Strategic Revival of HSM

Exploring the relationship between corporate social responsibility actions and employee retention: A human resource management perspective

Hajar Boutmaghzoute and Karim Moustaghfir*

Al Akhawayn University in Ifrane, Avenue Hassan II, Ifrane, Morocco

Received 9 March 2021
Accepted 25 June 2021

Abstract.

BACKGROUND: This study builds on the little guidance in the existing literature to analyze the relationship between employee-oriented CSR actions and employee retention in a business context, while using Freeman’s stakeholders model as a theoretical research framework. This research also aims to shed light on significant behavioral factors facilitating the relationship between CSR endeavors and turnover rate.

OBJECTIVE: This paper builds on the existing research gap in the literature and suggests that behavioral factors, including job satisfaction, organizational identification, and motivation facilitate the relationship between employee-oriented CSR actions and employee retention, which contributes to laying the foundations of a theoretical framework that has the potential to advance both research and practitioner debates and disentangle the complexity of such a relationship, while offering strategically-focused development venues in the CSR and HRM fields.

METHODS: This research uses a single case study design to ensure an in-depth and detailed analysis of the phenomenon under scrutiny, while relying on a triangulation methodology for data collection, including a questionnaire used as exploratory approach, interviews to generate explanatory data, and archival data to bring confirmatory insights. Data analysis followed the procedures of a deductive approach.

RESULTS: The research results show a positive relationship between employee-oriented CSR actions and employee retention, while demonstrating the facilitating role of job satisfaction, organizational identification, and motivation in moderating such a relationship. The findings also stress the importance of framing CSR interventions within the organization’s strategy and goals, while ensuring employee participation in such decision making processes to maximize the effect of CSR interventions on employee commitment and reduce turnover.

CONCLUSIONS: This research has the potential to better clarify the nature of the relationship involving CSR interventions, from an employee perspective, retention, and turnover, while laying the foundations of a theoretical framework linking such constructs and other behavioral factors that underpin and support such a relationship. Building on the study’s findings and assumptions, future research is needed to gain a more comprehensive understanding of how HR-related CSR actions affect behavioral performance dimensions, resulting in employee commitment and retention. Future research should also consider multiple case study, multicultural, and ethnographic approaches for the sake of generalizability and theory building.

Keywords: Corporate social responsibility, job satisfaction, organizational identification, employee motivation, employee retention, employee commitment, employee engagement

*Corresponding author: Karim Moustaghfir, Al Akhawayn University in Ifrane, Avenue Hassan II, PO Box 104, 53000, Ifrane, Morocco. Tel.: +212 535 862 143; E-mail: K.Moustaghfir@auui.ma.
1. Literature review

1.1. Corporate social responsibility

The topic of ethics has been gaining much interest in managerial practice. Organizations’ awareness of both the internal and external environmental predicaments, caused those organizations to develop managerial functions aiming to protect and bring “cures” to those problems in different contexts. Such acts are therefore considered as obligations referring to Corporate Social Responsibility [1]. Corporate social responsibility goes beyond just making the organization more profitable, to focus on allocating the necessary resources for the welfare of all stakeholders including the community [2, 3]. The concept of corporate social responsibility finds its origins back to 1953 when the New Jersey Supreme Court gave the permission to Standard Oil Company to provide the necessary monetary resources to Princeton University as a charitable action, despite the refusal of one of the stakeholders claiming that this act will decrease their capital. The term corporate social responsibility (CSR) first appeared within the context of business studies in the mid-1960s [4], considering companies as accountable and responsible for the stakeholders’ benefits as long as the community. Defining CSR has been a very long path and the idea was first adopted by Beyer and Drucker [5, 6]. They claimed that the company should perform social activities in favor of the community since it plays a significant value in providing the resources for the company to make profits. On the other hand, Friedman [7] was initially against the idea of CSR claiming that the main objective of a company is to make profits and produce quality services and products, as the mission of the company is not to develop social activities. Such a perspective explains how CSR should be limited to quality products for consumers, compliance with legal rules, and the contribution to national economic development. A broader perspective offered by Schwartz and Carroll [8] defines CSR as “a concept that encompasses the economic, legal, ethical, and discretionary expectations that the society has of organizations at a given point in time”.

According to Freeman and Hasnaoui [9], “CSR became a sub-discipline within commerce education. Despite the lack of clarity and confusions of the terms among academic authors, numerous companies, such as Ben & Jerry’s, Discovery, and Microsoft have incorporated it as a necessity; those organizations’ practices are based on CSR concepts”. A basic feature of CSR, which is increasingly gaining reputation, relates to the fact that it is also applied within the company itself, specifically in the area of human resources. CSR presents a wide range of actions and can vary between the minimum requirements of respecting the workers’ basic human rights and the execution of policies and laws that help employees achieve a work/life balance [10]. Employees tend to seek a high quality of work life (QWL), an intervention of CSR would be a very effective tool to improve organizational reputation and performance while enhancing employees satisfaction [11–14]. The main role of human resources (HR) in CSR can be represented as the enhancement of the centrality of employees in CSR strategies and co-design processes whereby employees shape CSR practices. This is crucial to the development of CSR policies that reflect and fulfil employees’ needs, and can prevent corporations from adopting a paternalistic approach to CSR that would neglect employees’ perspective [15]. Several types of HR practices contribute to CSR, including: a) advanced HR practices corresponding to functions that are basically considered as part of human resource management (HRM) including training, health and safety, HR planning,
and support of labor unions. Setting up policies in such HR domains contributes to shaping up the company’s CSR strategy; b) practices connecting CSR and HR, mainly targeting employees and directly dependent on HR support, including diversity management, gender equity, and policies focusing on ethics and internal conduct; and c) CSR practices involving HR which focus on external stakeholders as well as on employees as the main target, to improve the local environment and the life of communities or to make corporations more sustainable from an ecological point of view.

1.1.1. Models of CSR

Friedman model (1962-73):

The main and central focus of this model is to make the company profitable. Unlike the contemporary models, Friedman adopted a business oriented view. His model falls into the Maximizing the Shareholder Value approach which considers the shareholder value as the supreme reference in what concerns decision making processes [16]. Friedman adopted the name of Doctrine of Social Responsibility for his model where he explicitly claims that there is only one social responsibility for the company which is the use of the resources and engagement in the necessary activities meant to increase profits in a free competitive market while following existing rules and regulations [17].

Freeman model (1984):

This model adopts a stakeholder approach to CSR and offers a comprehensive view of external stakeholders, beyond shareholders, employees, consumers, etc. depending on the nature of the company. Such a perspective requires another managerial understanding and processing [18]. Freeman provided a new vision of the organization’s objectives, emphasizing the main focus of social responsibility on stakeholders including employees, suppliers, consumers, investors, shareholders, and the community. The profit generation remains the last purpose of the model after the stakeholders. Such a perspective has been adopted by Arvidsson [19] who claims that society should define social responsibilities and then management teams should respond to these societal demands or expectations to determine how companies should act to be regarded as socially responsible.

Carroll’s pyramid of CSR (1991):

This model proposes a comprehensive pyramid of the company’s duties [20]. The different layers of the pyramid represent different duties on how to conduct business economically, legally, ethically, and socially. The four layers need to be combined in order for the company to be socially responsible. Economic responsibility represents the main objective of the company to provide finite goods and services following the society’s wants and needs while maximizing the profits for the owners and shareholders. Legal responsibility focuses on accomplishing the economic goals within the legal frames and legislations, which are imposed by the state, local agencies, and legislators. Ethical responsibility consists of different behaviors and acts that are not usually included in the internal law, having an indirect influence on the economic profits and interests, including equity, fairness, conduct, respect, etc. Finally, discretionary responsibility is purely philanthropic and voluntary in favor of the society without any prior mandating by the economic and ethical laws.

1.1.2. Measurement methods of CSR

There were several attempts to provide measurement tools for the assessment of the company’s social responsibility. Reputation indices are the most used tools for the evaluation as CSR is one of the most operational tools a company can use to improve its public image and reputation [21]. These include KLD (Kinder, Lydenberg, and Domini database), CSID (Canadian Social Investment database), and the Fortune Index. Another set of measurement tools considers single and multiple issue indicators. Examples of such indicators include the pollution control performance and the corporate crime. However, this set of measurement tools still represents significant limitations to provide valid evaluation of the company’s CSR efforts despite using multiple-issue indicators as a combination of single issues depending on the contexts. A third approach follows the content analysis of the company’s publications, knowing that information about CSR is widely available and accessible on what concerns the employees, suppliers, consumers, shareholders, and the external environment. The reliability of this approach depends on the quality and the extent of reality of the provided information, which may represent serious limitations. The fourth and last approach is based on scales that measure the CSR perception by individuals. The most common scale was developed by Aupperle to measure individual CSR values of managers following Carroll’s pyramid model. However, this approach also suffers a serious limitation as it focuses only on managers and consequently lacks a thorough evaluation and investigation of the overall behavior of the company [22].
1.1.3. CSR initiatives in Morocco

Morocco adopted sustainable development and social responsibility actions since 1947 as initially promoted by Confédération Générale du Patronat au Maroc, called then Confédération Générale Economique Marocaine in 1956, till the current Confédération Générale des Entreprises du Maroc (CGEM) as set up since 1995. To participate in the establishment of a prosperous Moroccan economy, the CGEM sets itself, as main mission, the enhancement of the role of businesses in the economic and social development as well as the promotion of a business development policy. CGEM has developed the CSR Charter as well as the CSR Label [23]. The charter was first adopted in 2006 by the National Council of Corporations which is the decision making body of the confederation. The charter defines the values and behaviors that CGEM promotes while taking into account the performance improvement of both internal and external stakeholders. The charter comprises eight domains, each defines specific managerial, strategic, and behavioral objectives. These include: 1) respect of human rights, 2) continuous improvement of working conditions and labor relations, 3) preservation of the environment, 4) prevention of corruption, 5) respect of fair competition rules and regulations, 6) reinforcement of corporate governance and transparency, 7) respect of the interests of clients and consumers, and 8) promotion of the social responsibility of suppliers and subcontractors. Such objectives comply not only with the national legislation but also with the international norms, the fundamental conventions, and the recommendations of international institutions (UN, WLO, OECD). They are also developed in light of the directive lines and orientations of the ISO 26000 standard [24].

The CSR Label of CGEM represents a distinction whereby the CGEM awards companies for their engagement in CSR initiatives while integrating such interventions in their managerial and operational strategies. The Label operates in light of the charter’s domains and functions as an assessment tool for companies to evaluate their commitment towards CSR, from a broad stakeholder perspective [25]. According to Amaazoul and El Hila [26], companies seek the CSR Label to measure their performance and reinforce their competitiveness and market penetration, while meeting the expectations of both internal and external stakeholders and nurturing their trustworthiness. However, other companies still demonstrate reluctance towards CSR guidelines for two major reasons. First, companies care much about their survival in a competitive business environment given the costs associated with any CSR initiative. Companies still believe that in case of failure, the only factor that can stand the loss relates to business achievements instead of CSR strategies. Second, companies do not choose to voluntarily engage in CSR approaches as they still show more preference for gains and benefits. Besides the CGEM initiatives, the adoption of CSR actions remains limited, with scarce contributions also on the side of environmental and social dimensions.

1.2. Employee retention

Employee engagement, employee commitment, turnover rate, etc., are examples of concepts that emerged in the literature in relation to the notion of retention. Employee retention is not an easy process as it appears. It is not only about keeping the employees within the organization, but it relates to identifying key talents and nurturing their motivation while ensuring their contribution to the organization’s success and performance. The establishment of a strategic relationship with key talents makes the employees more collaborative and involved in the long-term decisions which can lead in turn to better commitment [27]. Organizations that share similar values as their employees are positively perceived by potential talents, resulting in an increase of motivation and performance. Fuentes-García et al. [10] define employee retention as the existence of an on-going employment relationship, and employee turnover as the employee separation from a given employment relationship. On the other hand, engagement is considered as the permanent state of motivation and job satisfaction, which is leading to better dedication and the willingness of investing both personal and professional skills in the job [28]. A strong correlation between well-being and employee retention can also be noted as workers expressing happiness with their jobs tend to perform better which is consequently demonstrated through low turnover [8].

Employee engagement has been discussed in the literature while considering some of its manifestations including for instance affective commitment, the employee’s willingness to recommend the organization as a potential recruiter, and the intention to stay in the organization [21]. Employee engagement is usually defined as the invisible force that motivates employees to higher levels of performance within the organization; this desired energy is referred to as com-
Employee retention is usually measured as the proportion of employees remaining in the organization, whereas turnover refers to the percentage of employees leaving their jobs for some reasons [22]. Employee retention represents the process whereby an organization encourages its employees to stay committed for a maximum period of time. Employee retention becomes a beneficial tool not only for the organization but also for employees. The behavior of employees has been changing over the last years, as more unsatisfied employees tend to leave their jobs and look for other available potential opportunities. Employee retention becomes a major concern for managers as the rate of employee turnover is increasing significantly, while also affecting the cost structure of the organization. The market environment is becoming more competitive pushing organizations to attract and retain more competent and highly skilled employees to attain a competitive advantage [9].

Several human resource management (HRM) practices have been developed to decrease employee turnover. These represent a combination of employee retention efforts that have shown positive results within some organizations. Such practices follow mainly the guiding principles of well-established motivation theories as Maslow’s hierarchy of needs, equity theory, Vroom’s original theory, and Herzberg’s theory [17]. Examples of such practices include competence development and training support, compensation and benefits, job clarity, diversity management, strategic recruiting and person/job/organization fit, performance management, and career planning. Scholars also emphasized the importance of communication and recognition as essential factors in retaining employees, as organizations are required to discuss past, present, and future projects with their employees to make them concerned about the organization’s matters and keep them committed [11]. From a practitioner perspective, Seijts and Crim [31] developed a model including ten C’s to engage and retain employees, including a) Connect, which implies showing to the employees their value as important stakeholders, b) Career, as the employer should provide career development opportunities, c) Clarity, as the vision should be clear to all employees, d) Convey, which requires clarifying expectations and providing constructive feedback, e) Congratulate, to provide recognitions, f) Contribute, making the employees participate in decision-making within the organization, g) Control, to be used interchangeably between the employer and employees to create opportunities, h) Collaborate, to increase the value of working in teams, i) Credibility, to maintain the organization’s reputation as long as behaving adequately to the ethical rules, and j) Confidence, as the leaders should be acting as role models for employees.

1.3. Corporate social responsibility and employee retention

Different theories describe the relationship involving stakeholders and firm performance, while emphasizing the financial, administrative, managerial, and social responsibility dimensions [32]. This is the case for instance of the descriptive theory which is mostly used to explain corporate features in conjunction with employees and managers, and to analyze the market environment while basing managerial decisions on business leadership. Similarly, the instrumental theory requires the availability of data analysis to study the connection between stakeholders and organizational achievements in terms of profitability, employee retention, etc. Such a theory enforces the adoption of a stakeholder mindset that enables managers to focus on employees and develop retention systems for them. Finally, the normative theory introduces an ideal method to study the degree of morality or social responsibility of the organization which represents a parameter to help execute both operational and managerial goals.

Aminudin [33], introduced CSR as the act of doing things right, being related to employee’s relations, community and society, sustainability, etc. while
identifying the factors affecting the relationship between CSR and employee retention, including the interest of management for environmental matters, internal motivation, the degree of motivation and creativity as developed among employees, and the support that is received from both top management and subordinates [27]. Hofman and Newman [34] also examined the benefits of CSR practices inside the organization, being particularly a tool for the development of employees’ attitudes and their performance, resulting in better organizational commitment. Their study concludes that a major focus on CSR has the potential to positively affect employee performance and well-being, while reducing the intention of employees to leave the company. Abdullah and Abdul Rashid [35], explored the possible relationships between CSR and organizational citizenship behavior, and demonstrated that the adoption of CSR practices results in a conditional link between organizational performance and employees’ well-being. Such practices, including for instance monetary and nonmonetary recognitions, privileges, organizational belongingness, motivation, encouraging innovation, etc. lead to better employee retention. Another study conducted by Eweje [36] in New Zealand confirmed that the relationship between CSR and employees’ retention and satisfaction depends on the kind of influences CSR components could have on employees, in terms for instance of working environment, organizational psychology, managerial structures, insurance, training and development, etc. Similarly, Akremi et al. [37] developed measures to study the perception of employees in an organization that promotes CSR interventions when dealing with its stakeholders and found out that both unidimensional scales (as based on employee attitudes, judgments, and ideas), and multidimensional scales (relying on how the company addressed the difficulties and constraints stemming from the use of CSR interventions) suffer a lack of validity and credibility. Jones [38] set some hypotheses to assess the perception of employees towards the company’s social responsibility, while basing his analysis on the organizational identification and the social exchange theories to explain the positive response of the employees to volunteering activities inside the company. In the same vein, Wei [39] used motivation as a mediating variable between CSR and employee retention, while building on Maslow’s and Carroll’s pyramids, to conclude that organizational efforts to retain employees and ensure a safe working environment should be developed in light of employees’ needs. Shen and Benson [40] also explained how socially responsible HRM is tied to organizational identification which consequently results in positive employees’ performance and their loyalty to the company. Another research by Rupp et al. [41] also demonstrated how employees’ perception about CSR leads to emotional and behavioral reactions, making the company a more attractive place for employees to apply for or to engage in, which consequently translates in better job satisfaction, commitment, and retention. Kim et al. [42] developed a conceptual model linking different variables as CSR associations, CSR participations, employee-company identification, and commitment and found out that CSR efforts reinforce employees’ emotional attachment to the company, which leads in turn to organizational identification and employee retention. The results of another research conducted by Brammer et al. [43] also showed that companies implementing CSR interventions in line with their strategic and operational goals, raise a constructive perception among employees. Turban and Greening [44] were among the pioneers in the field of CSR to stress the importance of corporate social performance to strengthen the company’s reputation and consequently attract employees, as both current and prospective workers mostly seek job opportunities in good businesses. The same authors in another research recognized corporate social performance as a driver of competitive advantage when enhancing quality and attracting potential employees [45]. Paterson [46] also indicated that CSR contributes to building the company’s reputation which makes it an attractive environment to work in and results in better job commitment, preventing hence absenteeism and turnover. Finally, Koh and Boo [47] in their study focused on Singaporean companies to identify a positive relationship between ethical performance and job satisfaction, causing employees to stay loyal and committed towards companies using CSR actions in their strategic plans, which translates in turn into lower turnover rate and better employee retention.

2. Research gap and purpose

Although several scholars tackled the relationship between CSR and employee retention, a comprehensive view of the factors underpinning and facilitating such relationship remains unexplored, while adopting a human resource-based and an employee-oriented perspective. Despite the CSR initiatives in Morocco, the effectiveness of CSR actions and investments par-
particularly in terms of the company’s image, employee commitment, and turnover still requires further investigation and inquiry. The purpose of this paper is to shed light on the interplay between employee-oriented CSR actions and employee retention using the case of a Moroccan CSR labelled company. This research builds on the guiding principles of Freeman’s stakeholder model, while focusing on employees as the main CSR stakeholders to achieve organizational goals [48]. Particularly, the study investigates the link between employee-oriented CSR and employee retention, while adopting a holistic view that explores the role of behavioral factors as job satisfaction, organizational identification, and motivation, in facilitating such a relationship.

3. Research design

A single case study approach has been adopted to ensure an in-depth examination of a single organization, to focus on the significant topics of this research, and to reflect the real practice of CSR within the workplace. Single case study approach is a qualitative method to analyze complex topics within a context. The single case study methodology provides detailed data as a form of anecdotal personal perceptions and experiences regarding CSR and retention within the company. According to Nock et al. [49], a single case study method is very effective in providing a greater level of details and relevance compared to the information obtained from group cases. The single case method provides better insights on the relationships involving employees’ behaviors and organizational actions. A good application of this method is valuable in providing a relevant theory and effective interventions [50].

This research has been conducted in a Moroccan bank that is affiliated with a well-established French group. For the sake of confidentiality, another name is used to refer to the research setting, namely XBC. XBC was the first Moroccan bank to receive the CSR Label from CGEM and Vigeo Eiris (an accredited international consulting company that has the possibility to award companies for their CSR contributions). XBC’s CSR strategy encompasses four major domains: environment, economy, society, and human capital. The fourth domain is very significant for the purpose of this study.

Data collection was conducted following a triangulation methodology, depending on the target and intended results. The triangulation process is an effective tool to improve data validity, as data is collected using three different instruments [51]. The adoption of such a methodology also stems from the need to ensure the ethical implication of the research and the confirmation of collected data [52]. The first data collection tool was the questionnaire method, used for an exploratory purpose, to identify the trends and clarify the concepts. It also helped explore the employees’ perceptions regarding the social responsibility actions as undertaken by the company. The second tool was the interview method, used for an explanatory purpose, to determine the extent of relevance and the patterns of possible constraints from the generated questionnaire data. Finally, archival data was used for a confirmatory purpose, to check the validity of data obtained using the other instruments, and to endorse the links and patterns between the research constructs [53].

A stratified sampling approach was adopted to select the target participants for the three data collection processes. Employees holding managerial and non-managerial positions at XBC were considered during the investigations. The sample included 40 participants. 33 from various hierarchical positions contributed to the questionnaire, whereas 7 interviews were conducted with employees holding managerial positions and employees knowledgeable about the CSR approaches as implemented within the company, including mainly quality, sustainable development, and HR managers. 22% of the participants were females and 78% were males.

The collected data was analyzed using a deductive approach. Deduction methodology is the study of both theory and facts as drawn from the case study [54]. Kothari [55] referred to the deductive method of data analysis as a criterion to develop good research, since logical reasoning in such kind of research brings meaningfulness and credibility. This approach is represented as a form of comparison between the research design as deduced from the literature, the expected findings, and the empirical findings from the case. The deductive approach uses the research question(s) to first regroup the collected data and then analyze and look for the relationships, patterns, and trends. For the purpose of this study, data was regrouped in light of the intended results of the three data collection tools (exploratory, explanatory, and confirmatory purposes). Data was first extracted, reported, and categorized under different themes, representing the research purpose and objectives, then the linkages between research items were built, emphasizing hence the relationships and
connections involving the studied constructs. Using qualitative analysis, trends were regrouped to study the links and to set patterns, also following the existing literature.

4. Research findings

For the purpose of this study, emphasis has been mainly placed on gender, job position, and employee seniority as demographic data, since existing literature shows a direct link between such factors and turnover. As regards gender, XBC promotes special CSR actions and retention approaches targeting women. The conducted questionnaires and interviews targeted positions from different hierarchical levels including HR agents, marketing officers and directors, agency director, quality and environment managers, financial analysts, consultants, account managers, and accountants. As for seniority, the participating employees and interviewees had a seniority ranging between 1 to 12 years, with a higher frequency for employees with a length of service between 8 and 12 years.

The questionnaire was structured in light of the adopted theoretical framework as well as the research question and sub-questions, to determine the employees’ perceptions, experiences, and viewpoints in relation to CSR interventions and the company’s retention efforts. All participating employees did not express any intention to leave their positions given the high level of satisfaction with their current job assignments. The participants pointed out to several employee-oriented CSR actions as undertaken by XBC, including bonuses, respect of legal rights, continuous development of working conditions, organizational culture and value-based management, sense of support and engagement among employees, mutual respect, social benefits, diversity promotion, workplace integration and orientation strategies, career development plans, and training programs. A minority of participants stressed the lack of awareness regarding CSR actions as adopted by XBC. All the participants, however, expressed their feeling of belongingness with scores ranging between 4 and 5 on a scale of 5. 89% of the participants expressed their willingness to recommend XBC as employer. Concerning the effectiveness in completing tasks and projects, all participants showed a high degree of commitment in putting the necessary efforts to accomplish the organizational goals. Participants also stressed the value of personal choice in being effective and efficient at the same time, to complete the assigned work, and to achieve both operational and strategic goals. Some participants also emphasized how the attitude of being effective in the job and putting in extra efforts could be considered as a way to show appreciation and gratefulness towards the company for all the CSR actions it undertakes in favor of its employees. 90% of the participating employees articulated their motivation to work for XBC. Through the questionnaire various perceptions were manifested as regards the adopted CSR actions by XBC to retain employees and raise their sense of commitment and loyalty. The actions were regrouped under monetary and non-monetary categories. The monetary benefits include salary raises, annual bonuses, and bonuses tied to potential performances. Following the questionnaire results, XBC places much emphasis on non-monetary strategies to retain employees and to strengthen on-the-job performance. Such strategies include weekly meetings, brainstorming sessions, outdoor team-building activities, training programs, recognitions and appreciations, partnership programs, efficient communication, celebration of special events (for instance the women’s day), and social activities. Other forms of non-monetary incentives also include social benefits, sport facilities, and competitive retirement plans. As regards employees’ perception for the causal relationship between CSR and employee retention, 78% of the participants expressed a positive link, while recognizing the role of job satisfaction, suitable working conditions, job clarity, motivation, equity, respect of employee rights, and transparency as major enablers of such a relationship. Some participants also stressed that “people tend to work with the good guys” and above all the CSR label and actions represent the main role players in achieving employees’ commitment.

The conducted interviews, also explained how the received CSR label from CGEM in 2014 and its subsequent contract renewals till 2021, represent clear recognitions of all the company’s efforts and actions targeting employees, the community, the environment, and the economy. Maintaining the CSR label, at the same time, represents a challenging goal that puts additional pressure on all stakeholders, requiring hence continuous performance improvement at all levels. Managers explained that retaining employees at XBC represents meaningful crossing lines with employee-oriented CSR interventions, as being a socially responsible company remains a direct factor of achieving a lower turnover rate, following bench-
marking with other Moroccan companies operating in the same sector.

A report issued by XBC in 2015, including all CSR endeavors (economic, social, community, and environment), showed that the company’s commitment to its employees is vital, as human capital represents the main resource, requiring continuous efforts and hard work to ensure its sustainable development. Archival records show how XBC provides its employees with the necessary means to develop their skills and ensure their career advancement. Such actions stand at the heart of the company’s HRM policy, including also other priorities as healthcare and employee well-being. XBC has also initiated a diversity policy to promote women’s career advancement and the inclusion of people with special needs in the company. The same report highlighted important figures regarding the company’s CSR efforts. For instance, 24.2% of women occupy senior management positions (which remains relatively high compared to other Moroccan banks), employees were involved in 704 training sessions, 1908 medical consultations were administered, along with 1076 pulmonary screenings and flu vaccines. Besides, in the same year, 1271 internal mobilities and shifts took place involving various job positions. The XBC responsibility charter also highlights that the mother international bank recruits and trains up to ten thousands new employees every year, while showing a strong and valued commitment towards diversity under all its forms, and engaging in the promotion and involvement of women. As for employment, the mother bank is committed to prioritize job reclassification, internal mobility, and training. The XBC report on CSR measures, demonstrates the bank’s commitment towards the development of its human capital through a managerial structure that engages and makes employees loyal, including recruiting and training, diversity, and solidarity management. The company’s Strategic Plan 2020 reaffirms its commitment towards CSR actions, while considering the HR department as a major pillar to achieve the strategic and operational objectives of the bank. The current strategic plan focuses on the orientation to support change through remobilizing and enhancing human resources, strengthening managerial practices, and adapting resources to changes following the bank’s model. Several actions are being carried out to develop managers with the right skills and competences, able to provide effective HR support. Under such strategic directions, XBC provides different benefits to its employees to maximize their engagement, including four main categories: short-term benefits (salaries, social security, paid annual leaves, paid sickness leaves, etc.), long-term benefits (awards and recognitions, bonuses, etc.), post-employment benefits (defined-benefit plans and defined-contribution plans as retirement, healthcare benefits, etc.), and termination benefits (e.g., early retirement buyouts). XBC estimates employee engagement values using mainly the turnover rate and other factors as wages progression, discount rates, and retirement age. XBC’s 2016 report highlighted that the HR unit played a key role in achieving the bank’s goals and objectives, including actions as the Mobility Day in 2016 to promote employees’ internal mobility. Besides the CGEM’s CSR label, XBC also received Vigeo Eiris’s awards in 2015 and 2017. XBC was among the 15 companies Vigeo Eiris awarded as 2017 top CSR performers in Morocco, for its performance in all the assessment domains, particularly for the respect of human rights, for adopting a non-discrimination approach to employment, and for the promotion of individual choice regarding career and employment.

5. Discussion

This study investigated the relationship between CSR practices and employee retention at XBC using Freeman’s theoretical framework, while shedding more light on employees as the main company’s stakeholders. Data collected from XBC was framed following the relationship between employee-oriented CSR actions and employee retention, while emphasizing the facilitating role of behavioral factors, including job satisfaction, organizational identification, and motivation. Being the first bank in Morocco to obtain the CSR label in 2014, XBC demonstrated clear commitment towards employee-oriented social responsibility actions, which led the company to receive the Vigeo Eiris’s award in 2015 and 2017 as one of the top 15 CSR performers. Such endeavors reflect the company’s continuous ambition and dedication for CSR. The research findings determined the employees’ perceptions towards the company’s CSR actions. XBC implements actions benefitting women and puts in substantial efforts to facilitate their involvement and participation as major actors in the bank’s development, which is reflected through the satisfaction of the 22% participating women in the study. XBC also devotes much effort to gender equity through women’s...
days and recognitions for outstanding achievements. The company’s annual reports also confirmed its endeavors to integrate women at various operational levels and to strengthen their presence in decision making bodies, while increasing the percentage of women taking senior management positions, promoting diversity, and ensuring a healthy managerial environment where women are respected. As for the relevance of CSR actions to enhance job satisfaction, the study revealed a high degree of satisfaction of the participating employees while working for a socially responsible bank. Employees did not express any intention to leave their current jobs which denotes a high level of job satisfaction. This finding supports what Aminudin [33] found in relation to the effect of CSR in providing the best working environment to better satisfy employees with their jobs. Employees’ job satisfaction acts as a mediating factor between CSR actions and employee retention. Employees showing high levels of satisfaction with employee-oriented CSR actions are most likely to stay and consider a long-term employment relationship. XBC employees, particularly with high seniority, also expressed their strong feeling of belongingness as well as their willingness to recommend the company to future prospective candidates. This demonstrates how employees see themselves as being potentially tied to the company, and identify themselves as important stakeholders for the development of the bank. Employees also expressed their feeling of gratitude and appreciation towards XBC for adopting employee-oriented CSR actions, while demonstrating such recognition through effective working attitudes and the reinforcement of their sense of organizational identification. Other research studies proved the importance of organizational identification as a major facilitating factor between CSR and employee retention, and also as a performance driver. For instance, Shen and Benson [40] considered the correlation between organizational identification and job loyalty, showing also its effects on performance. Employees develop the sense of organizational identity out of CSR efforts, which in turn leads to better employee retention. The research findings also showed the high degree of motivation XBC employees demonstrate in their jobs, as they put in extra efforts to perform their duties effectively and efficiently, which is a major consequence to the company’s endeavors in providing a healthy managerial environment based on equity and performance. Meeting employees’ needs represents a motivational stimulator at XBC, as the company considers a combined system of both monetary and non-monetary incentives. This confirms Aminudin’s [33] finding that motivation, creativity development, and management support facilitate the relationship between CSR and employee retention. The study proves that employee-oriented CSR actions contribute to employee retention while strengthening the sense of job satisfaction, organizational identification, and motivation (Fig. 1). This implies that employee-oriented CSR actions towards employees are directly affecting turnover. 78% of XBC employees confirmed the link between CSR and employee retention, while emphasizing the importance of job satisfaction, motivation, and working with the right people. XBC also recognizes the importance of using turnover rates to assess employees’ engagement, as well as promoting internal mobility initiatives to ensure better employee retention. This finding is in line with what Hofman and Newman [34] stated regarding the contribution of CSR practices to align employees’ behaviors, foster commitment, and achieve effective performances.
6. Research implications, limitations, and conclusion

Using a single case study approach, this research suggests that employee-oriented CSR actions affect employee retention and the company’s turnover rate. Adopting shared actions and communicating strategic goals to employees help in building strong company’s image and reputation among its employees, which leads in turn to improving motivation and productivity. Several scholars tackled the topic of CSR following Freeman’s model that adopts a stakeholder perspective, including employees. However, literature still shows little guidance on the relationship between employee-oriented CSR actions and employee retention. This research sheds more light on such a relationship while emphasizing the role of job satisfaction, organizational identification, and motivation as behavioral factors underpinning and facilitating the interplay between CSR and employee retention. This research also brings useful insights on the importance of adopting CSR actions to foster employee commitment in a Moroccan context. We believe the findings of this research have the potential to lay the foundations of future research to better disentangle the complexities revolving around CSR adoption, human resource management practices, and employee commitment. The study also presents significant understandings to managers, HR departments, and sustainable development specialists as it provides a holistic idea on how employee-oriented CSR actions are affecting turnover rate, while building on satisfaction and motivational practices. This paper also presents important guidelines for managers to consider employees’ perceptions as well as their behaviors in relation to CSR actions when making HR-related decisions. It is definitely more beneficial for managerial decisions to define future approaches to CSR, not only based on market-driven goals including image and reputation, but particularly considering employees’ retention as a driver of overall organizational performance. This research also offers interesting venues for reflection, considering the persisting reluctance among managers and practitioners as regards the value of CSR to business, while overcoming the reductionist perspective of CSR that is still limited to environmental and community development concerns. As far as managerial practice is concerned, decision makers are advised to involve employees in CSR actions and to setup effective information sharing and communication processes to facilitate such participative approaches, which would raise awareness, develop motivation, and strengthen the sense of organizational identity. At the strategic level, efforts are also required to integrate employee-oriented CSR actions into the strategic orientations and business goals of the company, while placing much emphasis on employee development plans.

Future research should consider more comprehensive theoretical frameworks, encompassing various attitudinal and behavioral factors underpinning the relationship between CSR actions and employee retention. Besides, research studies following multiple case study approaches, multicultural dimensions, and ethnographic methodologies across various industry sectors, are needed to generate more generalizable findings and to grasp better understandings of how employee-oriented CSR actions affect organizational performance, while building an internal working atmosphere conducive to motivation, commitment, and engagement.

Acknowledgments

The authors extend their special thanks to all managers and staff members at XBC for their support and valuable contributions during the data collection process.

Author contributions

CONCEPTION: Hajar Boutmaghzoute and Karim Moustaghfir
METHODOLOGY: Hajar Boutmaghzoute and Karim Moustaghfir
DATA COLLECTION: Hajar Boutmaghzoute
INTERPRETATION OR ANALYSIS OF DATA: Hajar Boutmaghzoute and Karim Moustaghfir
PREPARATION OF THE MANUSCRIPT: Karim Moustaghfir
REVISION FOR IMPORTANT INTELLECTUAL CONTENT: Hajar Boutmaghzoute and Karim Moustaghfir
SUPERVISION: Karim Moustaghfir

References


[23] CGEM. CGEM’s CSR charter of corporate social responsibility. Available at: https://rse.cgem.ma/upload/CHARTRE-RSE-ANG.pdf. 2018


[31] Sejits GH, Crim D. What engages employees the most or, the ten C’s of employee engagement. Ivey Business Journal. 2006;70(4):1-5.


[37] Akremi AE, Gond J, Swaen V, Roeck KD, Igalens J. How do employees perceive corporate responsibility?

[38] Jones DA. Does serving the community also serve the company? using organizational identification and social exchange theories to understand employee responses to a volunteerism programme. Journal of Occupational and Organizational Psychology. 2010;83(4):857-78.


