

Examining the Impact of Internal Corporate Social Responsibility (ICSR) on Intention to Quit: The Mediating Role of Organizational Commitment among Banking Sector Employees

Faiza Akhtar

Universiti Malaysia Sarawak

Irma Yazreen Md Yusoff

Universiti Malaysia Sarawak

To Link this Article: <http://dx.doi.org/10.6007/IJARAFMS/v14-i4/23430> DOI:10.6007/IJARAFMS/v14-i4/23430

Published Online: 22 November 2024

Abstract

In recent years, employee turnover has become increasingly prevalent, driven by factors such as job satisfaction, growth opportunities, salary, labor market demands, and workplace conflicts. Research indicates that Internal Corporate Social Responsibility (ICSR) can reduce employees' intention to quit by enhancing Organizational Commitment (OC). This study, using a descriptive approach, surveyed 187 middle and lower-level managers in the banking sector through structured questionnaires. The data were analyzed with regression and mediation techniques. The findings reveal that while ICSR has an insignificant direct impact on reducing employees' intention to quit, Organizational Commitment partially mediates this relationship. The study underscores the importance of ICSR and OC in employee retention strategies, particularly for HR managers in the private banking sector, advising that integrating these elements can help retain valuable employees.

Keywords: Internal CSR, Organizational Commitment, Intention to Quit

Introduction

Employee turnover is increasingly a critical issue for management, causing organizations to suffer significant losses. When employees leave, whether due to management conflicts or in search of better prospects, organizations not only lose experienced and knowledgeable workers but also incur additional costs for hiring and onboarding new staff. This turnover negatively impacts the firm's performance and output, as departing employees take with them valuable institutional knowledge, expertise, and relationships, disrupting team dynamics and reducing work quality (Virador & Chen, 2023). Thus, finding effective ways to reduce turnover is essential.

Recent research underscores the importance of Internal Corporate Social Responsibility (ICSR) in mitigating employee turnover by enhancing Organizational Commitment (OC). Studies suggest that when organizations implement ICSR activities that align with employees' values and promote a sense of belonging, they foster greater commitment and reduce the intention to leave (Pathan, 2022). This current study examines how ICSR affects employees' intentions to leave, particularly focusing on the mediating role of OC. By implementing effective ICSR strategies, human resource executives can strengthen OC, thus lowering turnover intentions (Kim, Rhou, Uysal, & Kwon, 2019; Ahsan & Khalid, 2024).

ICSR, identified as a crucial tool for improving employee behavior and organizational outcomes, can fulfill employees' evolving employment desires, thereby positively influencing employee relations and reducing turnover intentions (Du, Bhattacharya, & Sen, 2015). When companies invest in the physical and mental well-being of their employees through wellness programs, fair wages, and safe working conditions, it increases job satisfaction. Employees who feel valued and supported are less likely to consider leaving (Tran, Nguyen, & Ngo, 2021). Internal CSR activities that promote work-life balance, such as flexible work hours or remote work options, contribute to higher job satisfaction and reduce burnout, which in turn lowers the intention to quit. The study breaks down ICSR into key dimensions, such as work-life balance, health, and safety, which are vital in promoting employee retention (Thang & Fassin, 2017). The findings highlight the significant role that OC plays as a mediator in the relationship between ICSR and employee turnover, emphasizing that strategic implementation of ICSR is essential for reducing turnover rates and maintaining a stable, committed workforce.

Problem Statement

Employee turnover intention remains a critical issue in Pakistan's banking industry, significantly affecting organizational performance. Research by Hassan, Akram, and Naz (2012), highlights a strong correlation between job-person fit and turnover intention, underscoring the detrimental impact on organizational effectiveness when employees consider leaving. Moreover, Bashir and Ismail (2010), identified that Pakistani banking staff experience excessive stress due to factors such as high workload, role ambiguity, role conflict, customer care pressures, inadequate feedback and communication, rapid technological changes and a challenging organizational structure, all of which contribute to a negative work environment (Talpur, 2023). Employee turnover can significantly increase the workload and demands placed on remaining staff, leading to burnout and, in turn, even higher turnover rates (Ramlawati, Trisnawati, Yasin, & Kurniawaty, 2021). This challenge is particularly evident in the banking sector, where Ahmad and Afgan (2016), found that job stress and burnout are primary drivers of employees' intentions to leave. The current study aims to examine strategies for retaining valuable employees in the banking industry by examining the roles of internal corporate social responsibility (ICSR), with organizational commitment (OC) serving as mediating factor.

Internal Corporate Social Responsibility (ICSR) has been recognized as a potential tool to enhance Organizational Commitment (OC), which can mitigate turnover intentions. According to Hofman and Newman (2014), CSR activities can strengthen employee commitment which is a critical factor in reducing turnover intention, while Bansal et al. (2001) suggest that internal marketing, that aligns closely with ICSR, fosters employee loyalty that ultimately improve organizational performance.

This study examines the role of OC as a mediator between ICSR and turnover intentions, providing insights for HR directors to implement effective ICSR strategies that enhance OC and reduce employee turnover intentions. By promoting organizational citizenship and improving internal communications, ICSR can help retain valuable employees, boost individual productivity, and further strengthen organizational commitment. Hence, this study explores how ICSR can enhance OC, which in turn may reduce turnover intentions among banking sector employees.

Research Questions

Based on the problem statement above, the paper intends to answer the following questions:

1. How does ICSR affect employees' intention to quit?
2. Does OC mediate the relationship between ICSR and employees' intention to quit?

Research Objectives

The objectives of the research are as follows:

1. To examine the effect of ICSR on employees' intention to quit.
2. To analyze the mediating role of OC in the relationship between ICSR and employees' intention to quit.

Theoretical Significance

A 2016 study by Ahmad and Afgan on Pakistan's banking industry revealed that stress and burnout are the primary reasons why most employees plan to quit their jobs (Raza, Khan, Quadri, & Khawaja, 2023). To address this, the study emphasizes the importance of internal marketing and Internal Corporate Social Responsibility (ICSR), with Organizational Citizenship Behavior (OCB) and Organizational Commitment (OC) acting as mediating factors. This report offers valuable insights for HR managers seeking to reduce employee turnover rates by retaining talent within their organizations. HR managers, particularly those in service departments, are the key participants in understanding, evaluating, and implementing strategies to retain employees (Indhuja & Chandran, 2024).

This research is grounded in Social Exchange Theory, which posits that employees compare their economic and social conditions within and outside the organization. According to Blau (1964), and others, individuals evaluate relationships based on perceived rewards and punishments, using a cost-benefit analysis. In the context of employer-employee relationships, if employees feel their exchanges are not beneficial, they are likely to leave the organization. Conversely, mutually beneficial exchanges encourage continued association with the organization.

This study is distinctive in the field of management as it provides empirical evidence supporting the concept of ICSR. It highlights the importance of careful consideration in making ICSR an effective management tool to understand employee behavior for successful business operations. The research further contributes to the management field by emphasizing the role of OC as a mediator between ICSR and employees' intention to quit. These findings are crucial for HR managers in the banking sector, who can utilize this information to craft strategies aimed at reducing employee turnover.

Practical Significance

This study provides HR managers with valuable insights into the roles of internal marketing, Organizational Commitment (OC), and Internal Corporate Social Responsibility (ICSR) in influencing employees' intentions to leave the company. By understanding these dynamics, HR managers can develop policies that help retain valuable employees, particularly in industries with high turnover rates like banking. Shukla & Sinha (2013) highlight the high turnover in the banking sector, while Chen and Wu (2017) found that frontline personnel in the services sector, such as hotel and tourism workers, are especially prone to intentions to leave (Lemieux-Cumberlege, Griffiths, Pathe, & Burley, 2023).

Asif, Nisar, Faisal, and Khalid (2017) suggest that continuous CSR programs and performance-based compensation can enhance organizational trust and justice, thereby improving Organizational Citizenship Behavior (OCB). HR managers can apply these insights to strengthen internal marketing, boost OC, and implement effective ICSR strategies, ultimately creating a more engaged and committed workforce and reducing turnover rates.

Literature Review

Internal Corporate Social Responsibility (ICSR) and Employee Motivation

Recent research emphasizes the significance of Internal Corporate Social Responsibility (ICSR) in fostering employee motivation. Aguilera et al. (2007), and Heslin & Ochoa (2008), argue that ICSR significantly impacts recruitment, employee retention, satisfaction, and commitment levels. These activities not only enhance the company's reputation but also positively influence employees' motivation, loyalty, and overall work engagement. Brammer et al. (2007), further note that CSR responsibilities are integral to a company's core business operations, positioning employees as crucial internal stakeholders. Educational institutions and corporations alike acknowledge that ICSR initiatives meet the needs and aspirations of their employees, thereby contributing to organizational success. Internal Corporate Social Responsibility (CSR) enhances a company's reputation by fostering a positive work environment and demonstrating a commitment to employee well-being. When companies invest in initiatives like fair wages, professional development, work-life balance, and diversity, they signal to employees and external stakeholders that they value their workforce. This can lead to increased employee satisfaction, loyalty, and productivity, which in turn reflects positively on the company's image. Moreover, a strong internal CSR program can attract top talent and earn public trust, further solidifying the company's reputation as a responsible and ethical organization (Pallathadka, & Pallathadka, 2022).

Social Exchange Theory as a Framework

The foundation of this research is the Social Exchange Theory (SET), which offers a lens to understand the reciprocal relationships between employees and organizations. Blau (1964) and Homans (1961), explain that SET posits individuals exchange behaviors and attitudes based on perceived rewards and penalties within an organization. According to Banjo (2017), employees assess their interactions using a cost-benefit analysis, which influences their level of engagement and commitment. This theory underscores the idea that employees who perceive greater benefits from their organization, such as through ICSR initiatives, are more likely to demonstrate loyalty and reduced turnover intentions.

Impact of ICSR on Employee Attitudes and Behaviors

Research by Farooq, Payaud, Merunka, and Valette-Florence (2014), and Caligiuri, Mencia, and Jiang (2013), demonstrates that ICSR positively influences employee attitudes and behaviors, leading to increased motivation and work engagement. Employees, being critical components of an organization, actively participate in CSR initiatives when they feel supported and valued (Virador & Chen, 2023). This participation not only enhances their commitment but also strengthens the organization's internal culture.

ICSR and Employee Retention in the Banking Sector:

In the banking sector, particularly in Pakistan, the implementation of ICSR is crucial for employee retention. Bashir, Usman, and Ismail (2010) and Hassan, Akram, and Naz (2012) highlight that employees in this sector often face stress and burnout due to inadequate compensation and high turnover rates. ICSR initiatives, combined with employee welfare programs, can significantly enhance job satisfaction, and loyalty, and reduce turnover intentions. Singhapakdi, Lee, Sirgy, and Senasu (2015) and Lee, Park, and Lee (2013) emphasize that CSR initiatives not only improve employee loyalty but also positively affect the company's product efficiency and overall performance. This leads to the development of the first hypothesis:

H1: ICSR has a significant negative impact on the intention to quit.

The Role of Organizational Commitment (OC)

Organizational Commitment (OC) plays a mediating role in the relationship between ICSR and employees' intention to quit. Mathieu, Fabi, Lacoursière, and Raymond (2016) assert that OC is a strong predictor of turnover behavior, with low levels of commitment leading to withdrawal behaviors such as reduced effort and absenteeism. Yiğit (2016) notes that attention from upper management can enhance employees' affective commitment, thereby reducing turnover intentions. Employees who feel a normative commitment—a sense of obligation to stay—are less likely to leave, even when faced with challenges. Employees who are emotionally attached to the organization feel a sense of belonging and identify with its goals and values such emotional connection makes them less likely to seek employment elsewhere. Continuance Commitment is based on the costs that an employee associates with leaving the organization. These costs could be financial, such as losing benefits or a steady income, or non-financial, such as losing career opportunities, job security, or professional networks. High continuance commitment means employees are less likely to leave because the perceived costs of leaving outweigh the potential benefits (Ryu, Hyun, Jeung, Kim, & Chang, 2020). Meyer & Allen (1991) explain that this form of commitment is strengthened by continuous positive interactions within the organization. Hence the second hypothesis is developed as follows:

H2: OC mediates the relationship between ICSR and the intention to quit.

Research Methodology

This study employs a descriptive research approach, utilizing primary data collected from middle and lower-level managers in the banking sector through questionnaire surveys. The objective is to explore the relationship between Internal Corporate Social Responsibility (ICSR) and employees' intentions to leave their organizations as well as the mediating effect of Organizational Commitment (OC) towards the relationship.

This study opt for a quantitative research method and its target population is employees in the banking sector. Creswell and Creswell (2017) suggest that quantitative data can effectively illustrate patterns and relevance when studying subsets of a population. This study focuses on the lower-level management employees and the middle-level management employees of banking sectors based on their accessibility and availability.

The research utilizes stratified random sampling, focusing specifically on banking personnel in Lahore. The sample size is determined based on the formula proposed by Green (1991), which suggests a minimum sample size of $50 + 8m$ ($N \geq 50 + 8m$), where m represents the number of research variables. The formula helps ensure that the study has enough power to detect significant effects. Green's formula takes into account the number of predictors, providing a more tailored estimate than a generic rule of thumb. Moreover, method offers a balance between obtaining a sufficiently large sample for accurate analysis and the practical constraints researchers often face, such as time, resources, and access to participants.

Given that this study includes five variables (Internal Relations, Work-life Balance, Health & Safety, Organizational Commitment, and Intention to Quit), a sample size of at least 90 is deemed appropriate. However, following Hair et al. (2006), and Wahid et al. (2011) calculation for appropriate sample size, this study includes 187 respondents (out of 409 questionnaires distributed) to ensure robust statistical analysis and reliability.

To measure ICSR, an 22-item scale was used, yielding reliability coefficients of 0.87 for the overall scale, 0.81 for Internal Relations (8 items) 0.78 for work-life balance (6 items), and 0.89 for health and safety (8 items). According to George and Mallery (2003), Cronbach's alpha values between 0.5 and 0.9 are considered acceptable, indicating good reliability. The construct of Organizational Commitment (OC) was measured using a 7-item scale with a reliability coefficient alpha of 0.93, reflecting excellent reliability. Similarly, the Intention to Quit (IQ) construct was assessed with a 7-item scale, which reported an alpha value of 0.88, also indicating good reliability.

Overall, the research design ensures robust data collection and analysis, aiming to provide valuable insights into how ICSR impacts employee motivation and turnover intentions within the banking industry.

Findings and Discussion

A total of 409 questionnaires were distributed across various private banks in Lahore, with 274 questionnaires (66.99%) returned by bank employees. During data processing, 87 questionnaires were identified as incomplete or negligently filled out and were subsequently excluded from the analysis. Hence 187 questionnaires were processed and analyzed.

Descriptive Statistics of Respondents

The descriptive statistics of the banking sector participants in the questionnaire survey highlight the distribution across various banks in the private banking sector. The respondents' distribution is as follows: Bank Al Habib contributed 12.1%, MCB 14.6%, UBL 7.3%, Meezan Bank 11.8%, Askari Bank 8.0%, and another unspecified bank 8.5%. Additionally, 6.7% of respondents were from ABL, 1.7% from Dubai Islamic Bank, 4.4% from Silk Bank, 5.1% from

SCB, 13.8% from JSB, 3.9% from Soneri Bank, 4.9% from Bank Al Falah, and 9.9% from Bank Islami.

Table 1 summarizes the respondents' demographics, including gender, age, and qualifications. The majority of respondents are male (125, or 66.84%), with 62 (33.15%) being female. Regarding age, the largest group is between 26 and 35 years old (33.68%). The next largest group is under 25 years (29.4%), followed by those aged 36 to 45 years (26.20%). The age group of 46 to 55 years comprises 9.09%, and those above 55 years constitute the smallest group at 1.60%. Table 1 also details educational qualifications: 42.2% of respondents hold a Master's degree (16 years of education), 27.2% have a Bachelor's degree, 15.5% have completed intermediate/high school, and 14.4% have an MPhil/MS.

Table 1

Descriptive Statistic of Respondent Demographic

| Items | Category | Total (N) | Percentage (%) |
|---------------|--------------------------|-----------|----------------|
| Gender | Male | 125 | 66.8 |
| | Female | 62 | 33.2 |
| Position | Middle-level manager | 121 | 64.7 |
| | Lower lever manager | 66 | 35.3 |
| Age | Below 25 | 55 | 29.4 |
| | 26-35 | 63 | 33.7 |
| | 36-45 | 49 | 26.2 |
| | 46-55 | 17 | 9.1 |
| | Above 55 | 3 | 1.6 |
| Qualification | Intermediate/High School | 29 | 15.5 |
| | Bachelors | 51 | 27.2 |
| | Masters | 79 | 42.2 |
| | MPhil/MS | 28 | 14.4 |
| | PhD | 0 | 0 |

Notes: N=187

Descriptive Statistics for Main Constructs

This section provides descriptive statistics for the main constructs utilized in the study, where each construct comprises the following components: Internal Relations (IR) with 8 components, Work-Life Balance (WB) with 6 components, Health & Safety (HS) with 8 components, and Organizational Commitment (OC) with 6 components. Whereas the construct of Intention to Quit (ITQ) includes 7 components. The descriptive statistics also include the mean, median, standard deviation, skewness, and kurtosis for each construct. The kurtosis values indicate that the distributions are relatively normal, falling between -1 and +1, while the skewness values show that the distributions are skewed toward the left tail and are not symmetrical (See Table 2).

Table 2

Descriptive Statistics

| Constructs | Min | Max | Mean | Median | Std. Dev | Skewness Statistics | Kurtosis Statistics |
|---------------------------|-----|-----|------|--------|----------|---------------------|---------------------|
| Internal Relations | 1 | 5 | 3.75 | 4 | .45 | -.59 | .51 |
| Work-Life Balance | 2 | 5 | 3.77 | 4 | .57 | -.50 | -.06 |
| Health & Safety | 1 | 5 | 3.67 | 4 | .59 | -.62 | -.04 |
| Organizational Commitment | 1 | 5 | 3.53 | 4 | .49 | .39 | -.05 |
| Intention to Quit | 2 | 5 | 2.61 | 4 | .69 | .28 | -.38 |

A significant correlation was found among all key variables in the study. Specifically, a highly significant correlation was observed between ICSR and OC ($r = .49$, $p < .001$). Additionally, ICSR showed a significant negative correlation with ITQ ($r = -.27$, $p < .05$), and OC was negatively correlated with ITQ ($r = -.29$, $p < .05$). According to George and Mallery's (2003) and Shi et. al (2012), the value of Cronbach's alpha between 0.6 to 0.8 is deemed acceptable but indicate a weak to good reliability. In this study, the Cronbach alpha all scored above 0.6 (0.63-0.76) which is acceptable (See Table 3).

Table 3

Correlation Analysis of Variables

| Items | Cronbach Alpha | Mean | Std. Deviation | ICSR | OC | ITQ |
|--------------------------------|----------------|------|----------------|-------|-------|-----|
| Internal CSR | .76 | 3.73 | .53 | 1 | | |
| Organizational Commitment (OC) | .69 | 3.53 | .49 | .49** | 1 | |
| Intention to Quit (ITQ) | .63 | 2.61 | .69 | -.27* | -.29* | 1 |

Notes: ** Correlation is significant at the 0.01 level (2-tailed)

AMOS software was used in this study to analyze data and test hypotheses. To evaluate model fit, several indices were employed, including CMIN/df (the chi-squared statistic divided by degrees of freedom), RMSEA (Root Mean Square Error of Approximation), and fit indices such as Relative Fit Index (RFI), Comparative Fit Index (CFI), Normed Fit Index (NFI), and Tucker-Lewis Index (TLI). According to common thresholds (Hair et al., 1998; Kline, 2005), acceptable model fit is often indicated by CMIN/df values up to 5, RMSEA values up to 0.09, and RFI, CFI, NFI, and TLI values of 0.90 or higher. It was noted that the CMIN/df values exceeded (1.12) the generally accepted threshold of 5 (Hair et al., 1998; Kline, 2005). In the context of structural equation modeling (SEM), assessing the goodness-of-fit of a measurement model is crucial to ensure that the model accurately represents the underlying data structure. However, not all models will meet the threshold values for various fit indices. The rationale for why certain models might not reach these threshold values is Inadequate Factor Loading and a small sample size can lead to overfitting, where the model fits the sample data well but fails to generalize to other samples.

Table 4

CFA of the Measurement Models

| Measurement Models | CMIN/ df | CFI | GFI | AGFI | TLI | RMSEA |
|--------------------|----------|------|------|------|-----|--------|
| Threshold values | <5 | >.95 | >.95 | >.8 | >.9 | .05-.1 |
| | 1.12 | .78 | .81 | .81 | .79 | 0.2 |

Structural Model for Mediation Analysis

To test the proposed structural model, the study applied Baron and Kenny's (1986) mediation testing procedure. The analysis compared three models: the full mediation model (which includes only the indirect effect of Internal Corporate Social Responsibility (ICSR) on turnover intentions through Organizational Commitment (OC)), the baseline model (which includes both direct and indirect effects of ICSR on turnover intentions), and the partial mediation model (which includes the direct and indirect effects).

Table 5

Path Analysis

| Effects | Path | Path Coefficient | p-Value | Direct Effect | Indirect Effect | Total Effect | Decision |
|-------------------------|----------|------------------|---------|----------------|-----------------|--------------|-------------------|
| Direct Without Mediator | ICSR→ITQ | -.139 | .603 | Not Applicable | | | Not significant |
| Indirect With Mediator | ICSR→ITQ | -.026 | .552 | Not Applicable | | | |
| | ICSR→OC | .151 | .001** | -.038 | -.119 | -.157 | Partial Mediation |
| | OC→ITQ | -.101 | .029* | | | | |

Note: *** $p < .01$; ** $p < .05$; * $p < .10$

ICSR = Internal Corporate Social Responsibility, OC = Organizational Commitment, ITQ = Intention to Quit

Direct hypothesis testing in AMOS is typically done by specifying and evaluating structural equation models. Initial analysis of the baseline model (ICSR to ITQ) revealed that the standardized regression estimates for ICSR's effect on the intention to quit ($\beta = -.139$; $p > 0.05$) were statistically insignificant. Further examination of the fully mediated model in AMOS showed a negative but statistically insignificant correlation between ICSR and intention to quit, supporting Hypothesis 1 that ICSR and OC are negatively related.

Following the analysis of the mediation results, it was determined that the path between ICSR and ITQ shows a delicate negative relationship which was not significant at 5% significance level ($\beta = -.026$, $p > 0.05$) and that the path between ICSR and OC was significant ($\beta = 0.151$, $p < 0.05$). Furthermore, as Table 5 illustrates, ITQ is more negatively influenced by the indirect path than by the direct path ($\beta = -0.119$ and $\beta = -0.038$, respectively). In conclusion, ICSR has a positive direct effect on OC, but when considering the entire model (including the indirect path), the total effect is negative, indicating partial mediation. The results suggest that OC partially mediates the relationship between ICSR and ITQ. Specifically, while ICSR has a positive direct effect on OC, the overall relationship between ICSR and ITQ is not significant, possibly due to the negative indirect effect through OC. This suggests that OC may partially mediate the relationship between ICSR and ITQ, supporting hypothesis H2.

Conclusion

The primary goal of this research was to examine the relationship between Internal Corporate Social Responsibility (ICSR) and employees' intention to quit, with a focus on how Organizational Commitment (OC) mediates this relationship. Hypothesis 1 posited that ICSR would negatively impact the intention to quit, while the results confirmed a strong and positive correlation between ICSR and OC. Additionally, the study supported Hypothesis 2, which predicted partial mediation by OC on the intention to quit.

A review of the literature underscored the need for a precise, reliable scale to measure employee perceptions of ICSR, reflecting robust psychometric characteristics. The final study, involving 187 banking industry employees, validated the ICSR scale's psychometric properties in areas such as internal relations, work-life balance, and health and safety. This model demonstrated a good fit, aligning with previous research on higher-order components (Kim, Song, & Lee, 2016).

Although ICSR's impact on the intention to quit was negative, the beta coefficient was not statistically significant. This finding, consistent with Shen and Benson (2016), Kim et al. (2016), and Hansen et al. (2011), suggests that while ICSR initiatives may help retain talented employees, their direct effect on reducing turnover intentions is not statistically significant. However, the study highlights that ICSR can enhance employee satisfaction and commitment by offering developmental opportunities, thus fostering a more committed workforce. This aligns with prior research indicating that CSR can boost job satisfaction as well as employee loyalty (Valentine & Fleischman, 2008).

The current study's findings can aid those developing banking strategies in Pakistan. Owners and higher managers in the banking industry need to understand the value of ICSR apps and how they can protect their finest personnel, which is one of the competitive advantages of this period. Along with its internal human resource management apps, the banking sector is encouraged to voluntarily install CSR applications. The State Bank of Pakistan may collaborate with associated government banks and the private banking industry to suggest incentives for implementing ICSR practices in their HRM division.

According to the study's findings, the banking industry should implement more employee-focused CSR initiatives. The banking industry can provide the necessary training so that banks may start putting the ICSR practices into effect. The results include significant recommendations for how ICSR policies should be applied inside the organization. These recommendations should be used to improve the proper upper management of ICSR concerning staff development and organizational expansion. This is one area where the progressive bond fosters favorable perceptions of ICSR among employees, and OC strengthens the settlement that may result from related business savings. The idea that ICSR is a critical first step toward enhancing an employee's OC is supported by recent studies. This conclusion can be utilized to conclude that ICSR is a very delicate topic for workers, one that, with careful attention from management, may fulfill workers' aspirations.

Limitation of Study

While this study sheds light on the relationship between internal Corporate Social Responsibility (CSR) initiatives and employees' intention to quit, several limitations must be acknowledged to strengthen future research. Firstly is the reliance on self-reported data introduces biases such as response bias, social desirability, and retrospective bias. These biases can affect the accuracy and reliability of the findings, as employees may not always provide honest or reflective answers. Such limitations highlight the need for more objective measures to validate the findings.

Secondly, the cross-sectional design used in the study restricts the ability to establish causality. Cross-sectional studies capture data at a single point in time, making it difficult to discern how internal CSR initiatives influence quitting intentions over time. Longitudinal studies, which track participants over a longer period, could offer more robust evidence of causal relationships.

The study's focus on employees within the banking sector also raises concerns about generalizability. The findings may not be applicable to other industries or sectors. Future research should include diverse sample populations to enhance the external validity and applicability of the results across different contexts.

Endogeneity issues, where unobserved factors may influence both internal CSR initiatives and quitting intentions, also complicate the interpretation of causality. Future studies should address these concerns, possibly through methods that control for unobserved variables or use experimental designs.

Recommendation for Future Research

To address the limitations of current research, future studies should focus on several key areas. Firstly, adopting longitudinal designs will provide a clearer understanding of how internal CSR initiatives impact employees over time and establish causal links. Unlike cross-sectional studies, longitudinal research tracks participants over multiple periods, offering insights into how CSR practices influence turnover intentions dynamically.

Secondly, exploring additional moderators such as organizational culture and leadership style can deepen understanding of how these factors affect the relationship between internal CSR and quitting intentions. Investigating these variables can help refine CSR strategies.

Conducting comparative studies is also crucial. By comparing the effectiveness of various CSR initiatives—such as employee volunteering versus diversity programs—researchers can identify the most successful strategies for reducing turnover.

Lastly, addressing endogeneity issues through advanced methodologies will clarify causal relationships, enhancing the accuracy and reliability of findings. These steps will improve both academic knowledge and practical applications for managing employee retention.

Theoretical and Contextual Contribution

This research contributes to the theoretical understanding of CSR by linking Internal Corporate Social Responsibility (ICSR) with organizational commitment, highlighting how CSR practices aimed at employees can foster emotional connections and loyalty. It extends the CSR literature, which often emphasizes external stakeholders, by focusing on the internal impact of CSR. By exploring how organizational commitment—comprising affective, continuance, and normative dimensions—mediates the relationship between ICSR and employees' intention to quit, the study clarifies the mechanisms through which CSR initiatives influence turnover intentions. Furthermore, it emphasizes the practical behavioral outcomes of ICSR, demonstrating how such initiatives can enhance organizational effectiveness by promoting employee retention and loyalty.

This study is particularly relevant to the banking sector, known for high employee turnover and the need for strong organizational commitment. Given the sector's competitive and demanding environment, the research emphasizes the critical impact of ICSR initiatives on employee attitudes and behaviours, showing how banks can use CSR to build a committed and stable workforce. Additionally, the study considers the geographical and cultural context, noting that the effectiveness of ICSR practices may vary based on societal values, especially in regions where collective welfare is highly prioritized. It also provides practical recommendations for HR practitioners, highlighting the importance of implementing CSR initiatives that prioritize employee well-being, fair treatment, professional development, and work-life balance to enhance talent retention and organizational performance.

Significance in Context

This research contributes to existing knowledge by filling a gap in the literature on the impact of Internal Corporate Social Responsibility (ICSR) on employees' intention to quit, particularly through the mediating role of organizational commitment. It offers valuable insights for high-turnover industries like banking, demonstrating how ICSR initiatives can stabilize the workforce and suggesting broader applications for similar sectors. The study also emphasizes the need to view CSR not just as an external branding strategy but as an internal approach that directly enhances employee satisfaction and retention, broadening the understanding of CSR's organizational impact. In a practical context, banks can leverage these findings to improve HR and CSR policies, adapting them culturally to maximize effectiveness and possibly influencing policy by demonstrating the benefits of ICSR in promoting employee well-being and reducing turnover.

References

- Aggarwal, P., & Singh, R. K. (2022). Synthesizing the affinity between employees' internal-external CSR perceptions and work outcomes: A meta-analytic investigation. *Business Ethics, the Environment & Responsibility*, 31(4), 1053-1101.
- Aguilera, R. V., Rupp, D. E., Williams, C. A., & Ganapathi, J. (2007). Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations. *Academy of Management Review*, 32(3), 836-863.
- Ahmad, A., & Afgan, S. (2016). The relationship of job stress and turnover intention in commercial banks of Pakistan by assessing the mediating role of burnout. *Journal of Business Strategies*, 10(1), 1.
- Ahsan, M. J., & Khalid, M. H. (2024). Linking corporate social responsibility to organizational commitment: the role of employee job satisfaction. *Journal of Global Responsibility*.
- Anokye, C. O. A. (2024). Assessing the Impacts of Internal CSR on Employee Citizenship Behavior in the Hotel Industry: The Mediating Role of Psychological Ownership and Organizational Commitment. Available at SSRN 4790762.
- Asif, M., Nisar, Q. A., Faisal, H. M., & Khalid, H. (2017). Does corporate social responsibility influence the organizational citizenship behavior and organizational commitment? Mediating role of organizational trust & organizational justice. In *Conference Proceedings*.
- Bansal, H. S., Mendelson, M. B., & Sharma, B. (2001). The impact of internal marketing activities on external marketing outcomes. *Journal of quality management*, 6(1), 61-76.
- Barzoki, A. S., & Ghujali, T. (2013). Study the relationship of internal marketing with job satisfaction, organizational commitment and organizational citizenship behavior. *International Journal of Academic Research in Business and Social Sciences*, 3(3), 33.
- Bashir, S., & Ramay, M. I. (2008). Determinants of organizational commitment: a study of information technology professionals in Pakistan. *Journal of Behavioral and Applied Management*, 9(2), 226-238.
- Bashir, U., & Ismail Ramay, M. (2010). Impact of stress on employees job performance: A study on banking sector of Pakistan. *Bashir, U., & Ramay, MI (2010). Impact Of Stress On Employee's Job Performance A Study On Banking Sector Of Pakistan. International Journal of Marketing Studies*, 2(1), 122-126.
- Bhattacharya, C. B., Sen, S., & Korschun, D. (2008). Using corporate social responsibility to win the war for talent. *MIT Sloan management review*, 49(2).
- Blau, P. M. (1964). Justice in social exchange. *Sociological Inquiry*, 34(2).
- Brammer, S., Millington, A., & Rayton, B. (2007). The contribution of corporate social responsibility to organizational commitment. *The International Journal of Human Resource Management*, 18(10), 1701-1719.
- Brown, E. A., Thomas, N. J., & Bosselman, R. H. (2015). Are they leaving or staying: A qualitative analysis of turnover issues for Generation Y hospitality employees with a hospitality education. *International Journal of Hospitality Management*, 46, 130-137.
- Caligiuri, P., Mencin, A., & Jiang, K. (2013). Win-win-win: The influence of company-sponsored volunteerism programs on employees, NGOs, and business units. *Personnel Psychology*, 66(4), 825-860.
- Chen, T. J., & Wu, C. M. (2017). Improving the turnover intention of tourist hotel employees: Transformational leadership, leader-member exchange, and

- psychological contract breach. *International Journal of Contemporary Hospitality Management*, 29(7), 1914-1936.
- Dhaliwal, D. S., Li, O. Z., Tsang, A., & Yang, Y. G. (2011). Voluntary nonfinancial disclosure and the cost of equity capital: The initiation of corporate social responsibility reporting. *The accounting review*, 86(1), 59-100.
- Du, S., Bhattacharya, C. B., & Sen, S. (2015). Corporate social responsibility, multi-faceted job-products, and employee outcomes. *Journal of Business Ethics*, 131, 319-335.
- Eby, L. T., Freeman, D. M., Rush, M. C., & Lance, C. E. (1999). Motivational bases of affective organizational commitment: A partial test of an integrative theoretical model. *Journal of occupational and organizational psychology*, 72(4), 463-483.
- Farooq, O., Payaud, M., Merunka, D., & Valette-Florence, P. (2014). The impact of corporate social responsibility on organizational commitment: Exploring multiple mediation mechanisms. *Journal of Business Ethics*, 125, 563-580.
- Farooq, O., Rupp, D. E., & Farooq, M. (2017). The multiple pathways through which internal and external corporate social responsibility influence organizational identification and multifoci outcomes: The moderating role of cultural and social orientations. *Academy of Management Journal*, 60(3), 954-985.
- Fried, Y., Shirom, A., Gilboa, S., & Cooper, C. L. (2013). The Mediating Effects of Job Satisfaction and Propensity to Leave. *From Stress to Wellbeing Volume 1: The Theory and Research on Occupational Stress and Wellbeing*.
- George, D., & Mallery, P. (2003). *SPSS for Windows step by step: A simple guide and reference*. 11.0 update—Fourth edition. Boston: Allyn & Bacon.
- Geyskens, I., Steenkamp, J. B. E., & Kumar, N. (2006). Make, buy, or ally: A transaction cost theory meta-analysis. *Academy of Management Journal*, 49(3), 519-543.
- Green, S. B. (1991). How many subjects does it take to do a regression analysis. *Multivariate behavioral research*, 26(3), 499-510.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate data analysis*. (6th ed.). Upper Saddle River, NJ: Pearson/Prentice Hall.
- Hansen, P. R., Lunde, A., & Nason, J. M. (2011). The model confidence set. *Econometrica*, 79(2), 453-497.
- Hassan, M., Akram, A., & Naz, S. (2012). The relationship between person-organization fit, person-job-fit and turnover intention in banking sector of Pakistan: The mediating role of psychological climate. *International Journal of Human Resource Studies*, 2(3), 172-188.
- Heslin, P. A., & Ochoa, J. D. (2008). Understanding and developing strategic corporate social responsibility. *Organizational Dynamics*, 37, 125-144.
- Hofman, P. S., & Newman, A. (2014). The impact of perceived corporate social responsibility on organizational commitment and the moderating role of collectivism and masculinity: Evidence from China. *The International Journal of Human Resource Management*, 25(5), 631-652.
- Hollingworth, D., & Valentine, S. (2014). Corporate social responsibility, continuous process improvement orientation, organizational commitment and turnover intentions. *International Journal of Quality & Reliability Management*, 31(6), 629-651.
- Homans, G. C. (1961). The humanities and the social sciences. *American Behavioral Scientist*, 4(8), 3-6.

- Indhuja, K. P., & Chandran, M. (2024). Investigating the influence of internal corporate social responsibility (ICSR) on work commitment and performance of employees of automobile companies in Chennai. *Salud, Ciencia y Tecnología-Serie de Conferencias*, 3, 893-893.
- Jones, D. A., Willness, C. R., & Madey, S. (2014). Why are job seekers attracted by corporate social performance? Experimental and field tests of three signal-based mechanisms. *Academy of Management Journal*, 57(2), 383-404.
- Ketchand, A. A., & Strawser, J. R. (2001). Multiple dimensions of organizational commitment: Implications for future accounting research. *Behavioral Research in Accounting*, 13(1), 221-251.
- Kim, H. L., Rhou, Y., Uysal, M., & Kwon, N. (2017). An examination of the links between corporate social responsibility (CSR) and its internal consequences. *International Journal of Hospitality Management*, 61, 26-34.
- Kim, J., Song, H., & Luo, W. (2016). Broadening the understanding of social presence: Implications and contributions to the mediated communication and online education. *Computers in human behavior*, 65, 672-679.
- Kramer, M. R., & Porter, M. E. (2011). *Creating shared value* (Vol. 17). Boston, MA, USA: FSG.
- Kramer, M. R., & Porter, M. E. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard business review*, 84(12), 78-92.
- Lee, E. M., Park, S. Y., & Lee, H. J. (2013). Employee perception of CSR activities: Its antecedents and consequences. *Journal of business research*, 66(10), 1716-1724.
- Lemieux-Cumberlege, A. H., Griffiths, H., Pathe, E., & Burley, A. (2023). Posttraumatic stress disorder, secondary traumatic stress, and burnout in frontline workers in homelessness services: risk and protective factors. *Journal of Social Distress and Homelessness*, 1-12.
- Mathieu, C., Fabi, B., Lacoursiere, R., & Raymond, L. (2016). The role of supervisory behavior, job satisfaction and organizational commitment on employee turnover. *Journal of Management & Organization*, 22(1), 113-129.
- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human resource management review*, 1(1), 61-89.
- Pallathadka, H., & Pallathadka, L. K. (2022). Impact of CSR Practices on Firms' Goodwill: An Empirical Investigation. *Integrated Journal for Research in Arts and Humanities*, 2(6), 239-246.
- Pathan, M. S. K. (2022). The influence of organizational culture on employee commitment and turnover intentions. *International Research Journal of Management and Social Sciences*, 3(4), 34-43.
- Porter, L. W., Crampon, W. J., & Smith, F. J. (1976). Organizational commitment and managerial turnover: A longitudinal study. *Organizational behavior and human performance*, 15(1), 87-98.
- Ramlawati, R., Trisnawati, E., Yasin, N., & Kurniawaty, K. (2021). External alternatives, job stress on job satisfaction and employee turnover intention. *Management Science Letters*, 11(2), 511-518.
- Raza, M., Khan, M. K., Quadri, S. S. A., & Khawaja, W. S. (2023). Stress, Gossip, and Cynism; The mediatory role of Abusive Supervisor towards Emotional Exhaustion in

- the Banking Industry of Pakistan. *Pakistan Journal of Humanities and Social Sciences*, 11(2), 2648-2662.
- Rupp, D. E., Shao, R., Thornton, M. A., & Skarlicki, D. P. (2013). Applicants' and employees' reactions to corporate social responsibility: The moderating effects of first-party justice perceptions and moral identity. *Personnel psychology*, 66(4), 895-933.
- Ryu, H. Y., Hyun, D. S., Jeung, D. Y., Kim, C. S., & Chang, S. J. (2020). Organizational climate effects on the relationship between emotional labor and turnover intention in Korean firefighters. *Safety and Health at Work*, 11(4), 479-484.
- Shen, J., & Benson, J. (2016). When CSR is a social norm: How socially responsible human resource management affects employee work behavior. *Journal of Management*, 42(6), 1723-1746.
- Shukla, S., & Sinha, A. (2013). Employee Turnover in banking sector: Empirical evidence. *IOSR Journal of Humanities and Social Science*, 11(5), 57-61.
- Singhapakdi, A., Lee, D. J., Sirgy, M. J., & Senasu, K. (2015). The impact of incongruity between an organization's CSR orientation and its employees' CSR orientation on employees' quality of work life. *Journal of Business Research*, 68(1), 60-66.
- Story, J., & Neves, P. (2015). When corporate social responsibility (CSR) increases performance: exploring the role of intrinsic and extrinsic CSR attribution. *Business Ethics: A European Review*, 24(2), 111-124.
- Talpur, A. B. (2023). Market power and concentration-performance analysis of the banking sector: A comparative study of Singapore and Pakistan. *Social Sciences & Humanities Open*, 7(1), 100383.
- Thang, N. N., & Fassin, Y. (2017). The impact of internal corporate social responsibility on organizational commitment: Evidence from Vietnamese service firms. *Journal of Asia-Pacific Business*, 18(2), 100-116.
- Tran, T., Nguyen, T., & Ngo, D. (2021). Mediation of employee job satisfaction on the relationship between internal corporate social responsibility and affective commitment. *Management Science Letters*, 11(1), 195-202.
- Valentine, S., & Fleischman, G. (2008). Ethics programs, perceived corporate social responsibility and job satisfaction. *Journal of business ethics*, 77, 159-172.
- Virador, B., & Chen, Y. (2023). Employee turnover: Causes, consequences, and solutions. *Journal of Organizational Behavior*, 45(4), 332-345.
- Virador, L. B., & Chen, L. F. (2023). Does an (in) congruent corporate social responsibility strategy affect employees' turnover intention? A configurational analysis in an emerging country. *Business Ethics, the Environment & Responsibility*, 32(1), 57-73.
- Wallace, J. E. (1995). Organizational and professional commitment in professional and nonprofessional organizations. *Administrative science quarterly*, 228-255.
- Watty-Benjamin, W., & Udechukwu, I. (2014). The relationship between HRM practices and turnover intentions: A study of government and employee organizational citizenship behavior in the Virgin Islands. *Public Personnel Management*, 43(1), 58-82.
- Woodside, A. G., Frey, L. L., & Daly, R. T. (1989). Linking service quality, customer satisfaction, and behavior. *Marketing Health Services*, 9(4), 5.
- Yiğit, I. (2016). The effect of organizational commitment on the social exchange and organizational socialization: a study in research and practice hospital of Kocaeli University. *Kafkas Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 7(12), 25-50.