

CORPORATE SOCIAL RESPONSIBILITY AND EMPLOYEE RETENTION

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**DEPARTMENT OF INDUSTRIAL RELATIONS AND PERSONNEL
MANAGEMENT**

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**A RESEARCH PROJECT WRITTEN AND SUBMITTED TO THE DEPARTMENT
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DECLARATION

I declare that this research report was based on a study undertaken by me in the Department of **Industrial Relations and Personnel Management** under the supervision of **Prof. Evelyn Umemezia**. All the views and ideas here are results to my personal findings and where the views of others were used, they were duly acknowledged.

ETINOSA AIRUEGHIAN

Date: _____

CERTIFICATION

This is to certify that **Etinosa Airueghian** with matriculation number **Mgs1706866** carried out this research work titled **Corporate Social Responsibility and Employee Retention:** under my supervision and that this research work has not been previously submitted for the award of any degree in this or any other university.

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DEDICATION

This work is dedicated to God almighty for fresh inspirations', undying love and mercies towards me, and to my parents Deacon and Deaconess Mrs. Augustine Airueghian for their efforts, support and love that has been with me throughout the period of writing this project.

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ABSTRACT

This study examined the impact of Corporate Social Responsibility (CSR) on Employee Retention among all permanent staff of Airtel Nigeria Using their branch in Benin city as a case study. To achieve the purpose of this study, four research questions were raised and interrogated. Data were given to one hundred (100) respondents which consisted of the entire permanent staff of Airtel Nigeria, Benin branch. However, out of the 100 questionnaires administered, 80 out of the 100 (80%) copies were returned, from the 80 copies returned only 62 copies were found usable (62%). The questionnaire was the instrument for data collection

which were self-administered. A descriptive survey research design was adopted for the study. The analysis of data was done using frequencies and percentages while to analyse the research questions, the multiple linear regression was used.

The findings from this study revealed that there is no significant relationship between economic, philanthropic, legal and ethical responsibilities and employee retention. But collectively there was a significant relationship between CSR activities and employee retention. That is, when all the dimensions of CSR which includes economic, legal, philanthropic and ethical responsibilities were carried out concurrently, it tended to have a positive influence on employee retention.

Some recommendations were made. To get the best result from CSR programmes, Airtel Nigeria must work in the areas which fit into their core values and business strategies and, they can increase the affective commitment in the future in order to overcome emotional exhaustion which can prevent employees from delivering good quality services to the organisation. Also, they should engage different dimensions of CSR which are philanthropic, economic, legal and ethical responsibilities simultaneously to enable them retain their employees.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Most academics and business pundits have noticed how Corporate Social Responsibility (CSR) has transformed from an irrelevant and often frowned-upon idea to one of the most orthodox and widely accepted concepts in the business world during the last twenty years or so. CSR was regarded as a joke, an oxymoron, and a contradiction in the investment and business communities until the late 1970s (Lydenberg, 2005). But by the late 1990s, virtually every aspect of society—from governments and businesses to non-governmental organizations and individual consumers—was endorsing and promoting the concept of CSR. In addition to endorsing CSR, the majority of the important international organizations, including the United Nations, World Bank, Organization for Economic Co-operation and Development, and International Labour Organization, have also established policies and divisions that are permanently staffed to conduct research and promote CSR. In 1977, less than half the Fortune 500 firms even mentioned CSR in their annual reports. According to Boli and Hartsuiker (2001), by the end of the 1990s, nearly 90% of Fortune 500 companies had adopted CSR as a key component of their organizational goals. They also actively promoted their CSR activities in annual reports. A new reality of business has emerged, according to former HP-Compaq CEO Carly Fiorina and General Electric CEO Jeffrey Immelt, respectively (Gunther, 2004; Fiorina, 2001). These statements reflect the magnitude of the change.

Corporate Social Responsibility (CSR) is a business' contribution to sustainable development; it is required not only to ensure a return to shareholders but also to other stakeholders' interests. This is done to ensure that everyone is happy and, ultimately, that the organization's goals and objectives are met as well. CSR is characterized as a company acting morally and

promoting financial growth while also enhancing the lives of its employees, their families, the neighbourhood, and society at large (Lukka, P. 2000).

The importance of the concept of corporate social responsibility has begun to grow as a result of the pressures imposed by customers, employees, and society. Today, it is widely acknowledged that corporate social responsibility is the most significant and effective way to expand and reach new audiences. The importance of corporate social responsibility has grown in line with the value that these practices have added. Along these lines, CSR has become an important component of many organizations. A big part of the corporate personality, qualities, and vision is being a good corporate citizen. In addition to this definition, CSR has also been defined as the explicit establishment of hierarchical decisions and policies that take into account the needs of stakeholders and the triple primary concern of economic, social, and environmental performance (Zedeck, 2011).

According to the results of the CEO and pioneer study conducted by the World Economic Forum (Voice of the Leaders Survey), corporate brand notoriety, a marketing term that refers to how much consumers know about a particular brand, surpasses budgetary execution as the most important component of progress. Organizations with a public commitment to morals outperform on monetary measures, yielding 18% higher benefits (Gupta and Sharma, 2009). According to Gupta and Sharma (2009), CSR is one way an organization can achieve a balance between or integration of its economic, environmental, and social goals. This is done while also satisfying the needs of its partners and investors.

Around the world, social, economic, and political problems can converge, and the same is true of the solutions. As a result, CSR has emerged as a necessity for businesspeople and a response to new circumstances, challenges, and opportunities for a sustainable business (Gupta and Sharma, 2009). Research revealed that 181 articles were published in prestigious journals, with roughly half of them appearing since 2005 (Aguinis and Glavas, 2012). This

indicates that there have been many studies associated with CSR. A significant portion of CSR research has been conducted at the institutional and organizational levels, with an emphasis on the impact on external stakeholders (Aguinis and Gllavas, 2012).

Employee loyalty represents a work-related mental state characterized by feelings of excitement, accomplishment, enthusiasm, absorption, and dedication (L. Eldor and E. Vigoda-Gatdot, 2017). Enhancing supportive communication behaviours that decrease employees' intention to leave the organization through employee management and internal communication. Another study proved that job skill diversity is the main predictor of employee loyalty. Relationships that lead to financial success are also mediated by job characteristics, organizational support, job satisfaction, organizational commitment, organizational citizenship behaviour, and loyalty. Another viewpoint holds that when businesses engage in CSR initiatives that enable employees to contribute their full potential to work and leave them feeling satisfied and proud, employee loyalty to the organization is even tighter.

One of the core functions of human resource management is employee retention. It alludes to the methods and techniques utilised by the management to enable the workers to stay with the organisation. Motivating employees is a key component of employee retention strategies because it ensures that they stay with the company for the longest possible time and contribute effectively. Be that as it may, employee retention often times becomes a source of concern to organisations. When given the option, prepared employees frequently leave their current employers in search of better opportunities at other companies that offer respectable pay, convenient hours, better living conditions, and greater career success.

Worker turnover can be baffling particularly when the departures are sudden or unexpected and making the management to invest valuable efforts and exertion to enlist, select and train new replacement employees (Buck and Watson, 2002). Hence, it is significant for the human

resource management to actualize some efficient plans to improve employee retention and loyalty so that the trained and experienced employee will stay in the organisation to give their best to the organisation to the extent that this would be possible. According to research by Colquitt *et al.*, (2001), job satisfaction, organizational commitment, assessment of authority, organizational citizenship behaviours, and performance are all correlated with how fair an organization is to its employees and how much it cares about their well-being. In addition, regardless of how they perceive their direct treatment, employees will be impacted by their perception of what the organization is doing to others.

This study will examine the impact of Corporate Social Responsibility (CSR) on employee retention and loyalty by using Airtel Nigeria as a case study.

1.2 Statement of the Problem

Despite the level of CSR activity among Nigerian organizations, Hohnen (2011) found that the majority of these organizations lack environmental awareness. Local businesses don't treat CSR seriously as an ethical or strategic endeavour that will help them run their businesses. Furthermore, the organizations struggle to access the necessary funds and resources for CSR due to the poor economy in which they operate. Organizations find it more cost-effective to avoid CSR (Kioko, 2008).

Carroll (2012) claimed that in order for a business to claim to be socially responsible, it needs to meet four criteria. These are Legal, Philanthropic, Economic and Ethical responsibilities. Legal responsibility refers to the organisation social responsibility to obey society's laws and regulations as it tries to meet its economic responsibility. Philanthropic responsibility refers to an organization's humanitarian works for society, such as road, school, and other social infrastructure construction. Economic responsibility occurs when organizations profit by producing a product or providing a service that society values. This is seen as the most basic

responsibility of organisations. Organizations can maintain a positive reputation in the society in which they operate by engaging in corporate social responsibility.

According to mounting evidence (Peng, 2014), an organization's CSR initiatives represent a valid, compelling, and crucial strategy for luring and keeping talented workers. Numerous research projects have been undertaken in the past to identify and comprehend the causes, effects, and implications of CSR for businesses (Peng, 2014). Nevertheless, research frequently examines how CSR impacts financial performance or other significant stakeholder groups, such as investors, customers, and the government, but it has a tendency to ignore employees (Aguinis & Glavas, 2012 as cited in Peng, 2014). Given how well-established it is that employee attitudes and behavior have significant repercussions for the overall success of organizations, this knowledge gap is surprising (Peng, 2014).

Therefore, for Airtel Nigeria, the impact on the business should be planned to have a positive impact on both the stakeholders and the employees in order to enable them to pledge their loyalty to the organization and thereby bring about their retention through the promotion of activities outside of the core business while serving the interests of the organization. The goal of this study is to determine how much Airtel Nigeria's CSR initiatives affect employee retention and loyalty.

1.3 Research Objectives

The objective of this study is to examine the impact of Corporate Social Responsibility (CSR) on employee retention and loyalty by using Airtel Nigeria as a case study. However, the specific objectives are:

1. To evaluate the impact of Corporate Social Responsibility on employee retention among Airtel Nigeria employees.
2. To examine the effect of Corporate Social Responsibility on employee loyalty among Airtel Nigeria employees.

3. Discover the motivations behind Corporate Social Responsibility in organizations.

1.4 Research Questions

The following questions were generated during the course of this study;

1. Does Corporate Social Responsibility have an influence on employee retention among the workers of Airtel Nigeria?
2. What is the effect of Corporate Social Responsibility on employee loyalty among the workers of Airtel Nigeria?

1.5 Research Hypotheses

The following hypotheses were formulated for this study:

H_I There is significant relationship between employee retention and Corporate Social Responsibility

H_{II} There is no significant correlation between employee loyalty and Corporate Social Responsibility

1.6 Significance of the Study

The management team and staff of Airtel Nigeria would benefit from knowing more about CSR and how it affects stakeholders thanks to the information obtained from this study. The Group will therefore focus its efforts on making sure that the appropriate CSR is chosen in order to benefit the organization and the stakeholders.

The results of this study will make it easier for the general public to understand Airtel Nigeria's responsibility to support them and give back. Through community development, consultation with stakeholders, and education, they will also become aware of their rights as stakeholders.

As it will add to the fascinating body of knowledge, this study will also be useful to upcoming academics and researchers. Researchers who wish to investigate the significance

and advantages of CSR on the stakeholders will be able to use the study's additional knowledge.

1.7 The Scope of the Study

The study concentrated on Airtel Nigeria as this reduced the generalization of the findings of this study to other telecommunication companies operating within Nigeria using Airtel Benin City branch as case study. By soliciting feedback from 62 Airtel Benin City employees over the course of a month, the researcher attempted to account for this limitation. In addition, the data for the study were collected mainly within a short timeframe period of three weeks. This might have caused the response rate to drop.

1.8 Definition of Terms

The following terms were used in the course of carrying out this study:

Corporate Social Responsibility (CSR): According to Carroll (1999), CSR is the internal regulation of an organization that ensures it complies with its social and legal obligations.

Stakeholders: Are individuals or groups that the organization interacts with and is dependent upon, as well as anyone who may have an impact on or be impacted by the company's decisions (Epstein, Flabholtz, and McDonough, 1999).

Employee: An individual who is hired to provide services to a company on a regular basis in exchange for compensation and who does not provide these services as part of an independent business (Muhl, 2002).

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Having an appropriate firm strategy is essential for a company's survival and growth in the current environment of fiercer competition. Since corporate governance is essentially people management, one of the crucial policies that businesses need to pay attention to is human resource policy. Therefore, internal marketing becomes a very important issue that receives the attention of managers. Employees will be trained to match the company with the job position after being hired to work. If the employee leaves the company, it would be a huge loss, especially for senior staff, as this is a time-consuming and expensive process. The intention is to boost employee motivation within the company, as well as increase satisfaction and long-term work commitment. Leadership style, the workplace, the learning environment, and corporate social responsibility (CSR) are just a few of the factors that managers are constantly on the lookout for. In the past, organizations have used CSR as one of the issues attracting management's attention to keep and win over the loyalty of their workforce. It refers to a company's duty to pursue strategies, choose options, and act in ways that advance society.

The relevant literature on corporate social responsibility that organizations tend to use is reviewed in this chapter, along with the development of the various theories and perspectives on corporate social responsibility. It clarifies both the dependent and independent variables. Employee loyalty and retention are dependent variables for the independent variable,

corporate social responsibility, which includes the different forms and strategies of CSR. Likewise, the justifications for corporate social responsibility activities.

2.1 Conceptual Review

2.1.1 Corporate Social Responsibility (CSR)

Most people agree that businesses exist to generate profits for their investors. But the real issue is whether businesses should voluntarily take on additional responsibilities that help other people in the community. This fundamental question is addressed in a wide range of research on corporate social responsibility (CSR). It generally talks about how business should relate to society and the extent to which businesses have responsibilities beyond just looking out for their own financial interests and following the law. (Carroll 1987; Jones, 1980; McWilliams & Siegel, 2001). The lack of agreement in the field regarding a more precise definition of CSR has resulted in a confusing array of conceptualizations and operationalizations that occasionally overlap with one another and partially diverge from one another (Aguilera *et al.*, 2007; Aguinis & Glavas, 2012). But we think Aguinis (2011), who defined CSR as "context-specific organizational actions and policies that take into account stakeholder' expectations and the triple bottom line of economic, social, and environmental performance" (p. 855), succinctly captured several key elements of CSR. As a result, Aguinis' definition of CSR serves as the foundation for our research.

It has been observed over the past 20 years that CSR has gained ever-increasing importance by giving credence to the idea that a socially responsible company tries to maximize its profit, obey the law, practice ethics, and behave in a way that benefits the community (Carroll, 1991; Lee, Park & Lee, 2013). Because it makes such a significant contribution to society and the

environment, the concept of CSR has recently evolved from a trendy buzzword to a well-known social phenomenon. It's a difficult business decision to choose to practice corporate social responsibility. Not because it is a nice thing to do or because people are forcing us to do it because it is good for our business." Concern over social issues in business first surfaced in the eighteenth century, when Adam Smith wrote *The Wealth of Nations* and provided a framework for the relationship between business and society. Howard R. Bowen first used the term "corporate social responsibility" (CSR) in his 1953 book *Social Responsibilities of Businessmen* (Carroll, 1979). Since then, the concept has gained significant recognition and has received the most attention in both academic and organizational literature.

Initially, Beyer (1972) and Drucker (1974) asserted that businesses should take part in charitable endeavours for the community's sake and feel a sense of self-ombudsmanship. It was argued that because corporations are exploiting the public and depleting natural resources while reaping enormous profits, they ought to support efforts to improve society as well as environmental sustainability. Freeman (1970) argued against the concept of CSR by asserting that businesses are not intended for social activities and lack the expertise to operate in this environment. Rather, it is preferable for businesses to produce high-quality goods for consumers, abide by the law, and support the nation's economic growth. Numerous researchers, including Sturdivant and Ginter (1977), Stanwick and Stanwick (1998), Fombrun, Gardberg, and Sever (2000), Maignan and Ferrel (2001), Bromley (2002), Kashyap, Mir, and Iyer (2006), supported the idea of CSR by corporations and agreed that such actions of corporations should also be reported for the information of consumers, communities, competitors, and the government. The business world has seen many studies and innovations, including those relating to CSR reporting methods and their many effects on corporations. Research on CSR including Sturdivant and Ginter (1977); Churchill and Surprenant (1982); McWilliams and Siegel (1995); Porter and Van der Linde (1995); Hart (1995); Judge and

Douglas (1998); Klassen and McLaughlin (1996); Stanwick and Stanwick (1998); Fombrun *et al.*, (2000); Maignan and Ferrel (2001); Bromley,

The importance of CSR for the retention and satisfaction of various stakeholders as well as sustainable corporate performance was stressed by (2002), Hart *et al.*, (2003), Paine (2003), Kashyap *et al.* (2006), Guo, Sun, and Li (2009), and Ali *et al.* (2010). Various contexts, such as CSR and financial performance, consumer behaviour, and employee behaviour, were used to conduct these studies. In accordance with Bowen's (1953) definition, corporate social responsibility (CSR) refers to the pressures placed on businesspeople to follow desirable policies, decisions, and lines of action with regard to societal goals and values. In addition, he reaffirmed that even when profits are maximized, businesspeople are still responsible for the results of their actions around the world, emphasizing the atmosphere and importance of the organization's performance toward society. By keeping the Bowen's (1953) concept in mind, Carroll (1979) defined CSR as economic, legal, ethical, and philanthropic responsibilities that society expects from the business or organisation. The author also emphasized that socially responsible firms or companies will maximize their profit along with obeying the law and being ethical (Carroll 1991). Then, using a Venn diagram, Schwartz and Carroll (2003) discuss the economic, legal, and ethical obligations of a company. They emphasize that while these domains are not mutually exclusive, they frequently overlap. The ideas of "shared (social and business) value creation" (Porter & Kramer 2011) and "strategic CSR" (Kotler & Lee 2005), two recent additions to the CSR literature, support the notion that a company's long-standing economic, legal, and ethical obligations continue to be congruent.

A responsible business organization must also consider the well-being of its employees, suppliers, dealers, local communities, and the country as a whole, according to Johnson (1971), who developed the stakeholder theory. Another distinguished contribution to the expansion of CSR was made by the Committee for Economic Development (CED) of the

United States, in 1971. CSD defined CSR as a business function to serve the needs of society constructively (Carroll, 2008). In recent years, CSR programs have expanded to include a range of tactics and operational procedures that support the organization's long-term economic, social, and environmental welfare (Kotler & Lee 2005).

Businesses are strengthening their relationships with their stakeholders and promoting their well-being through CSR initiatives (Freeman *et al.*, 2007). In contrast to portraying a company as an organization solely focused on maximizing profits, CSR activities reveal a company's values and guiding principles (Brown & Dacin 1997; Sen & Bhattacharya 2001). More specifically, an organization's CSR initiatives help employees achieve their ideological goals of pursuing social and environmental causes and standing out (Du, Bhattachary, & Sen, 2011). Through properly designed CSR programs, firms can obtain considerable business benefits owing to a more positive image in addition to enhanced stakeholder relationships, for instance, superior stakeholder contentment and trustworthiness (Rodrigo & Arenas 2008). Furthermore, CSR can help a company develop its key intangible assets, including its human capital, a positive corporate culture, and innovation (Branco & Rodrigues 2006).

It's interesting to note that the current research also suggests that CSR initiatives could support employees' developmental needs (Bhattacharya *et al.*, 2008). Employee participation in CSR initiatives within companies is becoming more and more required as businesses increasingly integrate socially responsible programs into their daily operations (Porter & Kramer 2011). In supporting this, Surroca *et al.*, (2010) uncover that CSR adds value in accumulating human capital the reason that embracing CSR practices confirms the active involvement of employees to improve the firm's social and environmental performance. Therefore, CSR initiatives present essential chances to empower workforces to affect change and to hone key business skills like leadership, problem-solving, and innovative thinking, among others (Kanter 2009).

2.1.2 Types of Corporate Social Responsibility

Environmental Responsibility

Environmental responsibility is the pillar of corporate social responsibility rooted in preserving mother nature. Through optimal operations and support of related causes, a company can ensure it leaves natural resources better than before its operations. To practice environmental stewardship, businesses frequently do the following:

- Reducing pollution, waste, natural resource consumption, and emissions through its manufacturing process.
- Recycling goods and materials throughout its processes including promoting re-use practices with its customers.
- Offsetting negative impacts by replenishing natural resources or supporting causes that can help neutralize the company's impact. For example, a manufacturer that deforests trees may commit to planting the same amount or more.
- Distributing goods consciously by choosing methods that have the least impact on emissions and pollution.
- Creating product lines that enhance these values. For example, a company that offers a gas lawnmower may design an electric lawnmower.

Ethical Responsibility

Ethical responsibility, which is the cornerstone of corporate social responsibility, is based on acting in a just and moral manner. Although external factors or client demands may influence ethical goals, businesses frequently set their standards. Instances of ethical responsibility include:

- Fair treatment across all types of customers regardless of age, race, culture, or sexual orientation.

- Positive treatment of all employees including favourable pay and benefits over mandated minimums. This includes fair employment consideration for all individuals regardless of personal differences.
- Expansion of vendors used to utilize different suppliers of different races, genders, Veteran statuses, or economic statuses.

Honest disclosure of operating concerns to investors in a timely and respectful manner. Though not always mandated, a company may choose to manage its relationship with external stakeholders beyond what is legally required.

Philanthropic Responsibility

Philanthropic responsibility is the pillar of corporate social responsibility that challenges how a company acts and how it contributes to society. In its simplest form, philanthropic responsibility refers to how a company spends its resources to make the world a better place.

This includes:

- Whether a company donates the profit to charities or causes it believes in.
- Whether a company only enters into transactions with suppliers or vendors that align with the company philanthropically.
- Whether a company supports employee philanthropic endeavours through time off or matching contributions.
- Whether a company sponsors fundraising events or has a presence in the community for related events.

Financial Responsibility

Financial responsibility is the pillar of corporate social responsibility that ties together the three areas above. A business may have plans to become more environmentally conscious, morally upright, and philanthropic, but it must support these initiatives financially through program investments, charitable giving, or product development. This includes spending on:

- Research and development for new products that encourage sustainability.
- Recruiting different types of talent to ensure a diverse workforce.
- Initiatives that train employees on DEI, social awareness, or environmental concerns.
- Processes that might be more expensive but yield greater CSR results.
- Ensuring transparent and timely financial reporting including external audits.

Some corporate social responsibility models replace financial responsibility with a sense of volunteerism. Otherwise, most models still include environmental, ethical, and philanthropic types of CSR.

2.1.3 Employees' CSR Perceptions

Perception can be defined as a complex process by which people select, organize, and interpret sensory stimulation into a meaningful and coherent picture of the world (Berelson & Steiner, 1964). A company's CSR efforts will have an impact on employee attitudes and behaviour to the extent that this stakeholder group perceives and assesses them (Barnett, 2007; Bhattacharya & Sen, 2008). As a result, according to Rupp et al. (2006) and Schuler & Cording (2006), employees' perceptions of CSR serve as the main mediator of the impact of CSR actions on employees.

The structure of CSR perceptions is not established. Marketing and management studies have proposed several models of CSR perceptions. Carroll (1979) distinguished four tiers of corporate social responsibilities: economic, legal, ethical, and discretionary. According to Peterson (2004), many studies assumed that managers, customers, and/or employees would structure their perceptions of CSR around these four categories.

By taking into account three aspects of employees' perceptions of CSR, Rupp (2006) used organizational justice to model CSR perceptions. These aspects were the social concerns embedded in the CSR action (procedural CSR), the results of the action (distributive CSR),

and the interpersonal treatment of people both inside and outside the organization after an action (interactional CSR) (Rupp 2006).

2.1.4 Corporate Social Responsibility on Employee Engagement

A person who is regularly hired by a business to provide services for the business in exchange for payment and who does not perform these duties as a stand-alone enterprise is referred to as a worker (Muhl, 2002). Employers want employees who will do their best work to help the company achieve its objectives. Employees want good jobs that are challenging and meaningful. An engaged workforce is a phrase that is increasingly used to describe this win-win circumstance. This section discusses the meaning of employee engagement, examines how it is measured and why it is so important, and presents an overview of the current state of employee engagement.

According to Macey & Schneider (2008), the concept of employee engagement is just emerging within the literature. The authors further state that the phenomenon has received several contradictory definitions and discussions. Researchers do, however, offer explanations of the idea that are similar in a number of ways. The first discussion on this topic was started by Kahn (1990), who argued that engagement presupposes the employee's psychological presence in which he presents himself physically, cognitively, and emotionally, meaning that engaged employees are involved in their work on these three levels. Additionally, the author claims that the three psychological prerequisites of meaningfulness, safety, and availability are necessary for employee engagement.

May, Gilson, and Harter (2004) confirm the existence of the three conditions for employee engagement - meaningfulness, safety, and availability - in their field study, building on Kahn's (1990) findings. They stress that meaningfulness within the job featured the strongest link with the concept of engagement. Macey and Schneider (2008) supported the distinction

of psychological presence in their discussion of employee engagement because it refers to psychological state engagement, behavioural engagement, and trait engagement.

Corporate social responsibility can be measured by looking at workplace issues such as workforce diversity and equal opportunity, luring and keeping top talent, staff welfare and security, fair pay and remuneration, personal development plans and career advancements, staff training, health and safety, and employee morale and motivation (Tanimoto, 2004). Employees can act as agents for social change when they push corporations to adopt socially responsible behaviour while ensuring the environmental policy demonstrates the support necessary to secure effective CSR programs and policies (Ramus & Steger, 2000). As a stakeholder group, employees also view, assess, evaluate, and respond to CSR initiatives and programs (Knapp & Mujtaba, 2010).

Employees' attitudes and behaviours will be unaffected if they are unaware of their company's CSR activities. However, Sen & Bhattacharya (2001) are of the view that simple awareness is not likely sufficient to provoke positive outcomes. Instead, staff members must believe that the CSR initiatives are worthwhile and consistent with the company's goals. Bhattacharya & Sen, (2008) go one step further and say that employees try to judge the intents of the organisations behind spending on CSR activities and make attributions regarding its CSR initiatives to try to understand why the company is engaging in the particular activity.

2.1.5 Employee Retention

Employee retention is a crucial ongoing process in which the company keeps its employees on for the longest possible time or until the project is finished. It is a continuing employment relationship. It is crucial to understand how to keep employees in a specific organization because high employee turnover is a sign of more serious issues within businesses (Sohail, Muneer, Tanveer, & Tariq, 2011).

CSR now plays a bigger role in business success, especially in terms of luring and retaining top talent. The results of earlier studies on the impact of CSR on organizational outcomes have been inconsistent. While many studies found a poor or insignificant correlation between CSR and organizational performance (MacKinlay, 1997, p. 27; Vance, 1975, p. 20; Davidson & Worrell, 1990, p. 7), other studies (Bragdon & Marlin, 1979, p. 9; Graves & Waddock, 1994, p. 1034; Moskowitz, 1972, p. 72; Spencer & Taylor, 1987, p. 7)

According to Imran *et al.*, (2010), corporate social responsibility affects employee performance, engagement, and commitment to organizations, which in turn affects employee turnover in business organizations. This helps management retain employees. According to recent research, there is a strong positive relationship between CSR and employee organizational commitment, as well as CSR and organizational performance. According to Sohail *et al.*, (2011), CSR can give employees a sense of security and safety that their material needs will be met, self-esteem derived from a positive social identity and feelings of belonging, as well as existential meaning and purpose at work. The need-based approach can be used through CSR initiatives at the macro level that will ultimately have positive effects on employees (Imran *et al.*, 2010).

Hervani & Helms (2005) state that compensation (salaries and wages, performance-based incentives, benefits, and retirement plans) is one internal factor that affects employee retention. Workplace factors (such as health and safety, work-life balance, diversity, and teamwork), Appreciation and respect (leadership, acknowledgement, empowerment, ethics and trust, job security), Development and career growth (induction, new skills acquisition, education, training, career development planning) and Communication (organisational culture, information access, meetings, feedback).

2.2 Theoretical Review

2.2.1 The Evolution of the Theory of Corporate Social Responsibility

Social Responsibilities of Businessmen: The 1950s and 1960s

The idea of corporate social responsibility is relatively new, and it has gradually evolved over time thanks to a number of ground breaking studies. Most scholars point to Howard Bowen's *Social Responsibilities of the Businessman* (1953) as the first attempt to theorize the relationship between corporations and society (Carroll 1979; Preston 1975; Wartick and Cochran 1985). It does not mean that no thinking on the relationship between corporations and society existed. Henry Ford, George Perkins of US Steel, and sociologists like C. Wright Mills (1956) are just a few industrialists and authors who have commented on the connection. Many Puritan and Protestant writers had long been interested in the idea of businessmen demanding social responsibility, as Bowen makes clear by providing a lengthy list of bibliographies in the Appendix. Bowen's book was commissioned by the Federal Council of the Churches of Christ in America, which was an interdenominational agency made up of 29 Protestant and Orthodox Church bodies. The book, which Bowen (1953) described as "an investigation of economic life and its relation to spiritual and moral values," was one of a larger six-volume study on Christian ethics and economic life. Bowen took the opportunity to produce what turned out to be the first systematic and rationalized account of CSR. Bowen makes his position on CSR unmistakably clear. Although he acknowledges that CSR is no panacea that will cure society of all its ills, he considers it a welcome development that needs to be encouraged and supported. The main question he grapples with in the book is not whether businesses have social responsibility or not. For Bowen, the answer is obvious. He contends that the position of great influence and the far-reaching scope and consequences of their decisions obligate businesses to consider social consequences and responsibilities. The questions that Bowen is more interested in are 'What exactly are the responsibilities of businesses?' and 'How can society make institutional changes to promote CSR?' His definition of the social duties of businesspeople makes clear his normative orientation, which

he does not try to hide: "It refers to the duties of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen 1953). A bitter controversy was also sparked by the growing promotion of CSR. The most prominent objection to CSR was the classical economic argument proposed by Milton Friedman. According to him, a company's social duty is to maximize profits for its stockholders. He viewed CSR as a "subversive doctrine" that jeopardized the very basis of a free market economy (Friedman 1962).

Enlightened Self-Interest: The 1970s

A breakthrough in conceptual development did not come until 1970 when a new study on CSR was commissioned by the Committee for Economic Development. The resulting publication, *A New Rationale for Corporate Social Policy*, reshaped the debate by providing a wider lens to examine the issue (Baumol 1970). In particular, the last article written by Wallich and McGowan presented a new paradigm that made a lasting impact on the debate on CSR. As Wallich and McGowan state, the main purpose of the article was to make an effort to provide a reconciliation between the social and economic interests of corporations (Wallich and McGowan 1970). The authors understood that CSR would always be debatable without evidence that it is consistent with stockholder interests. Therefore, they took on the task of providing a new rationale that upholds CSR without compromising stockholder interest.

To provide a new rationale for CSR, Wallich and McGowan go back to the fundamental question of whether corporations should engage in CSR. They agree that, in the narrow sense of utility maximization for stockholders, Friedman is right in asserting that corporations should not engage in CSR. The definition of stockholder interest has also undergone a significant change as a result of the diversification of modern corporate equity holding

patterns. To spread the risk, by the 1970s, the majority of stockholders held shares in multiple businesses in addition to just one. Therefore, they were not interested in the maximization of profit in just one company at the possible expense of the other companies in which they owned shares. To put it another way, owners of diversified portfolios would aim to maximize profits while also maximizing social optimization, and they would want to distribute social expenditures equally across all firms up until the point at which marginal cost is equal to marginally beneficial benefits (Wallich and McGowan, 1970). The new rationale that Wallich and McGowan offered was that it is consistent with stockholders' long-term interests for corporations to be socially minded. Since the publication of *A New Rationale for Corporate Social Policy*, the orientation of research in the field has radically shifted from normative to positive. Although the debate over whether or not corporations should participate in CSR hasn't changed, the research has. Instead (Ackerman 1973; Fitch 1976; Murray 1976), the majority of studies that were published in the 1970s concentrated on the CSR's content and implementation process that did not go against corporations' overarching interests.

Corporate Social Performance Model: The 1980s

Preston (1975) argued that there wasn't a widely accepted theoretical paradigm in the field of business and society until 1975 and urged for more observable advancements in conceptualization, research, and policy development in CSR. Carroll published the first results of such efforts in his 1979 article for the *Academy of Management Review* (AMR). His three-dimensional conceptual model of corporate social performance (CSP) immediately gained acceptance and was further developed by others (Miles 1987; Ullmann 1985; Wartick and Cochran 1985; Wood 1991). Carroll's three-dimensional model's main idea is to group together the three components of CSP—corporate social responsibility (CSR), social issues, and corporate social responsiveness—under a single heading. The purpose of the model was

to help clarify and integrate various definitional strands that have appeared in the literature. It quickly rose to the top of the list of business and society articles with the most citations.

The most important contribution of the model is that the three-dimensional model does not treat the economic and social goals of corporations as incompatible trade-offs. Both corporate goals are instead incorporated into the framework of a company's total social responsibility, which covers economic, legal, ethical, and discretionary categories. The magnitude of each category can differ in that economic responsibility may carry more weight than ethical responsibility, but each category of responsibility is an integral part of a corporation's total social responsibility. For each category of social responsibility, corporations can choose one of four possible strategies of action: reactions, defence, accommodation or pro-action. As such, the model offers a framework through which a corporation's strategic response to a social issue can be identified and assessed. Carroll wrote the article with very pragmatic goals in mind. For academics, he intended to provide a comprehensive framework to understand various thoughts on CSR. For managers, he wanted to provide a tool to aid them in systematically thinking through the major social issues they faced. Carroll avoided talking about the general relationship between business and society due to his practical goals and instead concentrated on the relationship between a firm and its immediate environment. The model was further *elaborated* in 1985 by Wartick and Cochran (1985). Wartick and Cochran modified Carroll's model to include dimensions of principles, processes, and policies while maintaining that the CSP model can adequately incorporate the three primary challenges to the concept of CSR. Carroll's model, which had previously only focused on identifying issues, was significantly expanded with the addition of the final dimension of policies (or issue management).

Strategic Management: The 1990s

According to Peter Drucker, the management revolution that started in the 1950s only fully materialized in the 1990s (Drucker 1993). Numerous studies on strategic management have been conducted, especially in response to the question of why some businesses consistently outperform others. Stakeholder analysis is one branch of strategic management research that is relevant to CSR. The stakeholder model of CSR was developed mainly by management scholars who were frustrated by the lack of practicality of the previous theoretical models. By more precisely identifying the actors and outlining their positions and functions concerning one another, the stakeholder model was able to address the issue of measurement and testing. A model that is more precisely specified has a definite benefit in terms of utility. Managers' obligations to their team members, clients, and the government are much easier to envision and manage than their obligations to society. Moreover, most companies, whether intentionally or unintentionally, have already been managing these relationships and keeping records of their transactions or interactions. Therefore, data gathering and analysis are much more tractable (Clarkson 1995).

In the 1960s, the idea of stakeholders first appeared in management literature. By the 1970s, several variants of stakeholder theory were already being tested by major corporations such as General Electric. The stakeholder approach, however, remained mostly scattered and peripheral to management scholarship until the mid-1980s. In 1984, Freeman gathered various eclectic ideas on the stakeholder approach and constructed a coherent and systematic theory of stakeholder management (Freeman 1984). A unique feature of stakeholder theory is that it envisions a corporation's purpose in a wholly different way. Within the stakeholder framework, the difference between the social and economic goals of a corporation is no longer relevant, because the central issue is the survival of the corporation. Not just shareholders but some other stakeholders, including employees, governments, and customers, have an impact on a company's ability to survive. Stakeholder theory had some clear

implications for CSR because of its focus on relationships and normative foundation, which acknowledges the intrinsic value of non-shareholding stakeholders' interests (Donaldson and Preston 1995). The attempt to adapt CSR to the stakeholder framework forced researchers to specify CSR more clearly according to the particular stakeholder relations that a firm is engaged in. Ironically, the definition of CSR for each stakeholder relationship has led to an expansion of the term's meaning and application. The stakeholder framework led to the creation of numerous new categories of CSR to reflect the diverse range of stakeholder relations and interests, as opposed to one general category of social responsibility. The definition of CSR was expanded to take into account the new categories as well as new stakeholder relations as more and more CSR categories were developed, including environmental responsibility, diversity, affirmative action, and transparent accounting practices.

2.2.2 Theories of Corporate Social Responsibility

Stakeholder Theory of Corporate Social Responsibility

The stakeholder theory rose to fame in the 1990s as a direct challenge to the shareholder value theory (Freeman 1984). It makes the case that the impact of stakeholder forces on business should not be understated and that the number of stakeholder pressure groups has increased significantly since the 1960s. Business success assumes the vast interests of stakeholders rather than the shareholder's interest alone, as it should if we are to be ethical and pragmatic. The stakeholder theory emphasizes special social rather than any others unrelated to the corporation. Thus, CSR is denoted as a company stakeholder responsibility.

Business Ethics Theory of Corporate Social Responsibility

The business ethics theory is based on wider social obligation and the moral duty that business has towards society (Bigg, 2004). This theory justifies CSR on 3 varied but interrelated ethical grounds:

- Changing and emerging social responsiveness and social expectations to particular social problems.
- Eternal or intrinsic ethical values are always inspired by Kantian ethics and denoted as some normative and universal principles like social justice, fairness and human rights
- Corporate citizenship i.e. corporation as a better citizen in a society to contribute to social well-being.

The business ethics theory views CSR more as philanthropic and ethical responsibilities rather than legal and economic responsibilities. CSR initiates where legal obligation declines.

Shareholder Value Theory of Corporate Social Responsibility

The shareholder value theory a perspective denoted by Nobel Laureate Milton Friedman (1970) argues that the only social responsibility of a business is to develop its profits while following legal norms. According to neoclassical economists like Hayek, the purpose of business is to conduct activities that benefit society and the economy; this purpose should not be confused with other social functions carried out by governments and not-for-profit organizations. Otherwise, it is not the most effective way of allocating resources in a free market. According to agency theorists and economists alike, a corporation's managers are its owners, and its agents have a fiduciary duty to prioritize the interests of its shareholders over all others.

Although maximizing the profit of shareholders is justified as the most significant or only corporate responsibility, corporate social obligations are regarded often as a strategic instrument for a corporate competitive benefit and more profit gain.

2.2 Motivations behind Corporate Social Responsibility in organizations?

Many corporations decide to use CSR techniques as a business strategy to promote their goods or services with an emphasis on corporate social contributions to remain highly competitive in the global market. This is called “a subconscious level of advertising” because companies can earn public support for their businesses through philanthropic promotions (Fry, Keim, & Meiners, 1982, p. 105). For instance, American Express successfully combined cause-related marketing and corporate philanthropy by strategically choosing the activities it would support. The company first bound its \$100,000 contribution to the San Francisco Arts Festival with customer card usage in 1981 when it noticed that its demographic profile of target consumers included people with an interest in the arts. "The program was a phenomenal success," stated Hunt (1986) on page 23. "Card use increased 28% (they had estimated 19%), applications increased 45%, and \$1.7 million was donated to the restoration project." Vice President of American Express Fred Williamson, Jr., stated that the purpose of the project was to operate the business while “helping a worthy cause in the communities in which American Express does business” (Maher, 1984, p. 80). Two years later, American Express again confirmed that supporting charitable activities would reflect positively on its public recognition and profitability by contributing to the Statue of Liberty restoration fund (Stendardi Jr., 1992, p. 24).

This subconscious marketing strategy has successfully proved that a company’s good- because investing can improve its financial performance and establish great relationships with charities and local communities at one time. Ultimately, the goal of a business is to pursue maximum profitability with a minimum operating cost. Jensen’s stakeholder theory pointed out that a company could not maximize its long-term success if it ignored the demands of different stakeholders (2001, p. 297). Business image has been shown to have an impact on stakeholder decisions in a variety of ways, including how sensitive customers are

to price levels for goods or services, what candidates think about before applying for jobs, how shareholders decide to invest, and how employees behave at work and perceive the company (Riordan, Gatewood, & Bill, 1997, p. 401). In other words, if businesses effectively used CSR strategy to increase employee commitments, they could lower the costs of hiring, training, and replacing the workforce.

To sum up, a company's CSR involvement is suggested to have positive impacts on both internal and external stakeholders as CSR practices improve its business image, financial performance, cost reductions, and employee organisational commitment. Most importantly, external CSR programs tend to generate a much stronger organisational commitment, which will motivate employees to have better work performance, thus enhancing their productivity and job satisfaction. Companies can strengthen their good reputation with the public and their employees by engaging in CSR on the outside, and they can also improve relations with the local community and the government. Therefore, companies need to understand the idea of external CSR and choose those programs based on their business models and desired goals.

2.3 The Relation of Corporate Social Responsibility and Employee Loyalty

One of the most important definitions of employee loyalty is that an employee's identifying himself/herself with the company and his/her working to reach objectives and aims of the company (Swales, 2004). According to Meyer and Allen (1997), psychological manner of an employee affects his/her decisions about working. Employee commitment is a pattern of behavior in which an employee aspires to work for the company permanently, and it is influenced by the employee's relationship with the business (Meyer and Allen 1997, 11). According to Caldwell et al. (1990), O'Reilly and Chatman (1986) defined it as a psychological commitment made by a person to the company.

CSR is positively related to employee performance (Jones, 2010) and commitment (Maignan, Ferrell, & Hult, 1999). Besides, CSR also increases the attractiveness to prospective employees (Greening & Turban, 2000; Turban & Greening, 1997), organisational citizenship behaviours (Jones, 2010; Lin *et al.*, 2010; Sully de Luque *et al.*, 2008), engagement (Glavas & Piderit, 2009) and identification with the organisation (Carmeli, Gilat & Waldman, 2007). In addition, CSR enhances employee retention, employee relationships, and creative involvement (Glavas & Piderit, 2009; Agle, Mitchell & Sonnenfeld, 1999). CSR will help to improve the working environment in many aspects. Effective CSR can contribute to employees' sense of belonging, improved skills and motivation, better productivity, lower attrition rates, and higher job satisfaction and retention rates. This review will explore the relationship between corporate social responsibility (CSR) and employee retention.

Employee loyalty is the degree of adoption of the company and its objectives and, willingness to work in the company (Robbins 2003:72). It is the strength of the connection between the company and the employee (Grusky 1966). Other definitions of employee loyalty are as follows; accepting the company's goals and objectives, working toward them, having a strong desire to boost the company's success, and wanting to join the company (Drummond 2000). - Identifying himself or herself with the company individually and working

for the aims of the company (Kreitner and Kinicki 2001). Yearning for being a member of the company and making an effort for the company by strongly accepting its aims and objectives of it (Morrow, 1983). It is believed that corporate citizenship can have a strong influence on employee morale, motivation, commitment, loyalty and training (Weiser and Zadek, 2000; Zappala, 2004; Orlitzky *et al.*, 2003). Quite parallel to what this research paper aims to confirm, Waddock and Graves (1997) note that organisations with CSR activities can benefit from empowering and encouraging their staff's commitment and productivity.

Emotional loyalty is to continue to stay in the same job willingly (Zangaro 2001:16). To define in a broader sense, an employee's identification of himself/herself with the company, his/her active interaction with the company and his/her happiness in the workplace (Porter *et al.*, 1974:604; Mowday *et al.*, 1982:27, Allen and Meyer 1990:2, Sabuncuoğlu 2007: 622). Due to the connection between them, employees who have an emotional commitment to the company stay in their roles. They accept the company as their family and they work heartily to reach organisational objectives. Therefore, companies desire to have employees that are emotionally loyal to themselves. Due to their needs, employees keep working for the company. Continuance commitment is defined as the will to work due to fear of losing status and side benefits and difficulty of finding a new job (Sabuncuoğlu 2007: 622). In such a situation, financially strong and contributing individuals want to continue to work in the same company (Allen and Meyer 1991, p. 72). Since it is difficult for them to give up their status. However, they put forth the bare minimum of effort in this process. Therefore, continuance commitment is not preferred by companies since they want to work with people who use reasonable efforts by devoting themselves to their work. Researches reveal that scarcity of working opportunities and investments is a defining factor in continuance commitment (Wasti 2000, Uyguç and Çımrın 2004: 92).

Many companies have started to evaluate CSR principles to compete better in the global market and to promote products and services by emphasizing corporate social responsibility activities. This situation is defined as the "subconscious level of the promotion" because companies are supported by the public while they are doing their work due to philanthropic activities (Fry *et al.*, 1982:105). And these kinds of CSR activities are seen as important due to their contribution to employee satisfaction and loyalty as well.

Employees who participate in CSR activities as volunteers benefit personally and can make greater contributions to the production process. Moreover, the firm is perceived as a firm that

cares about social issues and works for the public interest. Thus, the "win-win" policy is effective and the company is internalized by both its clients and itself (Lantos 2002:207). Their voluntary work in CSR activities can be considered informal training because they obtain an opportunity to develop both their professional skills and their communication skills in their environment (Creyer and Ross 1997). In other words, they can exhibit the skills that they cannot do normally in their departments. Volunteering for CSR initiatives helps employees improve their "teamwork, communication, management, and leadership skills" (Wild 1993, cited in Caudron 1994: 41).

In recent years, firms do not demand personal development or expertness programs that are provided from the outside of the firm, rather they promote their employees by observing their performances in their volunteer activities (Caudron 1994, p. 41). Employees' voluntary attendance at work reportedly increases in value over time. As a result, both the production process and the valuable contribution of the workforce are positively impacted (Geroy *et al.*, 2000, p. 280).

According to social impact theory, a company's reputation has an impact on the choices that its stakeholders make. In other words, it influences how customers feel before they make a purchase, what advice prospective employees take into consideration, how investors decide to invest, and the attitudes and behaviours of employees toward the company (Riordon *et al.*, 1997: 401). If the companies use their corporate social responsibility activities efficiently; they retrench recruitment, training and employee changing expenses. Employees generally evaluate companies in which they are working according to the position of the company and also its reactions towards society. In fact, the working conditions of the company define the loyalty of employees and their satisfaction with the working environment. Companies' stances on social issues have an impact on how employees view the company (Koh and Boo 2001:311).

The loyalty of employees affects other performances like profitability of companies (Benkhoff 1997:717) or *labour* loss (Lum *et al.*, 1998:309). According to Locke (1997), 1997:375, one motivating factor that makes people more motivated to work is employee motivation. The first step in ensuring an organization's employees' loyalty is to ensure that they are motivated to achieve their goals. In other words, more devoted workers are more productive, which results in better services and higher-quality output. As a result, the satisfaction of employees increases. According to research, CSR practices especially those implemented outside of the company influence the employees positively (Brammer *et al.*, 2007:1715).

More importantly, if the corporate culture has an impact on how employees behave and perform, they will contribute more to outside CSR initiatives, like participating in charitable events. Thereby, they become a part of philanthropist corporate culture. To have the support of their employees and a positive reputation in their eyes, companies, according to Hancock (2005), should adopt CSR as a culture. If a company has a corporate culture that integrates CSR rather than profit-focused, it has a chance to reduce labour loss and improve employee training and working conditions. Moreover, they can have better communication with their business partners in this situation. Employees feel more loyal to the company if the outside CSR activities involve the business strategy in addition to ethical and environmental standards.

All in all, companies and top management can encourage their employees by including them in planning, management and evaluation parts; therefore, they can develop internal communication and leadership. Similar to marketing, public relations, and human resources, corporate volunteering programs are significant channels that enable improved communication with internal and external stakeholders. According to Esrock and Leichty (1998), 90% of corporate websites feature at least one well-known social responsibility topic,

such as support for public education, social community involvement, or sustainable practices. When discussing corporate social responsibility investments, it is important to note the growth of both volunteerism and social development. It could be interpreted as encouraging positive studies and a healthier work environment. In contrast, corporate social projects increase opportunities for marketing development and contribute to resolving social issues.

Corporate social projects and volunteering of employees are the most important external CSR activities of today's world. Being a part of internal CSR activities brings employees a sense of spirituality. It also increases their respect towards their job. Therefore, they embrace the organisation and trust it more. Employees who feel safe and trust the organization work harder to achieve the goals of the organization.

Nowadays, companies in the global market move beyond subsidizing the employees and they have started to include them in the issue. Their decisions are more strategic and they contribute to the development of society. The majority of corporate philanthropy initiatives aim to increase credibility and goodwill. In this way, employees take heart and production increases (Porter and Kramer 2002:57). Furthermore, the CSR culture arouses loyalty feeling in employees and increases their self-confidence by creating an environment for them to help others. Companies improve the morale of employees by involving them in corporate volunteering and social development projects (Lewin 1991).

Companies must work in areas that align with their core values and business strategies to get the best results from CSR programs. Employees can get involved in external CSR practices if they are appropriate for the values of both the company and the team members. They are crucial for the loyalty of employees. If employees internalize the core values and beliefs of the company, they are willing to attend to other activities of the company. According to Brewis (2004), if employees participate in corporate volunteering activities it means that the company has a positive influence on the perception of employees. Volunteer activities under

the guidance of the employer increase the level of loyalty of employees and create a positive link between employees and the company (Laverie and McDonald 2007:286). Participating in socially supportive activities, according to Carroll (1990), increases employees' commitment. In short, loyalty towards the company brings out employee loyalty which dramatically increases the desire to work in the company for a long time.

Strong employee loyalty fosters an enthusiasm for working hard, which results in a pleasant work environment and job satisfaction. It is proven that CSR programs have a positive impact on labour force. Since employees who participate in charitable endeavours are happier, they follow the company's reputation in society. According to Peterson's Social Identity Theory, a company's social performance has an impact on employee loyalty, length of employment, and preferences because employees prefer to work for organizations with strong CSR values (Peterson 2004: 313). Corporate social participation and volunteering activities emphasize a strong corporate social responsibility commitment. This commitment influences the social image of the company and improves work satisfaction.

According to Wayne and Green (1993:1438), organizational citizenship behaviour and the beneficial effects of top management are related. If employees believe that the company has a good reputation in society, they are more motivated to participate in corporate philanthropic practices. Besides contributing to society, they are personally satisfied and motivated due to the feeling of doing meaningful things (Dolnicar and Randle 2007: 135). Additionally, volunteering at work offers the chance for improved communication with management and personal growth. At the same time, companies create a source for their CSR practices and they increase their awareness (Crouter 1984: 430). According to research, employee loyalty decreases the number of decisions to leave the job (Sabuncuoğlu, 2007). In addition, loyal employees who adopt the aims of the company are less considerate about leaving the job (Tak and Çiftçioğlu, 2007). On the other hand, working in a company for a long time

increases work satisfaction (Lam, 2001). Several studies have been examined by various researchers on CSR. Yeomans (2005) examined how social responsibility affected the growth of 30 significant international banks and discovered that building a favourable reputation with stakeholders is how banks develop their brands. The findings of Tsoutsoura's (2004) study on the connection between corporate social responsibility and financial performance showed that CSR is positively related to better financial performance and that this relationship is statistically significant, supporting the idea that businesses with strong financial performance have more resources to devote to social performance domains. The results of a study by Vollmert (2007) on the effect of corporate social responsibility on students' propensity to apply for jobs and buy products showed that companies' socially responsible behaviour affects students' application and purchase behaviour, which in turn affects how appealing they are to potential employees.

The results of in-depth studies on CSR in the banking industry imply that the public may view the industry as socially responsible in all respects. With the high number of studies on CSR activities in the banking sector, there has been very little investigation of the impact of CSR on the stakeholders of insurance companies. Businesses and societies can both gain significantly from corporate social responsibility, which is a complicated phenomenon (Dahlsrud, 2010).

In conclusion, CSR initiatives benefit internal and external stakeholders by delivering benefits like a positive perception of the business, strong financial results, minimal expense, and employee loyalty. The most important one is that external CSR practices create stronger loyalty. Employees are motivated to work harder as a result of this situation, which boosts output and increases employee satisfaction. External corporate social responsibilities have positive contributions to the corporate image as well as to communication between the government and social organisations. Therefore, it is critical for businesses to have a solid

understanding of CSR concepts and to concentrate on issues relating to corporate values and goals.

To create a corporate culture focused on CSR, employees must be encouraged to work according to legal and ethical business standards. At the same time, companies should be encouraged to have a broader frame of CSR to support charities and local organisations. Carroll (1979) indicates that external CSR activities exist in organisational participation, volunteer employee programs, social participation, environmental and sustainable programs and, practices that contribute social investment of the company.

In addition to social practices, companies must work on social responsibility projects that enable them to focus on issues related to corporate objectives (Lantos 2002:224). Furthermore, they can increase employee loyalty with volunteer employee programs and social development projects in which employees play an active role. Corporate volunteering programs and social services create a positive image in the minds of its customers. In this way, the company increases its market share. There are two types of volunteer employee programs. Employer-sponsored volunteerism is the first option. In this type, employees work after working hours without any financial expectation. Practices of volunteering that are supervised by an employer are the second type. At this point, companies prefer projects that support their objectives. Also, employers are active in these projects. Companies typically select employer-guided programs for employee development since they showcase each employee's unique skills and potential. Employee volunteer programs give employees and their families the opportunity to assist with social events (Wild 1993:20). Companies enhance the teamwork skills of their employees as well as present themselves to society with different social projects. They contribute to both the internal and external image of the company. Depending on the needs of society, they can *collabourate* with mentors or social representatives to improve their volunteer programs. Among these activities are raising

money for social development projects, forming teams, and assessing the work of employees. Employees in these projects have no financial expectations in general; however, some companies reward them for their performance (Wild 1993:20). To achieve successful results in their social projects, certain companies modify their volunteer programs based on local needs and situations. In this way, they can find better solutions by approaching social problems.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter discusses the methods that will be utilized to address the study's objectives. A research technique, according to Kothari (2014), is a systematic way to solve a research problem. The research methodology teaches researchers about the most relevant and

consistent study methodologies. It will cover the research design, research population and sampling process, data collection instrument, data analysis method, and analytical software used for the study.

3.2 RESEARCH DESIGN

The system through which the researcher collects and analyses the information required to answer specific research questions is referred to as the research design. It is the framework within which the research is carried out in order to describe the social occurrences under examination (Kothari, 2004). In this study, a descriptive survey research design will be used. The survey is chosen based on the study's objectives. According to Nworgu (2005), a survey analyses the sampling of individual units from an already known population and its associated survey data collection procedures, such as questionnaire creation and approaches for enhancing the number and accuracy of survey replies.

3.3 POPULATION OF THE STUDY

Agbadudu 2006, defined population as the totality of the objects or elements being studied and to which the conclusions or generalisation of your our will apply This study's population will include all of Airtel Nigeria's main staff.

SAMPLING AND SAMPLING TECHNIQUE

Mugenda & Mugenda (2003) describe sampling as the process of picking numerous persons for a study in such a way that the individuals chosen represent the vast group from which they were drawn. In accordance with the aforementioned definition, and for this study, a simple random sample procedure will be employed to choose 100 respondents from the population.

3.5 DATA COLLECTION INSTRUMENT/METHOD

A primary source of data was used in the investigation. In terms of the primary source, data will be gathered through a questionnaire. The questionnaire will include a four-point rating

scale (Likert scale), with responses ranging from strongly agreed (SA), agreed (A), disagreed (d), and strongly disagreed (SD). The questionnaire will be prepared in such a way that each question relates to the study's research questions and hypothesis. In addition, the findings will be utilized to answer research questions and test related hypotheses.

3.6 THE INSTRUMENT'S VALIDITY AND RELIABILITY

The questionnaire used in this study will be assessed for appropriateness by the supervisor and other relevant specialists at this university in order to ensure content and construct validity.

3.7 METHOD OF DATA ANALYSIS

To answer the research question, a mean score rating method based on the 2.5 acceptance region format will be utilized to analyse the data, while the chi-square will be employed to address the research hypothesis.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF RESULTS

4.0 Introduction

This section presents the results of the field study; it shows the descriptive information of the respondents, the results of each of the research questions and the test of hypothesis. A total number of 100 questionnaires were administered, 80 were returned, 18 were invalid, remaining 62 valid questionnaires which was used to carried out this analysis.

4.1 Demographic Information of the Respondents

Table 1: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	34	54.8	54.8	54.8
	FEMALE	28	45.2	45.2	100.0
	Total	62	100.0	100.0	

Field survey, December, 2022.

The gender distribution of the respondents used in this investigation is shown in Table 1. 34 respondents (54.8 percent of the population) are male, whereas 28 respondents (45.2 percent of the population) are female.

Table 2 Distribution of the Respondents based on their Age

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Below 20 years	11	17.7	17.7	17.7
	21 -30 years	27	43.6	43.6	61.3
	31-40 years	17	27.4	27.4	88.7
	41 years and above	7	11.3	11.3	100.0
	Total	62	100.0	100.0	

Field survey, December, 2022.

The table 2 above shows the age distribution of the respondents used in this study. The table reveals that approximately 88.7 percent of the respondents used in this study are below 40 years, indicating the youthfulness of the respondents used in this study. An indicator that they are up to date on what is going on at Airtel Office.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	FSLC	4	6.5	6.5	6.5
	WASSCE/NECO/GCE	12	19.4	19.4	25.9
	OND/HND/BSC	35	56.5	56.5	82.4
	MSC/PGD/PHD	4	6.5	6.5	88.9
	Others	7	11.3	11.3	100.0
	Total	62	100.0	100.0	

Source: field survey, December, 2022.

The educational background of the respondents used in this study is shown in Table 3 above. Four FSLC holders were among the 62 total responses, accounting for 6.5 percent of the population. 12 respondents (19.5 percent of the population) are SSCE/WASSCE holders, 35

respondents (56.5 percent of the population) are OND/HND/BSC holders, 4 respondents (6.5 percent of the population) are MSC/PGD/PHD holders, and 7 respondents (11.3 percent of the population) have other types of certificates.

Table 4 Distribution of the Respondents based on their Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	30	50.0	50.0	50.0
	Single	15	25.0	25.0	75.0
	Widow	8	15.0	15.0	90.0
	Separated	2	5.0	5.0	95.0
	Divorced	2	5.0	5.0	100.0
	Total	62	100.0	100.0	

Field survey, December, 2022.

According to table 4, the majority of the respondents for this study are married, with almost half of the total respondents being married. It also shows that approximately 25% of respondents are single, while approximately 15% are widows.

4.2 Responses to the Research Question

TABLE 5: There is significant relationship between employee retention and Corporate Social Responsibility

		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly agreed	30	48.4	48.4	48.4
	Agreed	18	29.0	29.0	77.4
	DISAGREED	9	14.5	14.5	91.9
	STRONGLY DISAGREED	5	8.1	8.1	100.0
	Total	62	100.0	100.0	

Field survey, December, 2022.

Table 5 illustrates respondents' responses to the question of whether there is a significant association between employee retention and Corporate Social Responsibility. 30 respondents (48.4 percent of the population) strongly agreed, 18 respondents (29.0 percent of the population) agreed, 9 respondents (14.5 percent of the population) disagreed, and 5 respondents (8.1 percent of the population) strongly disagreed.

TABLE 6: There is no significant correlation between employee loyalty and Corporate Social Responsibility

		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	STRONGLY AGREED	5	8.1	8.1	8.1
	AGREED	7	11.3	11.3	19.4
	DISAGREED	32	51.6	51.6	71.0
	STRONGLY DISAGREED	18	29.0	29.0	100.0
	Total	62	100.0	100.0	

Source: field survey, December, 2022.

Table 6 depicts respondents' replies if there is no substantial relationship between employee loyalty and Corporate Social Responsibility. 5 respondents (8.1 percent of the population) strongly agreed, 7 respondents (11.3 percent of the population) agreed, 32 respondents (51.6 percent of the population) disagreed, and 18 respondents (29.0 percent of the population) strongly disagreed.

TABLE 7: CSR additionally increases the appeal to prospective employees, commitment and identification with the organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TRUE	49	79.0	79.0	79.0

	FALSE	13	21.0	21.0	100.0
	Total	62	100.0	100.0	

Field survey, December, 2022.

Table 7 displays respondents' views if CSR boosts the organization's appeal to prospective employees, commitment, and identity. 49 respondents, representing 79.0 percent, checked TRUE, while 6 respondents, representing 21.0 percent, checked FALSE.

TABLE 8: Corporate Social Responsibility Influences Employee Engagement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	40	64.5	64.5	64.5

	AGREED	15	24.2	24.2	88.7
	DISAGREED	5	8.1	8.1	96.8
	STRONGLY DISAGREED	2	3.2	3.2	100.0
	Total	62	100.0	100.0	

Field survey, December, 2022.

Table 8 illustrates the responses given by respondents to the question of whether Corporate Social Responsibility Influences Employee Engagement. 40 respondents (64.5 percent of the population) strongly agreed, 15 respondents (24.2 percent of the population) agreed, 5 respondents (8.1 percent of the population) disagreed, and 2 respondents (3.2 percent of the population) strongly disagreed.

TABLE 9: Through CSR activities, businesses are promoting the wellbeing of its stakeholders and building a stronger relationship with them

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	40	64.5	64.5	64.5

	AGREED	13	21.0	21.0	85.5
	DISAGREED	5	8.1	8.1	93.6
	STRONGLY DISAGREED	4	6.5	6.5	100.0
	Total	62	100.0	100.0	

Field survey, December, 2022.

Table 9 indicates how respondents feel about firms improving the well-being of their stakeholders and strengthening their relationships with them through CSR initiatives. 40 respondents (64.5 percent of the population) strongly agreed, 13 respondents (21.0 percent of the population) agreed, 5 respondents (8.1 percent of the population) disagreed, while 4 respondents (6.5 percent of the population) strongly disagreed.

TABLE 10: The three major psychological conditions of employee engagement are, meaningfulness, safety and availability.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	13	46.4	46.4	46.4

	AGREED	10	35.7	35.7	82.1
	DISAGREED	2	7.1	7.1	89.3
	STRONGLY DISAGREED	3	10.7	10.7	100.0
	Total	28	100.0	100.0	

Field survey, December, 2022.

The responses of respondents are shown in Table 10 if the three key psychological conditions of employee engagement are meaningfulness, safety, and availability. 40 respondents (64.5 percent of the population) strongly agreed, 13 respondents (21.0 percent of the population) agreed, 5 respondents (8.1 percent of the population) disagreed, and 4 respondents (6.5 percent of the population) strongly disagreed.

TABLE 11: Employees can act as agents for social change when they push corporations to adopt socially responsible behaviour

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	38	61.3	61.3	61.3
	AGREED	14	22.6	22.6	83.9

	DISAGREED	7	11.3	11.3	95.2
	STRONGLY DISAGREED	3	4.8	4.8	100.0
	Total	62	100.0	100.0	

Source: field survey, December, 2022.

Table 11 presents the responses of respondents to the question of whether employees may act as agents of social change by pressuring firms to embrace socially responsible behaviour. 38 respondents (61.3 percent of the population) strongly agreed, 14 respondents (22.6 percent of the population) agreed, 7 respondents (11.3 percent of the population) disagreed, and 3 respondents (4.8 percent of the population) strongly disagreed.

TABLE 12: The initiatives of a firm will have no impact on employees' attitudes or behaviours if the employees are unaware of their CSR activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TRUE	42	67.7	67.7	67.7
	FALSE	20	32.1	32.3	100.0
	Total	62	100.0	100.0	

Source: field survey, December, 2022.

Table 12 illustrates the replies of respondents if a firm's initiatives will have no impact on employees' attitudes or behaviours if the employees are uninformed of their CSR activities. 42 respondents, or 67.9 percent of the population, checked TRUE, whereas 20 respondents, or 32.1 percent of the population, checked FALSE.

TABLE 13: CSR has its impact on employee’s performance, engagement, commitment to organizations which ultimately effects employee’s turnover in business organization and helps in management to retain employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	34	54.8	54.8	54.8
	AGREED	18	29.0	29.0	83.8
	DISAGREED	7	11.3	11.3	95.1
	STRONGLY DISAGREED	2	3.2	3.2	100.0
	Total	28	100.0	100.0	

Field survey, December, 2022.

Table 13 demonstrates respondents' responses as to whether CSR has an impact on employee performance, engagement, and dedication to organizations, which ultimately affects employee turnover in business organizations and helps management retain personnel. 34 respondents (54.8 percent of the population) strongly agreed, 18 respondents (29.0 percent of the population) agreed, 7 respondents (11.3 percent of the population) disagreed, and 2 respondents (3.2 percent of the population) strongly disagreed.

TABLE 14: Does loyalty of employees affects other performances like profitability of companies or labour loss?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	58	93.5	93.5	93.5
	No	4	6.5	6.5	100.0
	Total	28	100.0	100.0	

Field survey, December, 2022.

According to the responses of the respondents as shown in the table above, employee loyalty affects other performance indicators such as company profitability or *labour* loss. This is supported by around 93.5 percent of respondents.

TABLE 15: What is the relationship between employee retention and Corporate Social Responsibility?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Negative relationship	6	9.7	9.7	9.7
	Positive relationship	56	90.3	90.3	100.0
	Total	62	100.0	100.0	

Source: field survey, December, 2022.

According to the responses shown in the table above, there is a favourable correlation between staff retention and Corporate Social Responsibility at Airtel Nigeria. This is supported by approximately 86 percent of responders.

4.3 Test of Hypothesis

H₀₁: There is significant relationship between employee retention and Corporate Social Responsibility

H₀₁: There is no significant correlation between employee loyalty and Corporate Social Responsibility

HYPOTHESIS 1

H₀₁: There is significant relationship between employee retention and Corporate Social Responsibility.

Decision rule: Reject the null hypothesis if the Asymp level of significant is less than 0.05. Otherwise, do not reject the null hypothesis.

Test of hypothesis table one

Test Statistics

	There is significant relationship between employee retention and Corporate Social Responsibility
Chi-Square	9.429 ^a
Df	3
Asymp. Sig.	.024

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 7.0.

Conclusion

Since the Asymp Sig. level of this the test is 0.024 which is far much lower than the 0.05 acceptance region, we therefore reject the null hypothesis and conclude that there is significant relationship between employee retention and Corporate Social Responsibility.

HYPOTHESIS 2

H₀₁: There is no significant correlation between employee loyalty and Corporate Social Responsibility

Decision rule: Reject the null hypothesis if the Asymp level of significant is less than 0.05. Otherwise, do not reject the null hypothesis.

Test of hypothesis table TWO

Test Statistics

	There is no significant correlation between employee loyalty and Corporate Social Responsibility	
Chi-Square		15.143 ^a
Df		3
Asymp. Sig.		.002

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 7.0.

Conclusion

Since the Asymp Sig. level of this the test is 0.002 which is far much lower than the 0.05 acceptance region, we therefore reject the null hypothesis and conclude that there is a significant correlation between employee loyalty and Corporate Social Responsibility.

4.5 Summary of Findings

The study showed that there is significant relationship between employee retention and Corporate Social Responsibility. And also, there is a significant correlation between employee loyalty and Corporate Social Responsibility.

4.6 Discussion of Findings

The P-values of 0.024 and 0.002 which is significant at 0.05% level signifies there is significant relationship between employee retention and Corporate Social Responsibility and

there is a significant correlation between employee loyalty and Corporate Social Responsibility.

These results support the findings that;

1. Employee retention and Corporate Social Responsibility have a significant relationship. Corporate social responsibility affects employee performance, engagement, and commitment to businesses, which eventually affects employee turnover in business organizations and assists management in retaining staff (Imran *et al.*, 2010). According to recent study, there is a highly significant positive relationship between CSR and employee organizational commitment, as well as CSR and organizational performance. Employees can gain a sense of security and safety knowing that their financial needs will be addressed, self-esteem from a good social identity and emotions of belonging, as well as existential meaning and purpose at work, through CSR (Sohail *et al.*, 2011). The need-based approach can be applied in macro-level CSR projects, which will ultimately benefit employees (Imran *et al.*, 2010).

There is a significant relationship between employee loyalty and corporate social responsibility. Employee loyalty influences other outcomes such as company profitability (Benkhoff 1997:717) or *labour* loss (Lum *et al.*, 1998:309). Employee motivation is an inspiring force that boosts the desire to work (Locke 1997:375). If a firm wishes to successfully motivate its employees to achieve its goals, the first step is to assure their loyalty. In other words, more loyal people perform more efficiently, resulting in superior products and services. Employee satisfaction rises as a result. According to studies, CSR initiatives, particularly those conducted outside of the firm, have a favourable impact on employees (Brammer *et al.*, 2007:1715).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Using Airtel Nigeria as a case study, this study centred on the effect of Corporate Social Responsibility (CSR) on employee retention and loyalty. However, the precise objectives are:

4. To evaluate the impact of Corporate Social Responsibility on employee retention among Airtel Nigeria employees.
5. To examine the effect of Corporate Social Responsibility on employee loyalty among Airtel Nigeria employees.
6. Discover the motivations behind Corporate Social Responsibility in organizations.

Based on the above-mentioned objective and the study, the following conclusions were reached:

1. Employee retention and Corporate Social Responsibility have a significant relationship.
2. Employee loyalty and Corporate Social Responsibility have a substantive relationship.

5.2 Conclusion

This study's main purpose was to examine the effects of corporate social responsibility (CSR) on employee retention and loyalty at Airtel Nigeria. The study was directed by four research questions and two research hypotheses.

A simple random sample procedure was utilized to pick 100 participants for the study, and a questionnaire which served as the instrument for data collection. The population of this study is all of the Airtel Nigeria main staff members. The objectives and methodology of this investigation were informed by a review of relevant literature. The following conclusions were reached as a result of the field investigation and data analysis:

1. Employee retention and Corporate Social Responsibility have a substantial relationship.
2. Employee loyalty and Corporate Social Responsibility have a significant correlation.

5.3 Recommendations

The following recommendations are given based on the study's findings:

1. Firms must work in areas that align with their basic beliefs and business strategy to get the most out of CSR programs.
2. That Airtel can improve affective commitment in the future. This is critical to overcome since emotional weariness prevents personnel from providing high-quality services.
3. Employees are stressed because they are unsure how to complete their allocated jobs or how to deal with competing aims or expectations. Allowing employees to participate in decision-making that benefits them is one method to lessen uncertainty in the Airtel office, and effective communication amongst employees is another.
4. Staff motivation could be boosted by encouraging creative ideas, which have been shown to have a major impact on employee retention.

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