

# Modeling Employee Satisfaction in Relation to CSR Practices and Attraction and Retention of Top Talent

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*In today's economy, companies must work harder than ever to attract, retain and motivate talented employees in order to foster employee satisfaction, and in order to do so, CSR practices can provide a strategic tool. A green company no longer denotes solely the promotion of green products or reduction of energy consumption, as it has to incorporate proactive and innovative means of tracking sustainability while involving employees in such corporate behavior. This paper highlights an empirical study of responses from 10 multinational companies regarding their corporate social responsibility initiatives as a way to attract and retain good employees, while providing an appropriate environment for employee satisfaction, by constructing a structural equation model meant to expand HR literature and provide direct implications for organizations.*

**Keywords:** *employee satisfaction, employee retention, employee attraction, corporate social responsibility, structural equation model*

## 1. Introduction

Corporations that operate at a global level face a number of issues related to sustainability: volatility, price and availability of resources, consumer requirements, the emergence of new markets and the evaporation of ancient ones, changes in financial operations, economic uncertainty, pressure from interest groups governments and communities, effects of attracting and retaining the best employees.

A green company no longer denotes solely the promotion of green products or reduction of energy consumption, as it has to incorporate proactive and innovative means of tracking sustainability while involving employees in such corporate behavior.

In today's employment market, there is an increasing competition for employees who are talented, creative, and highly motivated to make a change in the companies they choose to work. Thus, the task of companies to provide, monitor and maintain employee satisfaction is becoming a difficult task. Thus, companies' success hinges on their ability to attract and retain a talented pool of employees. Increasingly, various research provide evidence that a company's corporate social responsibility (CSR) policy is a legitimate, compelling and increasingly important way to attract and retain good employees, while providing an appropriate environment for employee satisfaction.

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Presently, the assumption is that corporate social responsibility is important for the organization, not only because it indicates the willingness of the company to display 'good citizenship', but it also provides a source of organizational competitive advantage. Once implemented, these sustainable programs can be monitored through internal marketing research to determine which programs offer the greatest value to which employee segments, and ultimately to the company. Measurements should include internal elements (attitude towards the company's commitment to continued sustainable activities) and external elements (attraction and retention of top talent, work effort, productivity) as outputs in identifying the processes in advance.

Internal marketing and human resources management are based on the satisfaction of employees for retention and attracting top talent that will lead to success. In the context of sustainability, when companies provide the right opportunities for involvement in such green practices, employees will be more connected with their work and feel that their actions make a difference in improving the environment and other social issues. Sustainability is closely linked to the concept of three pillars - People, Planet, and Profit - which could translate into a triple advantage of satisfied employees, long-term sustainable profit and a less polluted, sustainable planet.

The following section provides the premises of the concepts explored in this paper, and the hypotheses of the model which will be confirmed or refuted. Section 3 presents the methodology of the primary research and section 4 presents the empirical analysis. In the final part of this study, we elaborate on the contributions of the research, implications for managers and limitations of the research.

## **2. Literature Review and Hypotheses**

### **2.1. Corporate Social Responsibility**

Over the years the concept of Corporate Social Responsibility (CSR) has gained unprecedented momentum in business by becoming a strategic tool that goes beyond the departmental boundaries. CSR affects the way in which a company does business, especially in today's hectic business environment as consumers have higher demands in terms of a proactive approach from organizations. Nonetheless, Scholarly interest in CSR from a management perspective can be traced back at least as far as the 1930s, and the topic has been particularly contentious and ideologically charged from the start (Bauman and Skitka, 2012, p. 74).

In this sense, many organizations are complying with these new demands and have rebranded their core values to include social responsibility. Almost all major multinational companies, through their corporate websites, promoted policies and reports talk about their endeavors for CSR, as a way of ensuring that the organization is fulfilling all the obligations towards society and thus is eligible for the license to operate.

Aguinis (2011, p.855) concisely captured several key elements of CSR when he defined it as 'context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance'. Companies can have CSR initiatives in diverse arenas. For example, KLD Research & Analytics, Inc., a major provider of company-specific CSR information, rates companies on three broad dimensions: environment (e.g., clean energy uses, recycling efforts), social issues (e.g., women and minority benefits, health and safety), and governance (e.g., transparency, compensation practices).

For a long period of time executives wondered if they even have any responsibility as they followed renowned economist Milton Friedman, who argued that the only "social responsibility of business is to increase profits" (Friedman, 1970). But now more than ever, consumers are primed to use their purchasing power to make a difference. There are business thinkers that acclaim a more expansive view on CSR and think that businesses ought to use their power and resources for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms (Bauman and Skitka, 2012, p. 70).

The implementation of such activities involves time, effort, resources and change in management vision, mission and culture, yet CSR represents a strategic tool through which companies can distinguish themselves from competitors. The tangible and intangible benefits associated with for organization are immense. CSR has many advantages for a company, including the enhancement of the brand image and reputation of the company, improvement in sales and customer loyalty, improvement of the financial performance and attraction of more investment with immense economic value. Also, pursuing CSR practices can have positive impact on increased ability to attract and retain employees, in terms of human resources management benefits.

This involvement of employees speaks of the strategic contribution of Human Resource Management (HRM) in CSR. In this context, the responsibility of human resource management department for encouraging sustainable practices that offer practically and theoretically new opportunities is very much.

Nancy (2004) discussed the role of HR in developing CSR culture in organizations and emphasized that with the growing importance of human capital as a success factor for today's companies, the role of HR leadership has become more critical in leading and educating organizations on the value of CSR and how best to strategically implement CSR policies and programs in different strategic business units of a multinational. Therefore, CSR is now considered a strategy to create, develop, and sustain positive company reputations and brand images.

## **2.2. Employee Satisfaction**

Employee satisfaction refers to a positive emotional state resulting from the appraisal of one's experiences at work, which is relevant to work motivation. The emphasis on employee satisfaction can be attributed largely to the fact that today employees are expected to provide acts of performance. Therefore, to attract the best employees, retention and motivation are critical in situations where quality is the only differentiating factor between competitors. This situation occurs most frequently in services where customers demand a lot from employees, and employees, in turn, have high expectations from their jobs which are regarded as sources of professional self-realization and self-development.

Employee job satisfaction represents the level of fulfillment, contentment, or happiness that an employee experiences at his or her job, taking into account the work environment, compensation, and benefits (SHRM glossary). Moreover, employee satisfaction can be increased by treating 'jobs as products'; that is, designing jobs with features that prospective employees value (Ahmed and Rafiq, 2002, p.21).

In terms of employee satisfaction, it is important for a company to create a work environment where staff has decision-making power and accountability in order for them to feel a sense satisfaction, in general, and for practicing sustainability internally, in particular (Vinerean et.al, 2012, p.24).

Employee satisfaction can be enhanced when the focus is on value co-creation of social and sustainable practices (Bhattacharya, Sen and Korschun, 2007). Research suggests that CSR-based identification on the part of employees can cause them to feel satisfaction in their job, a sense of pride, and a feeling of well-being. In this context, sustainability and green practices can provide an extra level of motivation at work that would eventually lead to satisfaction and loyalty towards the organization. As Porter and Kramer suggested, many corporate philanthropic programs are designed for establishing good faith and a positive business reputation, thus improving employee morale and productivity (Porter and Kramer, 2002, p. 57).

*H1: CSR practices will positively affect employee satisfaction.*

## **2.3. Employee Retention and Attraction**

The economic evolutions worldwide are uncovering a unique opportunity to garner top talent and are placing retention efforts at the forefront of forward-thinking management discussions. Particularly internal marketing literature suggests that attracting and retaining the right talented employees contribute to enhanced profitability. Just like external customers, internal customers want to have their needs satisfied. Fulfilling these needs enhances employee motivation and retention. Moreover, talent acquisition done well is a strong branding tool because it is meant to promote the company's mission, vision, and culture.

Retaining employees is possible especially by them identify with the norms, values and culture of the organization. If individuals buy into and share organizational values, then they are less inclined to leave. Values compatibility creates a sense of belonging and unconsciously motivates behaviors toward higher customer consciousness (Ahmed and Rafiq, 2002, p. 121). Failing to retain a key employee is costly to any organization because apart from the cost to recruit and select a new employee other issues such as training time and investment; lost knowledge; mourning, and possibly insecure co-workers will all have an impact on the organization. Improved customer retention means increased business, which it is believed can lead to delivering strong customer service.

*H2: Employee retention and attraction will positively affect employee satisfaction.*

Corporate social responsibility should also enhance firms' ability to attract and keep top talent (Bauman and Skitka, 2012, p. 65). Although it is not new to suggest that CSR can have a positive impact on

employees' view of their employer, very little work has attempted to explain how CSR affects employees and why CSR is likely to play a special role in employees' relationships with the firm.

CSR activities that provide positive distinctiveness and enhance the firm's reputation should help the firm attract and retain talent. Practitioners and theorists are increasingly turning to "internal marketing" as the rubric under which CSR can be used to acquire and retain employees. This perspective holds that in order to fulfill the needs of customer, companies need to manage their employees best by viewing them as internal customers. These internal customers also have needs that should be fulfilled their needs through a compelling "job-products." The features of such job-products include salary, health benefits packages, and job responsibilities and when designed properly, can contribute dramatically to job satisfaction, employee retention, and productivity (Bhattacharya, Sen and Korschun, 2008). In this respect, it is crucial for managers to identify and understand the needs of the different employee segments, configuring job-products – that include CSR – to address the needs of a diverse workforce.

CSR has become an increasingly important element in corporate success, especially in talent recruitment and retention. Companies can recruit and retain their workforce more easily if they possess a strong commitment to CSR (Turban and Greening, 1997, p. 658).

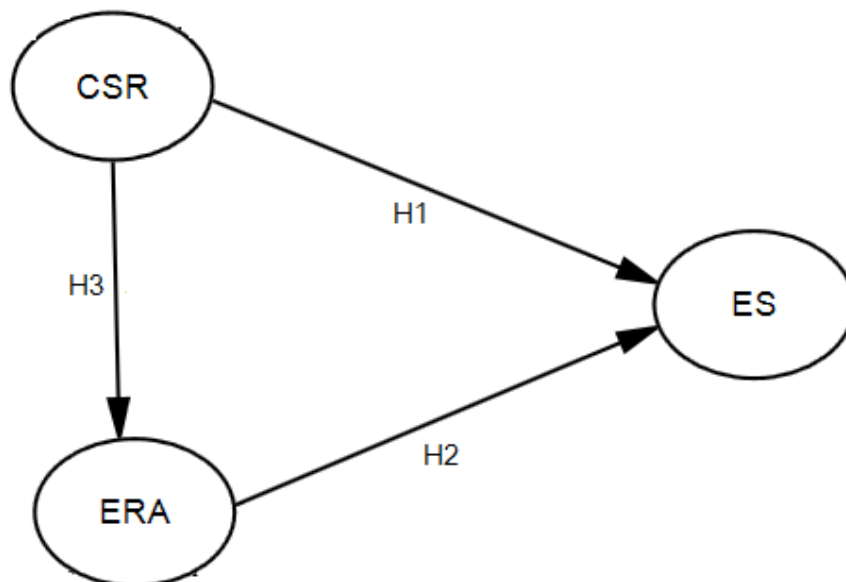
*H3: CSR activities will positively affect employee retention and attraction*

### 3. Research Method

#### 3.1. Research Context

Almost all Fortune 500 companies are engaged in sustainable practices and corporate social responsibility, but these efforts are mostly carried out on normative basis, and are not based on long-term perspectives, with connotations for the internal and external environment. In this sense, this research sought to study the perception of employees on sustainable behavior of ten of the leading global companies.

In this regard, the marketing research problem of this study relates to a detailed understanding of internal and HR practices in multinational companies, due to their prioritization of sustainability in the global business environment. In order to examine this marketing research problem, we will study the three hypotheses developed in the previous section. Figure 1 summarizes these proposed hypotheses for this new model which incorporates CSR practices, employee satisfaction and attraction and retention of top talent in major global companies.



**Figure 1.** Research proposed model

Note: CSR = corporate social responsibility, ERA = employee retention and attraction, ES = employee satisfaction

### 3.2. Measurement Instrument and Data Collection

In the light of the research problem and proposed hypotheses, this research investigates employee perceptions regarding internal practices at their workplace. An online consumer survey was used for the data collection. The measurement items included in the online survey were newly formed and were aimed at studying employee behavior and reactions towards green marketing practices. Also, all the measurements used 5-point Likert scales ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The survey was accompanied by a brief description of the purpose of the research and a URL address.

The psychometric properties of the measures are provided in Table 1. Considering the fact that the scale items were newly compiled, we measured the reliability of the scales used to evaluate the internal consistency of the constructs. Reliability is identified by Cronbach's alpha with a minimum of 0.70 (Cronbach, 1970). As shown in Table 1 all values were above the recommended level of 0.7, with values that vary from 0.737 to 0.802.

*Table 1. Constructs used in the model*

Dimension	Dimension abbreviation	Measure items	Cronbach's alpha
Corporate Social Responsibility	CSR	CSR1: My company does a good job of contributing to the communities in which we live and work.	0.785
		CSR2: My company's commitment to social responsibility (e.g. community support, protecting the environment, etc.) is genuine.	
		CSR3: My company is reducing carbon emissions.	
		CSR4: My company is trying to make our data centers more efficient.	
		CSR5: My company's corporate social responsibility efforts have increased my overall satisfaction with working here.	
		CSR6: Performance on green initiatives is an element of employee evaluation.	
Employee Satisfaction	ES	ES1: I feel I am treated with dignity and respect by my manager.	0.807
		ES2: I do feel my company speaks openly and honestly, in terms of internal communication even when the news is bad.	
		ES3: I have positive opinions about the degree of flexibility in doing my job.	
		ES4: At work, I am encouraged to take green initiatives.	
		ES5: I feel proud to work for my company.	
Employee Retention and Attraction	ERA	ERA1: I feel that my company attracts great talent, people with passion in order to drive success and growth.	0.743
		ERA2: My company tries to retain top talent by offering competitive compensation.	
		ERA3: My company tries to retain top talent by providing ongoing development opportunities.	
		ERA4: My company supports employee volunteering activities.	

The data collection technique implied using the professional social networking site LinkedIn to attract information from relevant employees who work for companies that practice green initiatives. We used our personal connections of our network of professionals and generated 52 usable responses from employees from ten multinational companies, namely Facebook, Google, Procter & Gamble, Unilever, General Electric, Amazon.com, Best Buy, The Coca – Cola Corporation, Microsoft, and Starbucks. Considering the fact that we approached 170 personal connections of our network of professionals, we achieved a valid response rate of 30.58%. Regarding the employees' profiles, most of the respondents were males (57.7%). Most of the employees who responded to this survey are currently working in United States of America (69.2%). Also, most of the responses came from Facebook (19.2%) and Google (15.4%) employees. More information regarding the respondents' profiles can be observed in Table 2.

*Table 2. Respondents' profiles*

Company	Sex	Country	Age	Percentage
Amazon.com	Male	USA	25 - 29 years old	5.8%

			20 - 24 years old	1.9%
			30 - 34 years old	1.9%
			35 - 39 years old	1.9%
Best Buy	Female	USA	35 - 39 years old	3.8%
The Coca - Cola Company	Female	United Kingdom	20 - 24 years old	1.9%
		Romania	20 - 24 years old	1.9%
Facebook	Male	Ireland	35 - 39 years old	3.8%
		United Kingdom	35 - 39 years old	3.8%
		USA	25 - 29 years old	5.8%
	30 - 34 years old		1.9%	
Female	USA	35 - 39 years old	3.8%	
Google	Male	USA	25 - 29 years old	3.8%
			30 - 34 years old	3.8%
	Female	United Kingdom	25 - 29 years old	3.8%
		USA	30 - 34 years old	3.8%
General Electric	Male	USA	20 - 24 years old	3.8%
			35 - 39 years old	3.8%
Microsoft	Male	USA	25 - 29 years old	1.9%
			25 - 29 years old	1.9%
	Female	USA	35 - 39 years old	3.8%
			30 - 34 years old	3.8%
Procter & Gamble	Male	China	25 - 29 years old	3.8%
	Female	Argentina	25 - 29 years old	1.9%
		Brazil	30 - 34 years old	1.9%
Starbucks	Male	SUA	40 - 44 years old	3.8%
	Female	SUA	30 - 34 years old	5.8%
		SUA	35 - 39 years old	1.9%
Unilever	Female	Brazil	25 - 29 years old	3.8%
			30 - 34 years old	1.9%
		France	30 - 34 years old	1.9%

#### 4. Empirical Analysis and Results

##### 4.1. Exploratory Factor Analysis

Firstly, the empirical analysis started with an exploratory factor analysis, which was used to reduce the number of scales assigned to each elaborated dimension explored in this paper. This analysis was achieved using SPSS, and as additional methods we used Principal Components (as the extraction method) and Varimax (as the rotation method, in case more than one factor was extracted for each dimension). The results for the exploratory factor analysis are shown in Table 3.

In addition, we used the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) in order to examine the relevancy of the exploratory factor analysis. High values (between 0.5 and 1.0) indicate that the factor is relevant. The psychometric properties of the measures developed in the questionnaire are presented in Table 2. The results for the exploratory factor analysis and descriptive statistics are shown in Table 3.

*Table 3. Descriptive statistics and EFA results*

Dimension	Items	Average	Standard deviation	Factor loading	Eigenvalue	% of Variance	KMO
Employee satisfaction (ES)	ES1	3.38	1.223	0.621	2.955	76.152	0.821
	ES2	4.44	0.752	0.711			
	ES3	3.75	1.412	0.868			
	ES4	3.44	1.514	0.886			
	ES5	4.35	0.764	0.748			
CSR	CSR1	4.04	1.047	0.559	3.930	79.737	0.794
	CSR2	3.71	1.304	0.725			
	CSR3	3.44	1.364	0.794			
	CSR4	3.37	1.547	0.818			

	CSR5	4.00	1.029	0.791			
	CSR6	3.44	0.916	0.494			
ERA	ERA1	4.06	1.074	0.927	3.442	86.404	0.768
	ERA2	3.90	1.257	0.903			
	ERA3	3.85	1.073	0.847			
	ERA4	4.40	0.693	0.053			

For this model, after applying the EFA, one factor was extracted for all the dimensions studied. We used Field's (2005, p.389-395) criteria to identify and interpret the factors, namely that each resulted factor should display and Eigenvalues greater than 1. Also, the eligibility of the factors can also be observed in terms of the variance explained by each resulted factor, as the variation exceeds 70%. Moreover, the Kaiser-Meyer-Olkin test displayed values greater than 0.5: 0.768 for ERA, 0.794 for CSR and 0.821 for ES. Although these values sustain the relevancy of the EFA, there are certain factor loadings that are under 0.7, and these scales should be monitored in a confirmatory factor analysis, and eliminated from the model in case their scores do not comply to this general accepted level.

#### 4.2. Confirmatory Factor Analysis

The collected data were tested for reliability and validity using confirmatory factor analysis (CFA). Confirmatory factor analysis (CFA) was used to test the measurement model before conducting the test of the structural model. The model included 15 items that described three latent constructs: employee satisfaction; employee retention and attraction; and corporate social responsibility.

The CFA implied that the three constructs of the model were allowed to covary and were estimated using the maximum likelihood technique. Estimation of the CFA for the model generated has met the Hu and Bentler's (1999) cutoff criteria, the model demonstrated an excellent fit:  $\chi^2 = 58.814$ ,  $df=28$ ,  $p=0.001$ ,  $\chi^2/df = 2.100$ ,  $GFI = 0.907$ ,  $NFI = 0.910$ ,  $RFI = 0.903$ ,  $CFI = 0.917$ ,  $RMSEA = 0.89$ ,  $AGFI = 0.809$ .

Further, in order to fully validate the first-order confirmatory factor analysis, the model's constructs were evaluated in terms of reliability, convergent validity, and discriminant validity. Table 4 presents the results of the CFA.

Table 4. CFA results

Constructs	CR	AVE	Correlations between factors		
			ES	CSR	ERA
ES	0.815	0.617	<b>0.786</b>		
CSR	0.768	0.663	0.778	<b>0.814</b>	
ERA	0.860	0.671	0.706	0.758	<b>0.819</b>

Note: CR = Composite Reliability, AVE = Average Variance Extracted; the bolded elements on the diagonal of the matrix reflect the squared AVE

The composite reliability (CR) values observed in Table4 exceed both levels proposed to validate this condition, namely they are above the 0.6 (Bagozzi and Phillips, 1991) and 0.7 (Gefen et al., 2000) acceptable levels and range from 0.768 and 0.860. Thus, the reliability condition for the confirmatory factor analysis was met.

The convergent validity of the model was examined using the procedure suggested by Fornell and Larcker (1981), who recommended measuring the factor loadings (> 0.7) and the average variance extracted (>0.5). The factor loadings did not all comply with the accepted level of 0.7(similar to the EFA results) and the following scales were removed from the model, in order to improve the model: ES5, ERA4, CSR1, CSR6. Table 4 shows the results for AVE with values of 0.617, 0.663 and 0.671, all exceeding the 0.5 minimal level, thus proving the convergent validity of the model.

The factor correlation matrix in Table 4 indicates that there is discriminant validity for the model, both regarding the condition proposed by Fornell and Larcker (1981), so that the squared AVE for each construct (the bold values presented in Table 4) should exceed the squared correlation between that and any other construct, and the one proposed by Hair et al. (1998) that the correlation coefficients between constructs should be less than 0.9, to avoid multicollinearity.

In short, the measurement model demonstrated adequate reliability, convergent validity, and discriminant validity, and therefore the structural equation model can be expanded.

### 4.3. Structural Equation Model

A test of the structural model was performed using the AMOS procedure in SPSS in order to study the path coefficient of the hypotheses of this newly proposed model for studying employee satisfaction in relation to CSR practices and employee attraction and retention.

The structural model was tested in accordance with the criteria established by Hu and Bentler (1999) and developed in Table 5.

*Table 5. Model accuracy for the proposed model*

Measurement	Measurement model result	Recommended values
$\chi^2$	126.777 (p=0.00, 48df)	p ≤ 0.05
$\chi^2 / df$	2.641	≤ 5
GFI	0.936	≥ 0.90
NFI	0.923	≥ 0.90
RFI	0.925	≥ 0.90
CFI	0.904	≥ 0.90
AGFI	0.828	≥ 0.80
RMSEA	0.089	≤ 0.10

Note:  $\chi^2$  = Chi-square,  $\chi^2 / df$  = ratio of Chi-square and degrees of freedom, GFI = Goodness of fit index, NFI = Normed fit index, RFI = Relative fit index, CFI = Comparative fit index, RMSEA = Root mean square error of approximation.

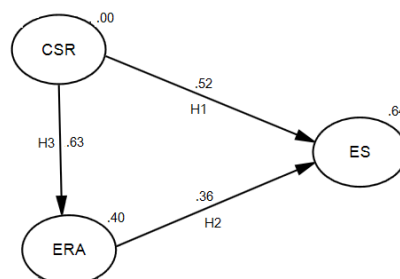
By observing Table 5, it is concluded that the goodness of fit indices exceeded the recommended levels, suggesting that the research model provided a good fit to the data analyzed in this paper and for this particular model.

To test structural relationships, the hypothesized causal paths were estimated. Table 6 reflects information regarding the unstandardized and standardized coefficients estimates, statistical significance, and standard error of each relationship. Figure 2 depicts the information about the model in a visual manner.

*Table 6. Estimates of hypotheses testing for the newly proposed model*

Hypotheses	Significance	Unstandardized Regression Weights	Standardized Regression Weights	Standard Error	Hypothesis Result
H1. CSR → ES	***	0.871	0.522	0.203	Confirmed
H2. ERA → ES	***	0.467	0.361	0.143	Confirmed
H3. CSR → ERA	***	0.819	0.634	0.196	Confirmed

\*\*\* Significant at a 0.001 level (Two-tailed)



*Figure 2. Standardized results of the research model*

Note: CSR = corporate social responsibility, ERA = employee retention and attraction, ES = employee satisfaction



As presented in Figure 2 and Table 6, employee satisfaction is positively associated with corporate social responsibility practices ( $\beta = 0.52$ ) and employee retention and attraction ( $\beta = 0.36$ ) as all hypotheses are supported. These findings validate H1 and H2, respectively. Furthermore, the two variables explain a very large portion of employee satisfaction's variance ( $R^2 = 0.64$ ).

The score for the variable that studied the retention and attraction of employees is rather small (0.36), even though it provides a positive basis for the confirmation of the associated hypothesis. This aspect can be explained through the fact that ERA only had three forming scales (as a result of eliminating one of the scales in the CFA), whereas the other latent dimensions in the model each had four. In a rather modest model, from a sample point of view, this aspect can diminish the proportion of the exhibited relationship. Also, another explanation may have to do with the fact that overall, employees from the examined companies feel only in a moderate level the retaining and acquisition initiatives explored in the survey.

The relationship between CSR activities and employee satisfaction is highly relevant (0.52) in this model and provides another proof in the existing literature review. We tested CSR through Likert statements such as reducing carbon emissions, a genuine perceived commitment to CSR, contributing to the communities, and others. These efforts seem to have increased employee overall satisfaction of working for their current company. Employee satisfaction for these respondents was enhanced when the focus is on value co-creation of social and sustainable practices, because a lot of the CSR initiatives explored in this research implied their direct involvement and co-creation.

In accordance with proposed model, CSR initiatives in all the multinational companies explored in this paper have a positive and significant impact on retaining and attracting top employees, exhibiting a high score of 0.63, and determining 40% of the variance in this latter variable of talent management. This result is in accordance with other similar studies. For instance, a study by the Stanford Graduate School of Business on the first 11 MBA programs in the United States found that the respondents would be willing to sacrifice, on average, 14.4 percent of their expected salaries in order to work for a company that has a program aimed at sustainability and social problems. Therefore, such CSR and sustainable programs have a crucial role in attracting and retaining top talent because the general perception is that a company that takes a real and honest involvement in the pursuit of sustainability has certain genuine values that guide its actions.

## **5. Conclusion**

### **5.1. Theoretical Contributions**

Through this research proves that there is growing evidence that a company's corporate social responsibility activities comprise a legitimate, compelling and increasingly important way to attract and retain good employees.

Corporate social responsibility is an especially complex strategic endeavor. It is clear that it now calls for considerably more attention and commitment from business leaders if it is to produce tangible results in terms of improved employee attraction, motivation and retention.

CSR takes into account the manner in which a company manages its economic, social, and environmental relationships and the methods it uses to engage with its stakeholders (shareholders, employees, customers, business partners, governments, and communities) because these relationships have a powerful impact on the company's long-term success.

Nowadays, companies need to use every possible source of advantage they can develop in order to succeed in a highly competitive business environment. In this respect, companies can use CSR as a strategic tool to improve the image for external stakeholders, and engage internal customers. Also, having the best employees can also provide a source of competitive advantage, and thus, retention and attraction of top talent are critical in situations where quality is the only differentiating factor between competitors.

### **5.2. Implications for Managers**

Business management gurus Michael E. Porter and Mark R. Kramer believe that companies should act as good corporate citizens, "doing the right thing" by eliminating harms and supporting local communities even when there is no direct benefit to be gained (Porter and Kramer, 2006, p. 2). They emphasized that, for maximum effect and sustainable profitability, CSR initiatives should be in line with the strategic plan of the company, to find the areas where social needs and long-term business needs intersect. By embracing shared value with the surroundings, businesses can have the greatest beneficial impact on society while maintaining the sustainable use of resources, by following the 3P principle of considering

planet and people in their quest for profit. Thus, CSR activity is capable of yielding substantial returns to both the employee and the company.

In terms of implementation, companies can utilize external CSR programs to improve a number of human resources functions including employee commitments, work performance, recruitment and retention, training and development, and employee job satisfaction. Moreover, companies should continuously motivate their employees to participate in corporate volunteer and community development projects. As positive consequences, companies will successfully enhance employee job satisfaction and improve organizational morale.

Corporate community involvement and employee volunteerism are the most common external CSR practices nowadays because they strategically combine a company's business missions with meaningful altruistic activities. In order to do so, companies and management should improve their internal communication and leadership by encouraging employees to participate in planning, managing, and evaluating corporate volunteer programs. These steps are very important because employees should feel a connection with the programs they will engage because they will be co-creators of social benefits for their community, themselves and the planet.

### 5.3. Limitations

This research must also be interpreted in the context of its limitations. Most importantly, the data for this study was collected from a limited number of employees from ten multinational companies (Amazon.com, Best Buy, The Coca – Cola Company, Facebook, Google, General Electric, Microsoft, Procter & Gamble, Starbucks, Unilever), by using personal connections on a social network website. The sample for this research is small and representativeness can always be improved. Even though, the results were consistent with the proposed hypotheses, a larger sample size might have resulted in stronger results for this new model.

Another important limitation of the study was that it did not include any demographic variables, such as sex, age, social class, level of education, current job, job experience in general and for the company they currently work for. Extending the research to include these aspects can prove to be a further area of research by improving the model and including demographic variables as mediation variables. However, in order to achieve this, the research needs exhibit more responses.

Also, the online survey did not include any of the scales previously used in other studies to comply a unified vision of the dimensions explored in this research, namely corporate social responsibility, employee satisfaction, and employee retention and attraction. Even though, the scales were deemed reliable (using Cronbach's alpha coefficient), they could have included a broader range of Likert statements.

To sum up, this research extends the literature on employee behavior and implementation of corporate social responsibility, and can be improved to reflect other important variables, and thus expand the future studies by observing drivers of employee perception and engagement with green marketing tactics.

## 6. References

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