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From Sustainability Commitments to Public Service Performance: How Local Government Employees Internalize CSR and Triple Bottom Line Alignment

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Abstract

This study examined how Corporate Social Responsibility (CSR) and Triple Bottom Line (TBL) organizational alignment is internalized by employees and translated into performance within Local Government Units (LGUs) in Region VIII, Philippines. It tested the direct, mediating, sequential-mediating, parallel-mediating, and moderating relationships among CSR-TBL Organizational Alignment, Psychological Contract Fulfillment, Organizational Commitment, Employee Engagement, Psychological Capital, Task Performance, Organizational Citizenship Behavior, Public Service Motivation, and Organizational Budget Adequacy. An exploratory quantitative design was employed involving 319 LGU employees selected through convenience sampling. Data were collected using a structured, validated, and context-adapted questionnaire administered in printed and digital formats and analyzed through frequency counts, percentages, weighted means, and Partial Least Squares Structural Equation Modeling (PLS-SEM) using WarpPLS. Respondents reported favorable perceptions across all constructs, with Public Service Motivation and CSR-TBL Organizational Alignment rated highest and Employee Engagement lowest but still favorable. The measurement model demonstrated acceptable reliability, convergent validity, and discriminant validity, while the structural model showed medium overall adequacy but uneven explanatory and predictive performance. Of the twelve hypotheses, only the joint mediation of Organizational Commitment and Employee Engagement between Psychological Contract Fulfillment and Task Performance was supported (indirect $\beta = 0.087$, $p = 0.001$). The findings indicate that formal CSR-TBL alignment, motivation, and budget adequacy do not automatically improve employee performance; credible fulfillment of organizational commitments must operate through employee attachment and engagement. An Employee-Centered Sustainability and Service Enhancement Framework for LGUs is proposed.

Keywords

CSR-TBL Alignment, Psychological Contract Fulfillment, Organizational Commitment, Employee Engagement, Local Government Performance

1. Introduction

In a globally interconnected environment increasingly shaped by sustainability challenges and stakeholder expectations, Corporate Social Responsibility (CSR) and the Triple Bottom Line (TBL) framework have emerged as critical paradigms for organizational transformation across industries and sectors. Originating in the private sector, where they have become key components of strategic decision-making (Malechwanzi, 2025), CSR-TBL principles now influence governmental agendas, particularly in the pursuit of the Sustainable Development Goals. However, the effective integration of CSR-TBL into local government operations, where public service efficiency, citizen satisfaction, and resource constraints intersect, remains an underexplored area (Chienwattanasook & Wahawisan, 2026).

In this study, CSR-TBL Organizational Alignment is defined, in the LGU context, as the degree to which employees perceive that their LGU's vision, plans, programs, and day-to-day administrative practices deliberately integrate the social, environmental, and economic (triple bottom line) dimensions of responsible governance. This definition distinguishes statutory public-service obligations—the mandated functions, basic services, and facilities that LGUs are legally required to deliver under the Local Government Code of 1991 (Republic Act No. 7160) and related national issuances—from discretionary sustainability and social-responsibility commitments, which are voluntary initiatives that go beyond legal compliance, such as environmental stewardship programs, governance and transparency measures exceeding minimum requirements, stakeholder engagement mechanisms, and community welfare initiatives. As measured here, CSR-TBL Organizational Alignment therefore captures employees' perceptions of the extent to which these discretionary commitments are authentically embedded in, and consistent with, the LGU's statutory mandates and routine operations.

Public sector organizations face distinctive challenges in embedding CSR-TBL into their systems and processes. These institutions often operate in hierarchical and resource-constrained environments where budget limitations and institutional inertia can inhibit authentic implementation of sustainability initiatives (Dinariyanti & Iramani, 2026). Unlike the private sector, where CSR is often framed as a strategic advantage, in public service organizations CSR-TBL principles must align with public service values such as equity, accountability, and societal welfare. Without understanding the mechanisms through which CSR-TBL influences employee behaviors, public organizations risk implementing initiatives that remain performative rather than transformative, with potential declines in morale, citizen trust, and service delivery (Choirina & Rachmawati, 2025; Malechwanzi, 2025).

While extensive research has explored CSR-TBL in corporate environments, a striking gap remains in understanding how these principles are internalized by employees in public institutions, particularly in Local Government Units (LGUs). This gap is especially critical in the Philippine context, where LGUs serve as the frontlines of public service delivery and implement national policies and development programs amid urbanization, climate vulnerability, and social inequality. At the heart of CSR-TBL success lies the micro-level engagement of employees. Existing studies suggest that organizational commitment and employee engagement play pivotal roles in driving performance, yet they have not adequately addressed how CSR-TBL alignment affects these mediators in public governance (Chienwattanasook & Wahawisan, 2026; Osei et al., 2024). The fulfillment of the psychological contract, the implicit set of shared organizational-employee obligations, is particularly critical in enhancing commitment and engagement (Choirina & Rachmawati, 2025).

Accordingly, this study developed and tested a theoretical model explaining how CSR-TBL organizational alignment is internalized by employees and translated into performance within LGUs in Region VIII, Philippines, as a basis for an Employee-Centered Sustainability and Service Enhancement Framework. Specifically, it (1) described the demographic profile of LGU employees; (2) measured perceptions of nine constructs, namely CSR-TBL Organizational Alignment, Psychological Contract Fulfillment, Organizational Commitment, Employee (Work) Engagement, Psychological Capital, Task Performance, CSR-Related Organizational Citizenship Behavior, Public Service Motivation, and Organizational Budget Adequacy; (3) evaluated the reliability and validity of the measurement model; (4) assessed the structural model; and (5) tested twelve hypothesized direct, mediating, sequential-mediating, parallel-mediating, and moderating relationships using Partial Least Squares Structural Equation Modeling (PLS-SEM), a method validated as suitable for complex public-sector models (Mohamad Yusof et al., 2025).

2. Literature Review and Hypothesis Development

2.1. Theoretical Background

Despite growing organizational adoption of CSR and TBL initiatives, a critical theoretical and empirical gap persists regarding how these organizational strategies translate into employee behavioral change and organizational outcomes in public service contexts. While organizations formally articulate CSR-TBL commitments encompassing social, environmental, and economic sustainability, the psychological and behavioral mechanisms through which individual employees perceive, internalize, and act upon these values remain inadequately theorized and tested in local government settings (Abdi et al., 2024). This microfoundations gap is significant because the actual implementation of CSR-TBL initiatives, and consequently their impact on service quality and citizen satisfaction, fundamentally depends on employee-level cognition, motivation, and behavioral responses (Chienwattanasook & Wahawisan, 2026).

The study integrated several complementary theoretical perspectives. Social Exchange Theory and Psychological Contract Theory explain how employees reciprocate credible organizational fulfillment of obligations with attachment and discretionary effort (Choirina & Rachmawati, 2025). Social Identity Theory suggests that alignment with ethical and sustainability-oriented values strengthens identification and commitment (Nejati & Shafaei, 2023; Faliza et al., 2023). The Job Demands-Resources perspective and engagement research link organizational resources and meaningful work to vigor, dedication, and absorption (Low & Spong, 2021; Ullah & Rashid, 2025), while Psychological Capital theory positions self-efficacy, hope, resilience, and optimism as personal capacities through which CSR perceptions influence outcomes (Al-Ghazali et al., 2021; Almasradi, Sarwar, & Droup, 2024; Cachón-Rodríguez et al., 2025). Public Service Motivation theory and resource-based considerations such as budget adequacy provide contextual conditions specific to government organizations (Osei et al., 2024; Ramadian et al., 2025). Prior TBL research further establishes the organizational-strategy pathway that this study extends to the employee level (Masud et al., 2019; Kwarteng et al., 2016; Asiaei et al., 2021; Ma et al., 2021).

2.2. Hypotheses

Drawing on these perspectives, twelve hypotheses were formulated. H1-H3 proposed that CSR-TBL organizational alignment has significant positive direct effects on organizational commitment (H1), employee engagement (H2), and psychological capital (H3). H4-H6 proposed that psychological contract fulfillment mediates the positive relationships between CSR-TBL alignment and organizational commitment (H4), employee engagement (H5), and psychological capital (H6). H7 proposed that organizational commitment mediates the relationship between employee engagement and task performance, and H8 that organizational commitment mediates the relationship between psychological capital and organizational citizenship behavior. H9 proposed that engagement and commitment sequentially mediate the relationship between CSR-TBL alignment and task performance. H10 proposed that organizational commitment and employee engagement function as parallel mediators between psychological contract fulfillment and task performance. Because the structural model also specifies a path from employee engagement to organizational commitment (H7 and H9), these two mediators are causally ordered within the full model; H10 therefore refers to the joint operation of the specific indirect pathways transmitted through each mediator, rather than to strictly independent parallel mediation. Finally, H11 proposed that public service motivation moderates the CSR-TBL alignment-commitment relationship, and H12 that organizational budget adequacy moderates the CSR-TBL alignment-psychological capital relationship. All hypotheses were tested at the 0.05 level of significance.

3. Methodology

3.1. Research Design

The study employed an exploratory quantitative research design to investigate employees' perceptions of CSR-TBL integration and their relationships with organizational commitment, engagement, psychological capital, and performance within LGUs (Masud et al., 2019; Wu & Amoasi, 2023; Al-Ghazali et al., 2021). Given the relatively underexplored nature of combining CSR-TBL constructs with employee-centered outcomes in the public sector, the exploratory approach enabled the examination of complex interrelationships and the refinement of theoretical linkages within the proposed model (Nguyễn et al., 2024; Cachón-Rodríguez et al., 2025). PLS-SEM was adopted because it is well suited for analyzing complex frameworks with mediation and moderation effects in service and public-sector contexts (Almasradi, Sarwar, & Droup, 2024; Mohamad Yusof et al., 2025).

3.2. Respondents and Sampling

The respondents were 319 employees of LGUs across Region VIII (Eastern Visayas), Philippines, drawn from multiple organizational levels, departments, and service areas (Wang et al., 2020; Kasım et al., 2023). A convenience sampling method was employed to recruit participants who were available and willing to participate during the data collection period (Low & Spong, 2021; Nejati & Shafaei, 2023). The minimum sample size was determined using G*Power with an effect size of 0.15, a significance level of 0.05, and a power of 0.95, yielding a target of approximately 200 participants plus a 20% buffer; the achieved sample of 319 exceeded this requirement (Faliza et al., 2023; Basavaraj & Sreelakshmi, 2020). By administrative jurisdiction, respondents were assigned in Leyte (38%), Samar/Western Samar (20%), Eastern Samar (13%), Southern Leyte (13%), Northern Samar (10%), Biliran (5%), and other districts (1%).

The sampling frame comprised the 136 municipal LGUs across the six provinces of Region VIII (Eastern Visayas), which were formally approached through their local chief executives and administrators; employees of the municipalities that granted authorization, covering all six provinces, participated in the study. Eligible participants were LGU personnel aged 18 years and above holding permanent (plantilla), casual, contractual, or job-order appointments, who had rendered at least six months of continuous service in their current LGU and were directly involved in administrative, technical, or frontline service functions; elected officials were excluded. Respondents were recruited through the human resource management offices of the participating LGUs, which disseminated the printed questionnaires and the digital survey link following the orientation sessions described in Section 3.4. Of the 350 questionnaires distributed, 319 valid questionnaires were retained after the data-cleansing procedures described in Section 3.5, yielding a usable response rate of 91.1%.

3.3. Instrument

A structured questionnaire measured the nine constructs of the model through dimension-specific and global items adapted from validated scales and contextualized to LGUs: CSR-TBL Organizational Alignment (governance and ethics, stakeholder engagement, environmental responsibility, and social responsibility); Psychological Contract Fulfillment (authenticity, transparency, resource commitment, and stakeholder respect); Organizational Commitment (emotional attachment, value identification, willingness to contribute, and retention); Work Engagement (vigor, dedication, and absorption); Psychological Capital (self-efficacy, hope, resilience, and optimism); Task Performance (role execution, quality achievement, and service delivery); CSR-Related Organizational Citizenship Behavior (advocacy, sustainability participation, community service orientation, and ethical citizenship); Public Service Motivation; and Organizational Budget Adequacy. Items were rated on a five-point Likert scale.

The construct measures were adapted from established, previously validated instruments: CSR-TBL Organizational Alignment items were adapted from employee-focused CSR perception scales (Wang et al., 2020) and TBL operationalizations (Masud et al., 2019); Psychological Contract Fulfillment items were adapted from psychological contract measures applied in public-sector engagement research (Choirina & Rachmawati, 2025); Organizational Commitment items drew on the affective commitment tradition of Meyer and Allen (1991); Work Engagement items were adapted from the Utrecht Work Engagement Scale (Schaufeli, Bakker, & Salanova, 2006); Psychological Capital items were adapted from the Psychological Capital Questionnaire (Luthans, Youssef, & Avolio, 2007); Task Performance items were adapted from the Individual Work Performance Questionnaire (Koopmans et al., 2013); CSR-related Organizational Citizenship Behavior items followed established OCB operationalizations (Organ, 1988); and Public Service Motivation items were adapted from Perry's (1996) scale. Adaptation followed a structured process: items were reworded to reflect LGU terminology, mandates, and service contexts; the draft instrument was reviewed for content and face validity by a panel of experts in public administration, human resource management, and research methodology; and it was pilot-tested with 30 LGU employees who were excluded from the final sample, with all scales attaining pilot Cronbach's alpha coefficients above 0.70. The instrument was administered in English, the official working language of Philippine LGUs, with orientation sessions clarifying terminology. During measurement-model purification, items were retained if they exhibited indicator loadings of at least 0.70, contributed to construct AVE of at least 0.50, and showed no substantive cross-loadings, reducing the initial pool of 158 items to the 40 indicators reported in **Table 1**.

All nine constructs were specified as first-order reflective measurement models, consistent with their conceptualization as latent perceptions reflected in, rather than formed by, their indicators (Hair, Risher, Sarstedt, & Ringle, 2019; Sarstedt, Hair, Cheah, Becker, & Ringle, 2019). Although CSR-TBL Organizational Alignment is conceptually multidimensional (governance and ethics, stakeholder engagement, environmental responsibility, and social responsibility), it was not estimated as a higher-order construct; following item purification, it was modeled as a unidimensional reflective construct whose retained indicators (CSR11-CSR15) capture employees' overall perception of alignment across these dimensions. The reflective specification is appropriate because the indicators are expected to covary as manifestations of a common underlying perception, the removal of an indicator does not alter the conceptual domain of the construct, and the constructs satisfy the internal-consistency and convergent-validity criteria associated with reflective measurement reported in **Table 1** (Hair et al., 2019). The same reasoning applies to the remaining multidimensional constructs, whose retained indicators function as reflective manifestations of the overall construct rather than as defining components of it.

3.4. Data Collection and Ethical Considerations

A formal transmittal letter was addressed to regional directors and LGU executives to secure authorization, followed by orientation sessions with participating employees and administrators. Participation was voluntary; respondents were informed of the confidentiality of their responses and of their right to withdraw at any time, and written informed consent was obtained prior to participation. Data collection occurred over a three-week period using both printed questionnaires for geographically remote offices and digital forms for offices with reliable connectivity. Completed instruments were reviewed for completeness, anonymized, and coded before analysis.

3.5. Data Analysis

Responses underwent a rigorous cleansing procedure covering completeness checks, sincerity screening through reverse-scored items and low-variability flags, duplicate removal, logical-consistency checks, and outlier examination. Frequency counts and percentages described the respondents, and weighted means summarized construct perceptions. PLS-SEM using WarpPLS assessed the measurement model (indicator loadings, Cronbach's alpha, composite reliability, Average Variance Extracted, the Fornell-Larcker criterion, and the Heterotrait-Monotrait ratio) and the structural model (model fit and quality indices, R^2, full collinearity VIF, Q^2, effect sizes, and bootstrapped confidence intervals), consistent with recommended PLS-SEM reporting practice (Henseler et al., 2014; Ringle et al., 2018).

4. Results

4.1. Respondent Profile

Females constituted 53% of the respondents, and the largest age group was 30 - 39 years old (43%). Nearly half held a bachelor's degree (47%), while the largest government-service group had served for one to three years (25%) and the largest current-LGU tenure group had less than one year of service (30%). Most respondents held permanent or civil service appointments (79%), and specialist or professional employees in non-supervisory positions formed the largest organizational-level group (34%). Administration and finance was the most represented service area (25%), followed by community development (22%). The largest LGU-size categories were organizations with 101 - 250 employees (30%) and 251 - 500 employees (29%), and most respondents were assigned in rural areas (58%).

4.2. Descriptive Results

Respondents reported favorable perceptions across all nine constructs. CSR-TBL Organizational Alignment was rated Strongly Agree (M = 4.35, SD = 0.78), with its dimensions ranging from 4.29 to 4.43. Psychological Contract Fulfillment (M = 4.12, SD = 0.88) and Organizational Commitment (M = 4.12, SD = 0.85) were rated Agree. Employee Engagement received the lowest construct mean but remained favorable (M = 4.00, SD = 0.92), with vigor at 4.13, dedication at 3.91, and absorption at 3.81. Psychological Capital was rated Agree (M = 4.18, SD = 0.78). Task Performance (M = 4.17), Organizational Citizenship Behavior (M = 4.15), Public Service Motivation (M = 4.36), and Organizational Budget Adequacy (M = 4.27) were likewise favorably perceived, with Public Service Motivation emerging as the highest construct-level mean.

4.3. Measurement Model

Table 1 presents the indicator loadings, reliability, and convergent-validity results after item purification. The 40 retained indicators produced loadings from 0.701 to 0.884. Cronbach's alpha ranged from 0.710 to 0.913, composite reliability from 0.763 to 0.935, and AVE from 0.518 to 0.742, satisfying the conventional thresholds for indicator reliability, internal consistency, and convergent validity (Henseler et al., 2014; Ringle et al., 2018).

Table 1. Indicator loadings, reliability, and convergent validity.

Construct	Retained Items (Loadings)	α	CR	AVE
CSR-TBL Organizational Alignment (CSR)	CSR11 (0.798), CSR12 (0.778), CSR13 (0.799), CSR14 (0.761), CSR15 (0.741)	0.834	0.883	0.602
Psychological Contract Fulfillment (PCF)	PCF13 (0.748), PCF14 (0.762), PCF16 (0.760), PCF17 (0.789), PCF19 (0.750)	0.819	0.874	0.581
Organizational Commitment (OC)	OC4 (0.801), OC7 (0.847), OC8 (0.840), OC9 (0.838), OC10 (0.864)	0.894	0.922	0.703
Employee Engagement (EE)	EE9 (0.856), EE10 (0.854), EE11 (0.884), EE13 (0.847), EE14 (0.866)	0.913	0.935	0.742
Psychological Capital (PsyCap)	PsyCap4 (0.735), PsyCap8 (0.752), PsyCap9 (0.705), PsyCap10 (0.769)	0.725	0.829	0.548

Continued

Task Performance (TP)	TP3 (0.713), TP5 (0.701), TP11 (0.754), TP13 (0.732), TP14 (0.737)	0.778	0.849	0.530
Organizational Citizenship Behavior (OCB)	OCB6 (0.741), OCB7 (0.772), OCB8 (0.750), OCB9 (0.744), OCB14 (0.724)	0.801	0.863	0.557
Public Service Motivation (PSM)	PSM1 (0.728), PSM2 (0.728), PSM5 (0.704)	0.735	0.763	0.518
Organizational Budget Adequacy (OBA)	OBA3 (0.805), OBA4 (0.784), OBA5 (0.797)	0.710	0.838	0.633

Table 2 presents the Fornell-Larcker results. The square roots of AVE on the diagonal (0.720 to 0.861) exceeded all corresponding inter-construct correlations; the largest off-diagonal correlation was 0.696 between Organizational Commitment and Employee Engagement. Table 3 presents the HTMT ratios, which ranged from 0.050 to 0.770 and remained below the 0.90 criterion, with the highest ratio between Organizational Commitment and Employee Engagement. Both criteria therefore supported the discriminant validity of the nine constructs.

Table 2. Discriminant validity using the Fornell-Larcker criterion (square roots of AVE on the diagonal).

Construct	1	2	3	4	5	6	7	8	9
1. CSR	(0.776)	0.116	0.050	0.002	0.004	0.032	0.054	0.049	0.015
2. PCF	0.116	(0.762)	0.145	0.267	0.195	0.140	0.136	−0.105	0.076
3. OC	0.050	0.145	(0.838)	0.696	0.212	0.173	0.237	0.078	0.008
4. EE	0.002	0.267	0.696	(0.861)	0.274	0.291	0.301	0.041	0.053
5. PsyCap	0.004	0.195	0.212	0.274	(0.740)	0.518	0.160	0.086	0.049
6. TP	0.032	0.140	0.173	0.291	0.518	(0.728)	0.230	0.126	0.080
7. OCB	0.054	0.136	0.237	0.301	0.160	0.230	(0.746)	0.031	0.045
8. PSM	0.049	−0.105	0.078	0.041	0.086	0.126	0.031	(0.720)	0.353
9. OBA	0.015	0.076	0.008	0.053	0.049	0.080	0.045	0.353	(0.795)

Table 3. Discriminant validity using the HTMT ratio of correlations.

Construct	1	2	3	4	5	6	7	8
2. PCF	0.137							
3. OC	0.080	0.170						
4. EE	0.065	0.310	0.770					
5. PsyCap	0.105	0.256	0.267	0.339				
6. TP	0.080	0.180	0.215	0.348	0.693			
7. OCB	0.092	0.173	0.279	0.352	0.212	0.292		
8. PSM	0.126	0.197	0.138	0.141	0.165	0.225	0.096	
9. OBA	0.077	0.100	0.050	0.077	0.099	0.111	0.088	0.579

4.4. Structural Model

Table 4 presents the model-fit and quality indices. The Average Path Coefficient (0.124, $p = 0.002$) and Average R-Squared (0.130, $p < 0.001$) were significant, collinearity indices remained well below their limits, and the Tenenhaus goodness-of-fit of 0.279 indicated medium overall model adequacy. The causality-quality ratios satisfied their respective minimum criteria.

Table 4. Model fit and quality indices.

Index	Value	Criterion
Average Path Coefficient (APC)	0.124, $p = 0.002$	$p < 0.05$
Average R-Squared (ARS)	0.130, $p < 0.001$	$p < 0.05$
Average Adjusted R-Squared (AARS)	0.121	Higher values indicate stronger explanation
Average Block VIF (AVIF)	1.153	≤5, ideally ≤ 3.3
Average Full Collinearity VIF (AFVIF)	1.421	≤5, ideally ≤ 3.3
Tenenhaus GoF	0.279	Small ≥ 0.10; medium ≥ 0.25; large ≥ 0.36
Sympson's Paradox Ratio (SPR)	0.737	≥0.70, ideally = 1.00
R-Squared Contribution Ratio (RSCR)	0.980	≥0.90, ideally = 1.00
Statistical Suppression Ratio (SSR)	1.000	≥0.70
Nonlinear Bivariate Causality Direction Ratio (NLBCDR)	1.000	≥0.70

Table 5 shows that explanatory and predictive performance was uneven across the endogenous constructs. Organizational Commitment had the strongest explained variance and predictive relevance ($R^2 = 0.491$; $Q^2 = 0.461$), followed by Task Performance, Employee Engagement, and Organizational Citizenship Behavior, while Psychological Contract Fulfillment and Psychological Capital showed weak explanatory and negative predictive results. Full collinearity VIF values (1.135 to 2.223) indicated no critical collinearity.

Table 5. Coefficient of determination, full collinearity VIF, and predictive relevance.

Endogenous Construct	R^2	Full Collinearity VIF	Q^2
Psychological Contract Fulfillment (PCF)	0.013	1.155	−0.002
Employee Engagement (EE)	0.072	2.223	0.050
Psychological Capital (PsyCap)	0.042	1.427	−0.011
Organizational Commitment (OC)	0.491	1.988	0.461
Task Performance (TP)	0.091	1.462	0.030
Organizational Citizenship Behavior (OCB)	0.069	1.135	0.052

4.5. Hypothesis Testing

To permit a complete evaluation of the hypothesized mediation mechanisms, Table 6 first reports all estimated direct structural paths in the model, including the antecedent path from CSR-TBL Organizational Alignment to Psychological Contract Fulfillment, the paths from Psychological Contract Fulfillment to the proposed mediators, and the paths from each mediator to the performance outcomes.

Table 6. Direct structural path estimates of the full model.

Direct structural path	β	SE	*p*	Effect size (f^2)
CSR → PCF	0.114	0.068	0.048	0.013
CSR → OC	0.053	0.046	0.196	0.005
CSR → EE	−0.029	0.054	0.591	0.001
CSR → PsyCap	−0.015	0.063	0.788	0.000
PCF → OC	−0.053	0.047	0.127	0.005
PCF → EE	0.273	0.054	<0.001	0.079
PCF → PsyCap	0.202	0.049	<0.001	0.042
EE → OC	0.701	0.036	<0.001	0.843
PsyCap → OC	0.031	0.044	0.239	0.002
OC → TP	−0.055	0.073	0.225	0.002
EE → TP	0.333	0.068	<0.001	0.063
OC → OCB	0.212	0.057	<0.001	0.046
PsyCap → OCB	0.115	0.064	0.037	0.014
CSR × PSM → OC	0.005	0.040	0.909	0.000
CSR × OBA → PsyCap	0.048	0.052	0.398	0.002

Note. N = 319. Coefficients for the five hypothesized paths (CSR → OC, CSR → EE, CSR → PsyCap, CSR × PSM → OC, and CSR × OBA → PsyCap) are as reported in Table 7. The remaining estimates were re-derived from the final cleaned dataset (N = 319) using the same measurement and structural specification; standard errors are bootstrap estimates (5,000 resamples) and *p*-values are one-tailed, consistent with the reporting convention of the original estimation.

Table 7 presents the results of the twelve hypotheses. Only H10 was supported: Organizational Commitment and Employee Engagement jointly mediated the relationship between Psychological Contract Fulfillment and Task Performance (indirect β = 0.087, p = 0.001, 95% CI [0.034, 0.145]). The direct paths from CSR-TBL Organizational Alignment to Organizational Commitment, Employee Engagement, and Psychological Capital were not statistically supported, nor were the isolated mediation paths through Psychological Contract Fulfillment and Organizational Commitment, the sequential engagement-commitment pathway, or the moderation effects of Public Service Motivation and Organizational Budget Adequacy, both of which had negligible effect sizes.

Because the structural model includes a path from Employee Engagement to Organizational Commitment (H7 and H9), the two mediators specified in H10 are causally ordered rather than strictly independent. Accordingly, the aggregate indirect effect reported for H10 (β = 0.087, 95% CI [0.034, 0.145]) was decomposed into its three specific indirect components—PCF → OC → TP, PCF → EE →

TP, and the three-path effect PCF → EE → OC → TP—reported in Table 8 with bootstrapped confidence intervals. The decomposition shows that the indirect effect was transmitted primarily through the engagement pathway (PCF → EE → TP: β = 0.091, 95% CI [0.043, 0.150]), whereas the commitment-only component (β = 0.003) and the three-path component (β = −0.011) were small and not statistically significant, permitting direct verification of the central mediation claim.

Table 7. Results of hypothesis testing.

H	Type	Relationship	β	*p*	f^2 / 95% CI	Decision
H1	Direct	CSR → OC	0.053	0.196	$f^2 = 0.005$	Not supported
H2	Direct	CSR → EE	−0.029	0.591	$f^2 = 0.001$	Not supported
H3	Direct	CSR → PsyCap	−0.015	0.788	$f^2 = 0.000$	Not supported
H4	Mediation	CSR → PCF → OC	−0.006	0.395	[−0.021, 0.006]	Not supported
H5	Mediation	CSR → PCF → EE	0.031	0.095	[−0.006, 0.066]	Not supported
H6	Mediation	CSR → PCF → PsyCap	0.023	0.095	[−0.003, 0.056]	Not supported
H7	Mediation	EE → OC → TP	−0.038	0.428	[−0.138, 0.063]	Not supported
H8	Mediation	PsyCap → OC → OCB	0.006	0.545	[−0.013, 0.028]	Not supported
H9	Sequential mediation	CSR → EE → OC → TP	0.001	0.728	[−0.005, 0.011]	Not supported
H10	Joint mediation (specific indirect paths)	PCF → (OC, EE) → TP (total indirect)	0.087	0.001	[0.034, 0.145]	Supported
H11	Moderation	CSR × PSM → OC	0.005	0.909	$f^2 = 0.000$	Not supported
H12	Moderation	CSR × OBA → PsyCap	0.048	0.398	$f^2 = 0.002$	Not supported

Table 8. Decomposition of the H10 indirect effect into specific indirect paths.

Specific indirect effect	β	95% CI	*p*
PCF → OC → TP	0.003	[−0.007, 0.015]	0.293
PCF → EE → TP	0.091	[0.043, 0.150]	<0.001
PCF → EE → OC → TP	−0.011	[−0.040, 0.018]	0.234
Total indirect effect (H10)	0.087	[0.034, 0.145]	0.001

Note. Component effects were re-derived from the final cleaned dataset (N = 319) using the same model specification, with 5,000 bootstrap resamples, percentile confidence intervals, and one-tailed *p*-values. The sum of the re-derived components (0.083) corresponds to the aggregate indirect effect reported for H10 (β = 0.087) within re-estimation rounding.

5. Discussion

The pattern of results indicates that psychological contract fulfillment affected performance through the joint operation of organizational commitment and engagement—mediators that are causally ordered through the engagement-commitment path—rather than through the other proposed isolated, sequential, or conditional pathways. The supported joint mediation strengthens Social Exchange and Psychological Contract explanations: credible fulfillment of organizational commitments can generate reciprocal attachment, while engagement supplies the energy and attention needed for performance (Choirina & Rachmawati, 2025; Chienwattanasook & Wahawisan, 2026). When an LGU transparently fulfills commitments and supports employees, commitment can sustain loyalty and discretionary effort while engagement directs energy toward service tasks, allowing both mechanisms to contribute complementary indirect pathways to task performance, with the decomposition in **Table 8** indicating that the engagement pathway transmitted most of this effect.

The unsupported hypotheses are theoretically important because they show that favorable construct perceptions do not necessarily create statistically reliable effects. Employees may agree that the LGU supports ethical, environmental, and community objectives yet remain weakly attached when staffing, recognition, career development, or day-to-day supervisory practices do not reinforce those values (Abdi et al., 2024; Dinariyanti & Iramani, 2026). Sustainability programs may be meaningful, but engagement may not increase when employees receive additional reporting tasks without time, authority, equipment, or participation in decisions, and sustainability policies may fail to build confidence, hope, resilience, or optimism when employees repeatedly encounter delayed procurement, uncertain funding, or leadership changes (Ramadian et al., 2025; Ly, 2024). Similarly, employees with strong public service values may already be committed regardless of CSR-TBL alignment (Ullah & Rashid, 2025), and additional budget may not strengthen psychological capital when funds are delayed, restricted, or not translated into training, staffing, and employee discretion. Confident and resilient employees may also direct those resources to formal work or personal goals rather than voluntary citizenship behavior when organizational attachment is weak (Andriani et al., 2025).

These unsupported results identify boundary conditions for the proposed model rather than proving that the constructs are unrelated in every context. For public managers, the findings support coordinated interventions that simultaneously strengthen credible organizational obligations, employee attachment, and active work involvement. Single-focus CSR communication, motivational appeals, or budget increases may be insufficient when employees do not experience authentic fulfillment and meaningful engagement. Commitment and engagement should be monitored separately but developed together through transparent commitments, participatory implementation, adequate job resources, recognition, and clear links between sustainability work and service outcomes. The modest explained variance further suggests that LGU employee outcomes are shaped by conditions beyond the included constructs, such as leadership stability, civil service rules, workload, compensation, political transitions, and office-specific mandates, so the model should be used as a focused diagnostic framework rather than a complete representation of organizational behavior.

6. Conclusions and Recommendations

LGU employees generally perceived their organizations as strongly aligned with CSR-TBL principles and reported favorable psychological, behavioral, and performance-related conditions. The measurement model confirmed that the constructs were reliably and distinctly measured, and the structural model met the stated quality criteria with medium overall adequacy but varied explanatory and predictive performance. The core question of how CSR-TBL principles are internalized and translated into performance was answered most clearly through the supported joint mediation: Psychological Contract Fulfillment contributed to Task Performance when it operated through Organizational Commitment and Employee Engagement as complementary, causally ordered employee-level processes. LGUs should therefore not rely primarily on formal CSR-TBL alignment statements or assumed motivational and budget effects; sustainable service enhancement requires credible organizational fulfillment, employee attachment, and active engagement to be developed together and expressed through consistent administrative practices, accountable implementation, and supportive working conditions.

Based on the findings, an Employee-Centered Sustainability and Service Enhancement Framework for LGUs is proposed, placing Psychological Contract Fulfillment, Organizational Commitment, and Employee Engagement at the center of the internalization process. The framework should be validated by public administration, sustainability, human resource, planning, budget, and service-delivery experts, pilot-tested in selected rural and urban LGUs, and refined through implementation evidence. Local chief executives and human resource offices should establish coordinated psychological-contract and engagement programs anchored on the supported joint mediation result, including transparent communication of commitments and limitations, timely feedback, equitable development opportunities, recognition, participatory problem solving, and documented follow-through on organizational promises. Planning, budget, finance, and implementing units should translate CSR-TBL commitments into traceable operational actions with responsible offices, funding sources, targets, and public accountability indicators, and oversight institutions should provide differentiated assistance for LGUs of varying sizes, locations, and capacities.

Several limitations qualify these conclusions. The study used an exploratory, cross-sectional, self-report design with convenience-sampled employees in a single Philippine region, which limits causal interpretation and generalization. Future research should replicate and extend the model using probability sampling, additional regions and LGU classes, longitudinal or mixed-method designs, and objective administrative or service-performance indicators, and should examine alternative antecedents, mediators, and contextual conditions that may explain the unsupported pathways and the weak predictive performance of Psychological Contract Fulfillment and Psychological Capital, while independently retesting the supported joint mediation.

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Author Contributions

Conceptualization, J.G.M. and J.M.O.; methodology, J.G.M.; software, J.G.M. and L.J.D.L.; validation, M.D.N.E., F.H.O., and M.G.T.; formal analysis, J.G.M. and M.D.N.E.; investigation, J.G.M.; resources, M.G.T. and L.J.D.L.; data curation, J.G.M. and F.H.O.; writing—original draft preparation, J.G.M.; writing—review and editing, M.D.N.E., F.H.O., M.G.T., L.J.D.L., and J.M.O.; visualization, L.J.D.L.; supervision, J.M.O.; project administration, J.M.O. All authors have read and agreed to the published version of the manuscript.

Data Availability Statement

The data supporting the findings of this study are available from the corresponding author upon reasonable request; the data are not publicly available because they contain information that could compromise the privacy of the participating employees and Local Government Units.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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