# Analyzing the Significance of External Corporate Social Responsibility On Employees Emotional Labor with Mediation Mechanism of Perceived External Prestige

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**Abstract**
The rapid growth of banking sector is posing great challenge for the banking sector employees to reflect helping behaviors all day long, irrespective of excessive customer interaction. The present study investigates the mechanism of employees CSR perception influence on their choice of emotional labor strategy. The data for the study was collected from 389 frontline employees working for major commercial banks in Pakistan. The result of the study supports the view that external CSR perception via perceived external prestige encourages the use of deep acting over surface acting, while interacting with the customers. The implications and future research directions are discussed.

## 1. INTRODUCTION

Last few decades have witnessed an enormous shift in the economy of Pakistan from being the agrarian economy to service-oriented economy (61.4% share of services to GDP in Year 2018-2019) (Ahmed & Ahsan, 2011; Pakistan Economic Survey, 2020). This shift has highlighted the viability of the frontline service employees and great attention has been directed towards their emotions to manage their response towards customers for effective customer management (Anwar, Ahmed, Waqas, Ismail, & Islam, 2019).

However, this enormous shift cost no less. The psyche of employees engenders attitudes and behaviors required at workplace to produce effective organizational performance (Lockett, Moon, & Visser, 2006). Services sector employees in Pakistan are under great stress due to plenty of factors such as work overload, long working hours, lack of autonomy/work-family balance, poor peer/customers relationships (Ehsan & Ali, 2019; Hassan, Ali & Bashir, 2013). They more often encounter emotionally challenging situations, where they deal with aggressive and demanding customers; makes it tough for them to reflect the emotions required by the organization emotions over their felt emotions. The exactness in reflecting organizationally desired emotion referred as emotional labor (Hochschild, 1983).

Two popular emotional labor strategies deep acting, and surface acting are used to comply with the organizationally desired emotions. Deep acting is a sync between individual's inner feelings and organizational display rules, while bringing required emotions to the surface (i.e., above skin) without altering inner feelings is the context of surface acting (Humphery, Ashforth & Diefendorff, 2015). The previous literature has mainly focused the effects individual traits and dyadic relationship on emotional labor (see Grandey & Gabriel, 2015); effects of organizational-level factors are hypothetically missing in emotional labor literature (See Pugh, Diefendorff, & Moran, 2013). Thus, identifying organizational factors that have the potential to effect employees' choice of emotional labor strategy is an emerging agenda to bridge the prevailing research gap.

In the past, organizational behavior studies have used employees' perceptions of organizational level factors in relation to their attitudinal and behavioral outcomes (e.g, DeConinck, 2010; Brammer, He & Mellahi 2015). Although these perceptions could vary from the actual phenomenon (i.e., reality), provides the basis to define individual attitudes and behaviors (Khilji & Wang, 2006). Hence, perceptions about the organization are instrumental to evaluate the influence of organizational level factors in the variance in employees' attitudes and behaviors. The most popular perception in this regard is employees' perception of

their organization's CSR (See De Roeck & Delobbe, 2012: Glavas, 2016; Wang, Fu, Qiu, Moore & Wang, 2017).

Waddock (2004) described CSR as "a company's voluntary/discretionary ties with its social and community stakeholders." Turker (2009a) divided CSR acts into three primary categories using a stakeholder perspective: CSR to social and non-social stakeholders, consumers, and employees. This stakeholder viewpoint offered a good foundation for classifying CSR into two categories: external and internal CSR (Farooq, Rupp & Farooq, 2017).

Primarily, CSR research focused the organizational level perspective, linking CSR with macro i.e., organizational level outcomes (Aguinis & Glavas, 2012). However, emerging stream of literature is acknowledging the importance of attitudinal and behavioral outcomes of employees resulting from perception of CSR of their employer towards various internal and external stakeholders (e.g., De Roeck, El Akremi & Swaen, 2016; Wang, Fu, Qiu Moore & Wang, 2017). This study is aimed at investigating the effect of employees' perception of their organization's CSR towards social and non-social stakeholders called external CSR perception on their choice of emotional labor strategy.

The studies of Glavas & Kelly, (2014) and Glavas, (2016) posits that the precise nature of link between CSR perceptions and employee attitudes and behaviors is still vastly anonymous due to the lack of exploration of relevant mediators or moderators. Additionally, recent micro-level CSR studies urged to investigate the effects of CSR perception on emotional labor by identifying the conditions under which CSR perceptions has an influence on employee's choice of emotional labor strategy (see Oh, Hwang & Kim, 2019; Khan, Du, Khan, Shahzad & Qalati, 2021).

Organizations that involved in philanthropic acts, often enjoys positive reputation holds by the eyewitnesses of the acts (i.e. external parties). Employees perception led by such reputation (i.e. perceived external prestige) (see Farooq, Rupp & Farooq, 2017), influence them to comply with emotional display rules of the through authentic emotional display (Mishra, Bhatnagar, D'Cruz, & Noronha, 2012).

Based on social identity theory, the study expects that positive perception of external prestige engendered through CSR perceptions influence employees to adopt authentic emotional labor (i.e., deep acting) over inauthentic (i.e., surface acting) to regulate their emotions at workplace. The current study is a novel contribution in the literature of CSR and emotional labor as it enlightens the grey area by investigating the effect of corporate social responsibility on emotional labor as well as well as provides mechanistic sophistication to explain the perceptions of CSR relationship with employees' emotional labor.

## 2. LITERATURE REVIEW

*Corporate Social Responsibility*

Corporate social responsibility (CSR) has become a strategic asset for organizations (Kim, Lee, Lee, & Kim, 2010). Higher expectations from stakeholder such as government, customers and even from investors regarding environmental and social issues increase demand for business organizations to respond to these higher expectations (Bertels & Peloza, 2008). CSR practices become important for the organization, almost all major organizations participate in CSR activities (Glavas, 2016).

CSR has mostly been studied as a unitary phenomenon in micro (i.e. individual level) CSR studies (Rupp, Shao, Thornton, & Skarlicki, 2013). As a result, research to date have focused on the importance of CSR perceptions in explaining diverse attitudes and behavioral patterns. This contradicts the studies that indicate employees do not see their organization's CSR operations in a single dimension, but rather as a collection ofactions aimed at multiple stakeholders (El Akremi et al., 2015). Employees are a separate and significant stakeholder group when it comes to describing the reasons and impacts of CSR (Aguilera, Rupp, Williams, & Ganapathi, 2007). They are one of the stakeholder groups that advocate for, engage in, and lead their employers' CSR initiatives (Rupp, Williams, & Aguilera, 2011).

The concern for the environment, community, consumers, and employees is the premise of most of the existing CSR frameworks (El Akremi, Gond, Swaen, De Roeck & Igalens, 2015; Turker, 2009); constitute internal and external stakeholders in organizational perspective (Werther Jr & Chandler, 2010). CSR activities are further classified as internal CSR and external CSR based on this stakeholder segmentation. Internal CSR activities are described as policies and actions implemented by a business to ensure the physical and psychological well-being of their most essential resource, the human resource (Brammer, Millington, & Rayton, 2007; Turker, 2009; Shen & Jiuhua Zhu, 2011); consists of actions such as human rights protection, health/safety regulations and diversity management, (Vuontisjärvi, 2006; Turker, 2009; Shen & Jiuhua Zhu, 2011).

On the other, external CSR is organization's responsibility towards all the outside stakeholders like society, environment, government, consumers, suppliers and others that establish organization as legitimate

and effects its prestige among external stakeholders (Carroll, 1979; Brammer et al., 2007). It consists actions of external welfare such as philanthropy, responsible marketing, environment and wildlife protection initiatives and volunteerism (Cornelius, Todres, Janjuha-Jivraj, Woods, & Wallace, 2008; Hameed, Riaz, Arain, & Farooq, 2016).

### *External CSR role in the choice of Deep Acting or Surface Acting*

The premises of the current study endorses the view that employees' choice of emotional labor strategy (either deep acting or surface acting) is majorly influenced by their perception of corporate social responsibility (Oh, Hwang & Kim, 2019). Considering the definition of Morris & Feldman (1996), emotional labor represents an individual directed effects of displaying emotion required and acknowledged by the organization; mainly done through the practice of two strategies; deep acting and surface acting. There is a great probability that employees might feel emotions divergent from organizational display rules. They engage themselves in emotional labor process to eliminate such divergence (Humphrey, Ashforth & Diefendorff, 2015). These emotions are different based on authenticity and reliability (Grandey, 2000).

The extent of previous literature pertaining to the issues of emotional labor is exploratory (see Gradney & Gabriel, 2015); only few studies can be found investigating the effects of organizational level (i.e., macro) variables on emotional labor (Pugh, Diefendorff, & Moran, 2013). This lack of attention raises plenty of question on the authenticity of the literature in terms of antecedents of emotional labor. The premise of this believe posits that it is not solely in the control of the employees to manage or regulate their emotions, organization also can assist them in regulating their emotion. However, this notion requires rigorous empirical testing and literature support (Oh, Hwang & Kim, 2019).

An emerging stream of emotional labor research sought to fill this gap in the existing literature. Corporate social responsibility (organizational level variable) is a fresh addition in the context of emotional labor. However, earlier studies investigating the effect of corporate social responsibility on emotional labor have provided the mixed results; urged to identify the more sophisticated mechanisms to explain CSR-emotional labor link (see Oh, Hwang & Kim, 2019; Khan et al., 2021). Hence, more studies are required to probe deep into the relationship. Employees prefer to work for firms whose strategies are seen to be ethical and to represent moral value (Aguilera, Rupp, Williams, & Ganapathi, 2007). Organizations that participate in CSR, are often admired by employees due to ethical value linked with it; motivates them to comply with the organizational expectations (Valentine & Fleischman, 2008). As a result of the above considerations, the following hypotheses are proposed:

H1: External CSR perception (ECSR) has potential to positively affect deep acting (DA) of employees at workplace.

H2: External CSR perception (ECSR) has potential to negatively affect surface acting (SA) of employees at workplace

### *External CSR as a potential contributor to Perceived External Prestige*

In the light of Smidts, Pruyn & Van Riel (2001) definition, perceived external prestige (often referred as organizational image) is an employee perception of the social status of his employing organization in the eyes of stakeholders outside the organization (Dutton, Dukerich, & Harquail, 1994). Social identity theory posits that individuals critically observes their self-worth and esteem. They strive hard to associate themselves with a social group that has the potential to enhance their public self and esteem (Tajfel & Turner, 1986).

External CSR initiatives as various initiatives towards external stakeholders reflects characteristics (highly regarded by society and other external stakeholders' groups); fuels employees' organization's external prestige perception positively (Farooq, Farooq & Jasimuddin, 2014). When organization initiates a CSR program, several recognizable cues assist employees to form their perception of organizational external prestige; affects their affective and emotional outcomes (see De Roeck, El Akremi, & Swaen, 2016; Wang et al., 2017). Therefore, based on above arguments, following hypothesis is proposed:

H3: External CSR perception (ECSR) has potential to positively affect perceived external prestige (PEP) of employees at workplace.

### *Mediating role of Perceived External Prestige*

Above mentioned study of Pugh, Diefendorff, & Moran, (2013) has already brought the attention towards the limitation of the literature on the relationship between organizational-level factors and emotional labor. In spite of the increasing focus on CSR effects on attitudinal and behavioral outcomes of the

employees, much is unclear about the mediating and intervening factors that transfers the effect of CSR on affective employee outcomes (Glavas, 2016; Aguinis & Glavas, 2017).

Pertaining to this limitation, few attempts has been made to the bridge CSR-emotional labor, brought researchers to a consensus point that CSR perception do not affect employees emotional labor choice in isolation. Several other factors are also responsible for this occurrence (see Oh, Hwang & Kim, 2019). Hence, more relevant mediators and moderators are required to effectively explain the subjected phenomenon (Oh, Hwang & Kim, 2019).

Previous literature is majorly of the opinion that perceived external prestige effects employees emotional labor (see Mishra, Bhatnagar, D'Cruz, & Noronha, 2012). Additionally, CSR literature has utilized perceived external prestige as mediator among CSR and plenty of employee level variables (De Roeck, El Akremi & Swaen, 2016; De Roeck & Maon, 2016; Farooq, Rupp & Farooq. 2017; Khan et al., 2021).

CSR activities as benevolent actions builds positive image and attraction of the organization for the society, and other external stakeholders as well as for internal stakeholders (i.e., employees) (De Roeck, Marique, Stinglhamber, & Swaen, 2014). In simple words, if employees observes that their organization is active participant of CSR, they frequently believe that their organization is prestigious in the view of the external parties compared to its counterparts (Farooq, Rupp & Farooq, 2017). This perception led their zeal to reflect positively on the image of the organization by complying the emotional display rules and norms at workplace (Oh, Hwang & Kim, 2019).

Hence, it can be believed that positive perception external prestige flourished through the philanthropic actions directed towards external stakeholders assists employees' choice of emotional labor strategy at workplace. Thus, it can be argued that external CSR perception influence employees to practice authentic emotional regulation (i.e., emotional labor) to attain and enhance positive employee outcomes. Compliance of the organizational display rules by adopting authentic emotional labor strategy is the byproduct of perceived external prestige (Mishra, Bhatnagar, D'Cruz, & Noronha, 2012). Therefore, based on above arguments, following hypotheses are proposed:

H4: Perceived external prestige (PEP) is a positive mediator among employees' perception of external CSR (ECSR) and their choice of deep acing (DA).

H5: Perceived external prestige (PEP) is a negative mediator among employees' perception of external CSR (ECSR) and their choice of surface acing (SA).

**Figure 1:** Study Framework
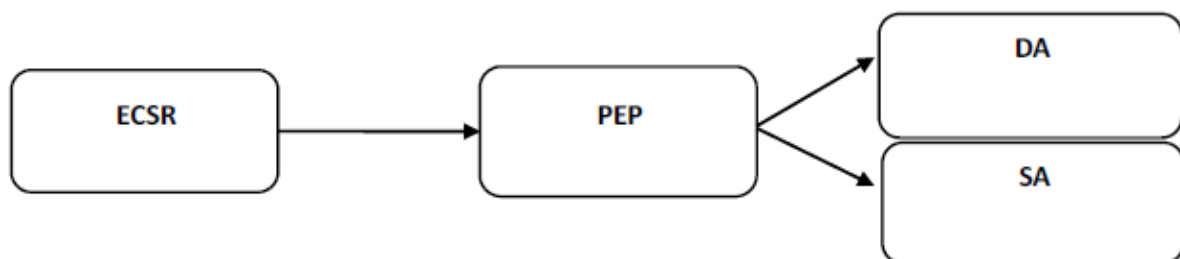


## 3. RESEARCH METHODOLOGY

*Sampling and Data Collection Procedure*

Data for the study was collected from the front service banking employees in Pakistan. The reason for selecting the said sector; is its gigantic growth and involvement of capital-intensive private sector (Akhtar, Naheed, Akhtar & Farooq, 2018). The extent of customer interaction is high compared to other service organization; makes banking sector employees' most appropriate respondent for a study that stands on a viewpoint of regulating emotions at workplace. Therefore, the study focused on the front-line service employees and excluded all the other employees. The data was collected through self-administered questionnaires.

To reduce the common method bias following Gurlek & Ugyur, (2021) recommendations, the data was gathered by accommodating the variables in two different questionnaires. In the first questionnaire, employees' awareness about and perception of CSR was measured. The data related to perceived external prestige and emotional labor was collected in the second questionnaire after two months of the collection of

CSR data. The researcher's strategy of having a two month interval between first and second questionnaire collection was aimed reduce the common method bias, as employees cannot refer previous responses and relate them with the current responses a time lag (Hu & Bentler, 1999).

The sample size was calculated using Sekaran and Bougie (2010) formula suggested that the sample size equal or greater than 384 is appropriate for a population above 50000 (p. 294). For the purpose of data collection, 550 questionnaires were distributed among the banking sector employees using the simple random sampling. 442 questionnaires returned, out of which 389 questionnaires were found appropriately filled and selected for further analysis. The gender ratio of respondents were 61% males and 39% females. Furthermore, average age and experience was 31 years and 4 years respectively.

### *Measurement*

To counter the potential social desirability bias, every questionnaire was accompanied by a cover letter to provide respondents a brief introduction of the purpose of the study/data collection. The confidentiality and anonymity of the respondents was also addressed in the text of the cover letter. All the measures of the study were adopted from the previous literature. The assessment scale was 5-point likert scale ranging 1 "strongly disagree" to 5 "strongly agree".

Turker, (2009) 7 item scale further adapted by Farooq, Farooq & Jasimuddin (2014), was adopted to measure external corporate social responsibility perception of the employees. The sample item was "My company implements special programs to minimize its negative impact on the natural environment". For the measurement of perceived external prestige, Riordan, Gatewood, & Bill, (1997), 6-item was adopted. The sample item was "Generally I think my company has a good reputation in the community". For the measurement of deep acting, Diefendorff, Croyle, & Gosserand, (2005), 4-item scale was adopted. The sample item was "I make an effort to actually feel the emotions that I need to display towards others". Lastly, to measure of surface acting, Diefendorff, Croyle, & Gosserand, (2005), 7-item scale was adopted. The sample item was "I just pretend to have the emotions I need to display for my job".

## 4. ANALYSIS AND RESULTS

### *Reliability and Validity*

Confirmatory factor analysis (CFA) is the adopted technique for the measurement of reliability and validity of the current study model. In the first stage item reliability was measured using 0.6 as threshold value for the purpose of inclusion or exclusion of items (Hair, Black, Babin, Anderson, & Tatham, 2006). All the items were found acceptable on this criterion. In the second stage, Cronbach alpha values were assessed to ensure the reliability of constructs. Table 1 reveals that Cronbach alpha for all the measures were found above 0.7 criterion, ensures the reliability of all constructs (Hair et al., 2006).

Lastly, convergent validity analysis was performed using two methods. In the first method, average variance extracted was calculated and all the values of AVE were found above 0.5 criterion (Hair et al., 2006). In the second methods, heterotrait-monotrait (HTMT) ratio was developed. According to Henseler, Ringle, & Sarstedt (2015) the value of HTMT ratio must be under 1.00. Following Table 1 shows that the values of HTMT are within the criterion, re-ensure the discriminant validity.

### *Common Method Bias*

Common method is an error usually caused due to the measurement method. There are several ways to assess common method bias; out of which the widely used is Herman Single Factor Test (Gürlek, & Uygur, 2021). Therefore, Herman single factor test through confirmatory factor analysis is utilized in the present study counter potential for common method bias. The value of single factor accounted for 29.71% of the variance. The results are in accordance to Podsakoff, MacKenzie, Lee, & Podsakoff, (2003), as the single factor just explained the variance less than 30%; ensures that method effects are insignificant and common method bias does not exist. This fulfills the condition of statistical fitness for the study model to apply structure equation modeling (SEM) for testing of hypotheses.

**Table 1:** Measurement Model Statistics (Reliability, Convergent and Discriminant Validity)

| Variables | Mean (SD) | AVE | α | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|
| DA | 3.32(0.98) | 0.689 | 0.945 | 0.000 | | | |
| ECSR | 3.41(1.02) | 0.760 | 0.925 | 0.782 | 0.000 | | |
| PEP | 3.48(0.87) | 0.858 | 0.937 | 0.792 | 0.888 | 0.000 | |
| SA | 2.79(0.91) | 0.692 | 0.934 | 0.362 | 0.531 | 0.354 | 0.000 |

*Testing of Hypotheses*

The hypotheses of the study are tested using structure equation modeling technique in smart PLS. The results were analyzed in two phases. In the first phase, the direct relationship between variables understudy were analyzed. The Table 2 and 3 presents structural equation modeling results of direct and indirect relationships. The hypothesis no 1 was proposed to investigate the direct effects of ECSR on deep acting. As per the premise of the proposal, ECSR was expected to affect deep acting positively. The hypothesis significantly supported by the results as ECSR found to positively affect deep acting.

Hypothesis no 2 was proposed to investigate the direct effects of ECSR on surface acting. As per the premise of the proposal, ECSR was expected to affect surface acting negatively. The hypothesis was not supported by the results as ECSR found to positively affect surface acting. The results of Hypotheses 1 and 2 are partially in line with Oh, Hwang, & Kim, (2019) study that revealed the positive effects of CSR on deep acting and negative effects on surface acting. The results are in contradiction with Khan et al., (2021), which found no direct connection between employees' perception of ECSR and both emotional labor strategies.

The hypothesis no 3 was proposed to investigate the association between ECSR and employees perceived external prestige. In the premise of this proposal, ECSR was expected to positively contribute to the employeesperceived external prestige at workplace. The results showed consensus with the proposal as positive contribution of ECSR was found on employees perceived external prestige. The results are consistent with the perspective of previous literature (e.g., Kim et al., 2010; De Roeck, Al Akremi, & Swaen, 2016; Khan et al., 2021).

**Table 2:** Direct and Indirect Relationship between ECSR and Deep Acting

| Variables | PEP | Deep Acting | | | |
|---|---|---|---|---|---|
| N=389 | Direct | Direct Effect | Indirect Effect | | Decision |
| | | | Specific | Total | |
| ECSR | 0.829*** | 0.361*** | 0.372*** | 0.372*** | Partial Mediation |
| PEP | | 0.449*** | | | |

Notes: Reported values are regression weights. Perceived External Prestige (Mediator), Deep Acting (Dependent). Significance at ***p<0.001

**Table 3**: Direct and Indirect Relationship between ECSR and Surface Acting

| Variables | PEP | Surface Acting | | | |
|---|---|---|---|---|---|
| N=389 | Direct | Direct Effect | Indirect Effect | | Decision |
| | | | Specific | Total | |
| ECSR | 0.829*** | 0.729*** | -0.143** | -0.143** | Full Mediation |
| PEP | | -0.173** | | | |

Notes: Reported values are regression weights. Perceived External Prestige (Mediator), Surface Acting (Dependent). Significance at ***$p<0.001$, **$p<0.01$.

In the second phase, mediating role of perceived external prestige was investigated to identify the variance in relationship between ECSR and emotional labor of employees caused by perceived external prestige. Hypothesis no 4 was proposed to investigate the mediation of perceived external prestige among ECSR and deep acting. As per the premise of this proposal, perceived external prestige was expected to positively mediate the relationship. The results authenticated the proposal as positive partial mediation of perceived external prestige was found in the relationship between external CSR and deep acting. The results are found partially in consensus with Khan et al., (2021), as perceived external prestige partially mediated the relationship among understudy variables.

Hypothesis no 5 was proposed to investigate the mediation of perceived external prestige among ECSR and surface acting. As per the premise of this proposal, perceived external prestige was expected to negatively mediate the relationship. The results accepted the hypothesis no 5 as negative indirect effect of perceived external prestige was found between ECSR and surface acting. The results are found fully in consensus with Khan et al., (2021) as perceived external prestige partially mediated the relationship among understudy variables. Conclusively, all the proposed relationship were found significant; validates the existence of mediation of perceived external prestige among external CSR and emotional labor of employees.

## 5. DISCUSSION

The psychological states and perceptions developed at workplace are critical in shaping the attitudes and behaviors of the employees (Ashforth, Harrison, & Corley, 2008; Haslam & Ellemers, 2005). Based on the results, the study concludes that perceived external prestige engendered through the external CSR perception influence employees to adopt deep acting over surface acting to regulate their emotions. The results suggest that external CSR of employers develop affective psychological states in terms of positive external prestige perception which led employees to attach themself positively with the organization by regulating their emotion using authentic emotional labor strategy in the favor of organization (i.e., deep acting).

The study was aimed to penetrate in to an emerging and debated research agenda by investigating the favorable effects on employees' emotional labor in the presence of external CSR. Additionally, emotional labor and associated issues becomes more critical in service sector organizations where direct customers interaction is at the highest. Corresponding, Pakistani banking sector is among the main segments of services sector and among major contributor in CSR activities across country (Sharif, & Rashid, 2014). Hence, this study focused the highly relevant sector because the emotions reflect by the employees during customer interaction greatly affects customers response (Anwar et al., 2019).

The previous literature has majorly maintained that the mechanism CSR activities effects employees' attitudes and behaviors is unclear (Glavas, 2016; Aguinis & Glavas, 2017; Oh, Hwang, & Kim, 2019). The study using social identity theory tested a novel mechanism in the premise of banking sector of Pakistan. By exploring the mechanism, the study explained that importance of external CSR perception for employees to regulate their emotions while interacting with the customers. Furthermore, the study demonstrated that external CSR perception augment the use of deep acting and deject the use of surface acting among employees working in banking sector of Pakistan. The disclosure of this intervening process clarifies the relationship between CSR and employees' emotional labor as well as how underlying mechanism will aid in the successful administration of CSR initiatives.

## 6. CONCLUSION

The emergence of service economies has increased the relevance and importance customer management. The most important players for this management are the frontline employees of the organization who have direct interaction with customers. Their reflected emotions and behaviors during customers interaction has the capacity to influence customers decision towards the offering of the organization. The results of the study explains that perception of CSR accompanied with perceived external prestige encourage employees to regulate their emotions through deep acting and avoid surface acting. The organizations need to focus not only on CSR activities, but also to reflect their good deeds on employees to assist their perception building process and management of emotions at work. Though, it is a great challenge influencing employees to use authentic emotions by practicing deep acting over surface acting; solid commitment of organization can do the wonders.

Implications for the Literature

The previous literature has not widely investigated the organizational factors effects on emotional labor (see Pugh, Diefendorff, & Moran, 2013). The study engaged the emerging organizational level variable (i.e., CSR) to investigate its effect on the choice of emotional labor strategy (i.e., deep acting and surface acting). Furthermore, mixed results on effects of CSR perception on emotional labor, desired the mechanistic sophistication. This study explained the CSR-emotional labor link using mediated model.

The study authenticated the claim of previous literature that CSR perceptions reflects positively on affective outcomes of the employees (e.g., De Roeck and Maon, 2016; Oh, Hwang, & Kim, 2019). The mediation of perceived external prestige also enhanced the viability of the study (Khan et al., 2021). The findings support the assumptions of the study that perceived external prestige engendered through external CSR perception do both encourages the deep acting and discourage the surface acting. Hence, this study is a new direction for management researchers by proving the fact that external CSR perception and external prestige perception both impacts the affective states of employees to help them performance exceptionally at workplace.

*Practical Implications*

The study tickled the area of research often neglected in the context of Pakistan. The results are relevant in the context as the increased share of service sector is one way or the other is tied with the economic development of the country. However, studies probing into such critical issue are very few in the context of Pakistan. The study is very important for the policy makers and practitioners of the field who are deeply concerned with the increasing stress level among the employees of banking sector (Ehsan & Ali, 2019). The findings provide novel insights as perspective of many banking organizations is included in the study.

The frontline services employees have different work streams and extent of customer interaction, however they collectively influence the organizational performance. Since regulation of emotion has implications on customers service quality perception (Bolton, 2005), intervention of organizations is much needed to assist employees the way to manage their emotions at workplace. The current study endorsed one such way. The study proved that external CSR perception of employees can be used as trigger to engender employee perception of positive external prestige of their organization, which in turn increase their authentic and effective emotional response towards customers.

*Directions for Upcoming Researchers*

Nothing in this world is free of limitations, so as the study in hand. First, cross sectional method of data collection was used, which to some extent limits researcher's ability to draw strong inferences regarding variables understudy. However, following Podsakoff, MacKenzie, Lee, & Podsakoff, (2003) recommendations, various remedies were used to minimize the common method bias. Secondly, the nature of data is self-reported, which may increase the risk of social desirability bias. However, potential measure has been taken to control the probability of abovementioned such as "anonymity of information".

The drawn mechanism is limited to emotional labor; however, it will be interesting to see the consequences of emotional labor engendered through external CSR via perceived external prestige in terms affective employee outcomes such as organizational identification, effective organizational commitment, and job satisfaction, to make studies more sophisticated and comprehensive. Moreover, future researchers might search for some novel variables of social exchange (i.e., perceived organizational support, supervisor support, coworker support) to build a comprehensive model using social identity and social exchange theory.

**Conflicts of interest:**

The authors declare no conflict of interest.

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