mediation.

<table>
<thead>
<tr>
<th></th>
<th>b</th>
<th>SE</th>
<th>T</th>
<th>p</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL-CSR (a)</td>
<td>0.4906</td>
<td>0.1645</td>
<td>10.42</td>
<td>0.0000</td>
<td>0.3978</td>
<td>0.5834</td>
</tr>
<tr>
<td>CSR-JP (b)</td>
<td>0.5042</td>
<td>0.0449</td>
<td>11.22</td>
<td>0.0000</td>
<td>0.4156</td>
<td>0.5928</td>
</tr>
<tr>
<td>TL-CSR-JP (c')</td>
<td>0.2423</td>
<td>0.0370</td>
<td>06.54</td>
<td>0.0000</td>
<td>0.1693</td>
<td>0.3153</td>
</tr>
<tr>
<td>TL-JP (c)</td>
<td>0.4896</td>
<td>0.0380</td>
<td>12.89</td>
<td>0.0000</td>
<td>0.4147</td>
<td>0.5645</td>
</tr>
<tr>
<td>Indirect Effects</td>
<td>0.2474</td>
<td>0.0336</td>
<td></td>
<td></td>
<td>0.1800</td>
<td>0.3137</td>
</tr>
</tbody>
</table>

Furthermore, the results reveals that TL has a significant positive relationship with CSR \((b = 0.4906, p = 0.0000)\), with an overall model fit \(F(1198) = 108.74, p = 0.000\), and \(R^2 = 0.3545\), these findings fully support hypothesis H2. In addition, CSR has a positive significant relationship with JP \((b = 0.5042, p = 0.0000)\), with a model fit \(F(2197) = 198.50, p = 0.0000\) and \(R^2 = 0.6684\), these finding support
hypothesis H3. Besides, the results suggest that CSR positively mediate between TL and JP \((b = 0.2423, p = 0.0000)\), with a model fit \(F(2197) = 198.50, p = 0.0000\) and \(R^2 = 0.6684\), therefore it supports hypothesis H4. The indirect effect was tested by using percentile bootstrap estimation with 5000 samples [97] by implementing process macro 3.1 version [98]. The results indicate the indirect coefficient is significant \((b = 0.2474, SE = 0.0336, 95\%, CI = 0.1800, 0.3137)\). TL is associated with approximately 0.25 points higher job performance score as mediated by CSR. A path diagram of the results is presented in Figure 3. The path diagram replicates the same results as provided by Andrew F. Hayes process macro 3.1, suggesting the robustness of our results. In addition, path (c) represents the relationship between TL and JP with \((b = 0.48, p = 0.0000)\), path (a) indicates the relationship between TL and CSR with \((b = 0.49, p = 0.0000)\), path (b) presents the relationship between CSR and JP with coefficient \((b = 0.50, p = 0.0000)\). Moreover, path \((c')\) represents the mediation mechanism between TL, CSR, and JP with coefficient \((b = 0.24, p = 0.0000)\).

![Figure 3. Path diagram of TL, CSR, and JP.](image)

5. Discussion

The literature reveals that leadership styles play a vital role in the overall performance of an organization [32,33]. Scholars around the world have tried different combinations of variables (e.g., employee job performance, employee learning, organizational commitment, organization citizenship, psychological empowerment, behavior toward work, burnouts, CSR) with TL under various research designs of moderation and mediation in numerous industries (e.g., pharmaceutical, health, banking, and construction etc.) to address that how transformational leadership effects an organization [15,33,41,46,99]. According the global legal post magazine, the net worth of global legal industry in 2017 was US$849 billion [100]. To the best of our knowledge and with the help of “Google scholar”, we did not find a single scholarly article on the role of transformational leadership and corporate responsibility in the enhancement of employee job performance in the legal industry. This study investigates the relationship between TL, CSR, and JP in the legal firms of Pakistan.
In addition, this research also seeks the mediation effects of CSR between TL and JP. First, the findings of the study suggest a positive significant association between TL and JP with \( b = 0.48, p = 0.00, \) path c) and hence provides support for hypothesis H1; moreover, it is in line with the research outcomes of various scholars [13,41,56]; and suggests that TL practices in law firms can enhance employee job performance. Second, the study suggests a positive significant relationship between TL and CSR with \( b = 0.49, p = 0.00, \) path a), thus satisfying the preposition of hypothesis H2, which indicates that TL is an enhancer of CSR. The literature trends suggest that leaders invest in CSR not only for building good public image but also to satisfy the demands of stakeholders for an optimal level of CSR activities [29,58]. Based on the empirical investigation, it is suggest that firms more involved in TL practices are more likely to engage in CSR activities. Third, the current study also revealed a positive significant relationship between CSR and JP with \( b = 0.50, p = 0.00, \) path b), hence defending hypothesis H3, which is in line with previous scholarships [71]. Literature trends suggest a significant association of CSR with JP [45], with some of the studies recommending that CSR increases the attractiveness of the organization to the prospective potential employees [47]. Fourth, our investigation further suggests a significant mediation effects of CSR between TL and JP with \( b = 0.24, p = 0.000, \) path c'), hence defend hypothesis H4; in addition, reveals that CSR can enhance the relationship between TL and JP, which explains the understanding regarding the role of organization level mechanisms towards individual level job performance. The CSR mediation results between TL and JP is in line with the work of previous scholars [15,46]. Overall this study suggests that employee perception of CSR enhances the relationship between TL and JP. This research investigation fills the research gap by addressing the understanding of organizational level mechanisms towards individual levels of work attitude and job performance. The current scholarship is focused on TL, CSR, and JP relationship in context of law firms in Pakistan, which enhances and expands the TL and CSR literature a step further. Moreover, the posited hypotheses and findings are summarized in Table 5.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationship</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 TL has significant relationship with JP</td>
<td>TL positively influence JP</td>
<td>Supported</td>
</tr>
<tr>
<td>H2 TL has significant relationship with CSR</td>
<td>TL positively influence CSR</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 CSR has significant relationship with JP</td>
<td>CSR positively influence JP</td>
<td>Supported</td>
</tr>
<tr>
<td>H4 CSR mediates the relationship between TL and JP</td>
<td>CSR positively mediates the relationship between TL and JP</td>
<td>Supported</td>
</tr>
</tbody>
</table>

In addition, our study depicts that organizations can enhance their employee performance through adoption of TL practice (understanding employee's needs, motivation for team work, continuous feedback, encouragement for better future) and involving themselves in social activities for example, working for the community wellbeing, thoughtful of a better and cleaner environment, involvement in employee welfare, providing quality services to the customers, complying with state rules and regulations, and working within the legal boundaries. All the abovementioned strategies and activities significantly and positively influences employee performance and improves overall organizational culture.

Moreover, scholars have reported that the perception of CSR can be influenced by national policies, culture, ideology, political agenda, institutional infrastructure, psychological factors, technology, and differences between developed and developing countries [48,49,101,102]. Therefore, our model may be sensitive to cultural, socioeconomic, and institutional difference in various countries.

- Cross national: The differences between the developed and developing countries are growing due to industrial and technological advancement. Therefore, it is believed that variation in the perceptions, leadership, and expectations from businesses is natural. Hence, our model may present variation across different nations; and this also reported by scholars [49].
• Cultural and value: Besides, from social modernization aspect (democratic, secular and rule of law) various societies around the world have varying expectations and cultures, and the CSR definition differs depending on the region’s climate, culture, values, and its history and development. For example, in Europe, CSR has been used to strategically focus on issues of diversity, employment, and labor relations. However, in the US, CSR has been viewed from the standpoint of corporate governance and market valuation. Hence, our model is generalizable to every country, but due to cultural variations the results may be different.

• Knowledge and information: The knowledge and understanding of CSR between the nations and organization varies. The understanding of CSR agenda is relatively limited in developing countries—most businesses believe that it serves to meet the minimal standards set by national regulations, in terms of labor conditions and environmental impact, in order to get a license to operate from the government. While in developed countries, society, the labor force, and customers are well aware of their rights; thus, a manager always pay special attention to the high standards of CSR, both internally and externally. Therefore, organization CSR agenda may influence my theoretical framework; for example, an organization focused only on external CSR agenda and not paying attention to employee CSR, will definitely create a negative impact on an internal stackholder. Thus, we will add “internal and external” stackholder as a moderator in the current model.

• Organization size: Our model is applicable to every organization regardless of industry and size. However, differences may occur in the results due to firm size, age, and type of industry.

6. Conclusions

Lawyers and law firms in every society, whether in developed or developing economies, play an important role in providing justice. The law industry plays a vital role in the economic uplift of the economy not only by providing jobs and adjacent avenues for business activities, but also streamlining all business activities in accordance with the rules and regulations of the country, and globally. More than any other profession, law firms are engaged in CSR activities by altruistic motives (a belief in providing justice and human rights). The range of CSR initiatives in law industry are pro bono, human rights, legal social mobility, combat for wrongly convicted, charity fund raising, and social awareness. The studies regarding TL, CSR, and JP are rare in law industry though billions of stakeholders are directly or indirectly related to this industry. The present study confirms that there is a significant relationship between TL, CSR, and JP in law firms of Pakistan. In addition, it is identified that CSR mediates the relationship between TL and JP in law firms. The findings suggest that TL and CSR strategies can enhance JP in law firms. This research demonstrates that effective TL practices motivate and inspire employees to meet the expectation in individual as well as in team capacities, that lead to better performance. The argument of this paper draws together research evidence relevant to ways in which a law firm can ensure that their employees are motivated and sufficiently committed to achieve organizational goals through the TL and CSR practices. Our model is applicable across the nations but as mentioned in the discussion section, that due to cultural, socioeconomic, political, organizational and institutional difference, the results may vary from our findings.

This research extends the current stream of knowledge in different notable ways. First, our model adds clarity by exploring the effects of perceived leadership attributes (i.e., encouragement, teamwork, innovative thinking, managerial actions, and interaction) on employees’ attitudinal and behavioral reactions (i.e., manager expectation, job requirement, challenging tasks, organizational goals). Our findings indicate that transformational leadership improves employee performance and is vital for the sustainability of the firm. Second, scholars lack consensus on the relationship between CSR and employee performance that ultimately impacts organizational performance in the new sustainable and responsible business context. Our study clearly indicates that an employee’s perceived CSR contributes to job performance with ($b = 0.5042, p = 0.0000$). Third, this study provides evidence that transformational leaders tend more to sustainable business practices and thus support CSR activities;
the model affirms the salience of transformational leadership on employee attitude towards CSR. Fourth, our model suggests the mechanism through which leadership can impact employee performance. More specifically, we provided evidence that CSR mediates the relationship between TL and JP through the introduction of organizational, social, and psychological context of CSR. Additionally, practitioners can learn from this study how to develop themselves into transformational leaders incorporating corporate social responsibility as a core strategic value inside their law firms. Our study provides vital evidence to decision makers involved in designing employee-related policies for uplifting their moral and motivating them to remain loyal, committed with their organization, perform more than expected, and work hard for the achievement of individual and organizational goals. Therefore, it is suggested that employees with best leadership behavior and CSR policies will exhibit a higher level of job satisfaction, which in turn will yield high job performance.

6.1. Theoretical Implications

Besides contributing to the literature on the relationship between transformational leadership and job performance, the current study also contributes to the literature on CSR and its mediation role between TL and JP. The findings reveal that TL has significantly influence JP; and identified that CSR activities enhance the relationship between TL and JP. Thus, transformational leadership is related to JP because of its influence on the development of relationships between leaders and followers. In fact, results revealed that $R^2 = 0.4563$ for TL and JP, indicating that approximately 45% of the variance in JP was explained by transformational leadership, suggesting that transformational leadership is a strong predictor of JP. The findings are consistent with the social exchange theory [103], the social learning theory [104], the leader member exchange theory [105], and the normative decision theory [106]; and confirms that transformational leaders are role models whom followers respect, trust, and attempt to emulate [15,18,29]. In addition, this study also provides empirical evidence for supporting prior research suggesting that transformational leadership leads to the enhancement of quality of work, employee’s trust, job satisfaction, and job performance [23,41]. Moreover, the findings of the current study indicate that transformational leadership has a positive association with the CSR, lending support to the studies of various scholars [26] and providing strong empirical evidence for the theoretical concept that transformational leaders tend more towards CSR activities [26,107]. Several studies indicate that CSR also influences employee emotions, working behavior, and job attitude [45]; in addition, such organizations are highly attractive to prospective candidates [47]. The present study confirms that CSR positively mediates the relationship between TL and JP, providing support for the stakeholder theory [77], hence contributes to the theoretical concept that CSR activities develop a positive emotion of work towards the management.

6.2. Practical Implications

The findings of this research investigation provides several practical implications, specifically for law firms and generally for all the organizations. First, the law firms need to encourage the presence of TL, they should hire those persons for managerial and leadership roles who have the capabilities of transformational leadership and can motivate the staff for teamwork, innovations, excellent job performance and build a trustworthy relationship with subordinates. Besides, the firms should emphasize the development of TL skills through coaching intervention and training programs; it will help them develop strategies for constructive feedback and high job performance [40,108]. In particular, action-oriented approaches such as role playing can be useful in this regard [109]. The evidence from various studies shows that TL enhances employee job performance [110]; and the results of the current study are the same; therefore, law firms can enhance their overall output by adopting a TL approach. In addition, the involvement in cooperate social responsibilities practice not only earns a good image for the firm in the external environment but also enhances the internal environment [29,103]; as the present study reveals that CSR positively influences the relationship between TL and JP. Therefore, law firms can influence an employee’s JP through involvement in CSR activities, and this means killing two birds...
with one stone. In addition, it is evident from the literature that there is shortage of leadership courses at colleges and universities in the field of law [57]; therefore, it is suggested that special courses should be designed for practicing lawyers; while the regular students of law curriculums must be enhanced with proper leadership courses. The model is applicable in international perspectives, but care about cultural, institutional, and religious beliefs should be taken. In the case of transnational policy-making, cultural traits should be considered essential parameters as the traits shape CSR penetration and the development of appropriate country-specific policy frameworks and plans. Scholars have pointed out that transformational leadership and CSR are the sources of innovation for business entities [49, 101], hence, as policy agenda, CSR can be used as source of innovation.

6.3. Limitation and Future Directions

This study has been conducted under the concept of cross sectional research design focusing on single point data collection. Therefore, a longitudinal researcher design is recommended for future research as this will avoid ambiguities in the causal relationship. Furthermore, this model and scale can be used to compare several industries and countries. This study did not look firm size and age considerations, and scholars are advised to use this mode with moderated (firm size, age) mediator to investigate the relationship. In addition, institutional policies, culture, and knowledge about CSR can be used as moderator in the current model. Legal innovation is the hot topic in the law industry, therefore scholars are encouraged to use legal innovation as a mediator or moderator between TL, CSR, and JP to investigate its behavior among the mentioned variables. Similarly, scholars can study the role of legal innovations among the TL and employee learning abilities, creativity, and job performance. The main limitation of this study is the short sample size; scholars must focus on a large sample size for more authentic findings. Moreover, firm size can influence organizational leadership, CSR, and other practices, which is ignored by this study; CSR can be used in future studies at organizational level in this proposed model. In spite of these limitations, this study reveals the important relationship between TL, CSR, and JP; enhances our level of understanding about the connections, and contributes enough to the theoretical and practical implication of the phenomena.

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Conflicts of Interest: The authors declare no conflict of interest.

Appendix A

Transformational leadership

1. My manager motivates employees for team work.
2. My manager cares about employee needs.
3. My manager leads the others as a role model.
4. My manager challenges others to set high goals.
5. My manager always encourages others with his future plans.
6. My manager challenges others to think in an innovative way.
7. My manager seeks feedback to improve interactions with others.
8. My manager analyses relevant data before coming to a decision.
9. My manager understands how his actions will impact others.

Corporate Social Responsibility

1. My organization motivates employees for enhancement in personal qualifications.
2. My organization always strives to achieve a better balance between work and personal life.
3. My organization provides on-the-job training.
4. The leadership of my organization complies with labor laws.
5. My organization has developed ethical codes.
6. My organization fulfills the terms and conditions of agreements with employees.
7. My organization provides a neat and clean working environment.
8. My organization has a proper employee evaluation system.
9. My organization strictly follows the employee’s evaluation for promotion.
10. My organization provides correct information to the customers.
11. My organization provides donations to social welfare organizations.
12. My organization takes active part in all the activities which enhance social well-being.

**Job Performance**

1. I work hard to fulfill my duties.
2. I always meet my manager’s expectations.
3. I do my best to achieve my organizational goals.
4. I always strive to fulfill my job requirements.
5. I follow the standards set for my job performance.
6. I perform well in team activities.
7. I like challenging tasks.

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