

# **INTERNAL CSR AND ORGANIZATIONAL COMMITMENT IN ORGANIZATIONS**

A Dissertation Submitted to the Office the Dean, Faculty of Management  
in partial fulfillment of the requirement for Master's Degree

By

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# CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Internal CSR and organizational commitment in organizations**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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## REPORT OF RESEARCH COMMITTEE

Mr. Endrashan Chaudhary has defended research proposal entitled “**Internal CSR and organizational commitment in organizations**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Joginder Goet and submit the dissertation for evaluation and viva voce examination.

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## APPROVAL SHEET

We, the undersigned, have examined the dissertation entitled “**Internal CSR and organizational commitment in organizations**” presented by Endrashan Chaudhary a candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the dissertation is worthy of acceptance.

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This study entitled “Internal CSR and organizational commitment in organizations” has been prepared in partial fulfillment for the Degree of Master of Business Studies (MBS) under the Faculty of Management, Tribhuvan University is based on research models involving the use of quantitative aspect of internal CSR practices and organizational commitment in Nepalese organizations.

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## **ABBREVIATIONS**

ANOVA	:	Analysis of Variance
BFI	:	Banks and Financial Institutions
CSR	:	Corporate Social Responsibility
HS	:	Health and Safety
LR	:	Labour Relation
NRB	:	Nepal Rastra Bank
OC	:	Organizational Commitment
S.D.	:	Standard Deviation
SPSS	:	Statistical Package for the Social Science
T.U.	:	Tribhuvan University
TD	:	Training and Development
WB	:	Work-life Balance

## **ABSTRACT**

This study examines the impact of internal CSR practices on organizational commitment in Nepalese organizations. The main objective of the study is to examine the relationship between internal CSR practices and organizational commitment of the employees in Nepalese manufacturing and other organizations. Specially the impact of five dimension of internal CSR practices on organizational commitment: Labour relation, Work-Life Balance, Health & Safety, and Training and Development, has been examined. Descriptive and casual comparative research design has been adopted. The research is based on quantitative approach where the questionnaires were administered to the 100 respondents, who are actually employees of the manufacturing and other organizations operating within Nawalparasi and Rupandehi, and were chosen under convenience sampling method. Opinion has been collected through questionnaire with six point likert scale. Collected data has been analyzed by using mean, standard deviation, correlation analysis and regression analysis. The results have significant implications for the implementation of CSR strategies within organizations. First the positive relationship between each three out of four indicator of internal CSR and organizational commitment emphasizes the payoff in term so for organizational commitment that may flow from corporate investments in CSR.

*Keywords: Corporate social responsibility, Organizational commitment, Regression*

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the study

Corporate Social Responsibility (CSR) is about building a socially responsible business striving for social change along the line of seeking profits. The concept of CSR is associated (but, not limited) with all the stakeholders like customers, employees, investors, society and government. It is rather difficult to provide a universally accepted definition since the topic has been described as elusive, broad and complex (Smith & Langford, 2009). While all companies look for maximizing profit, blending this ambition with social values and cultural responsibility helps in enhancing the long term value creation of a business. During the early 1960s, social activist groups had already been advocating a broader notion of CSR (Carroll, 1976), which gained the attention of US lawmakers during the modern industrialization era. As early as 1953, Bowen had conceptualized CSR as a social obligation to pursue policies, make decisions, and follow lines of action that were desirable regarding the objectives and values of society (Carroll, 1976). Despite the different forms of CSR practices, it is still problematic to find a single commonly accepted definition of CSR (Belal & Cooper, 2011). For the purpose of this study, CSR defined by the World Bank gives the better picture of CSR in developing countries. World Bank defined CSR as “a commitment of businesses to contribute to sustainable economic development – working with employees, their families, the local community and the society at large to improve the quality of life, in ways that are both good for businesses and good for development” (Ward, 2004). Hereafter, CSR throughout the study refers the commitment of business towards businesses, societies, employees and the environment.

CSR is a concept widely has been employed in financial sector specifically in commercial banks. With the development of commercial banks along with other financial corporations during the last decade, Corporate Social Responsibility (CSR) became a well-known issue among the managers in Nepal. Though some leading organizations investing in philanthropic activities as CSR, they do not realize the proper operationalization and institutionalization as per stakeholder’s wishes. Some of the companies, either financial or non-financial, are carrying out CSR activities primarily

guided by the “moral minimum” or just to maintain their brand image (Adhikari, 2012). The managers still regard CSR as an unnecessary luxury (Chapagain, 2010). Furthermore, managers in Nepal also consider CSR as a legal obligation than the factor that improves organizational qualities for contributing to the society (Chapagain, 2010). Many reasons can exist, for example, social and political disturbances in the last one and half decades, lower level of understandings among managers and the public, slow economic growth and so on for not considering CSR as an essential task. Despite such circumstances, commercial banks seem ahead on initiating some of the social responsible activities at least through the media of Nepal. However, because of lack of official reports, measurement systems and researches, it is unclear to what extent banks are addressing the expectations of stakeholders of the nation (Adhikari, 2012).

Corporate Social Responsibility (CSR) has become a key strategic approach for organizations aiming to balance profitability with social and ethical responsibilities. In particular, Internal CSR, which focuses on the well-being and development of employees through initiatives such as fair wages, employee welfare, and work-life balance, has gained increasing attention due to its impact on employee satisfaction and engagement (Mory et al., 2016). Internal CSR is seen as a driver of organizational commitment, defined as the psychological attachment employees have towards their organization, which directly influences turnover rates, job performance, and overall organizational productivity (Brammer et al., 2007).

While much of the CSR research has focused on sectors like banking and finance (Dahlsrud, 2008), less attention has been paid to how internal CSR practices function in manufacturing and other industries. In the Nepalese context, there is a significant gap in literature regarding the impact of internal CSR initiatives on organizational commitment in sectors such as manufacturing, hospitality, and other service industries. By excluding the banking sector, which has been extensively studied in terms of CSR engagement and its effects (Acharya & Parajuli, 2021), this research aims to broaden the understanding of CSR’s internal dimensions and its influence on organizational commitment in other critical sectors of Nepal’s economy.

The overall CSR penetration in Nepal is quite low with many corporations not familiar with its broad concept. Majority of the CSR activities in Nepal are socially driven

projects that help to empower marginalized communities (Kandel, 2018). So, there is a widespread misconception in Nepal that CSR is limited to charity and CSR activities are possible only with hefty spending and size able funding. But, in reality, CSR reflects concepts broader than that and can also include activities that don't need large investments and grants.

In Nepal Corporate sectors have not integrated CSR activities, but on the present as per the law minimum 1 % of the profit of institutions should be used as the CSR. Following set of in cases of banks and financial institutions (BFIs), Circular no. 11/073/74, issued by Nepal Rastra Bank (NRB), the Central Bank of Nepal (The NRB Circular 2073). And thanks to the NRB circular that also sets restrictions on the use of CSR funds. The banking sector can play a leading role in establishing CSR concepts in Nepalese business and corporations. It is obvious that CSR has many advantages for the banking sector as it helps enhance the bank's reputation and financial performance. Since a bank's reputation is a determining factor to retain old clients and attract new ones, it can eventually enhance the bank's financial position. Nepalese corporations aware about what CSR is but have a mixed understanding and perspective as to the way it should be carried out. Most have philanthropic prospective while some have stakeholder prospective. As compare to the developed countries CSR in Nepal is still in its initial stage and carrying out CSR activities don't have any specific rules or regulation. Therefore the status of CSR is not very satisfactory but it is increasing and most firms are taking it positively by trying to take their social responsibility more seriously. With good governance and adequate government role, CSR can be highly improved and the Nepalese society can be made much better (Kandel, 2018). There exist some corporate houses in Nepal that are involved in CSR activities consistency throughout the year. Companies like Chaudhary Group, Nepal Telecom, Ncell, Panchakanya Group and commercial banks mostly gain the limelight in the CSR scene of Nepal. There consistency in large scale CSR activities has helped them come in the forefront of CSR scenario in Nepal (Paudel, 2016).

Organizational commitment refers to the connection or bond employees have with their organization. This is based on industrial-organizational psychology and describes the individual's psychological attachment to the organization. The term "employee engagement" is often confused with employee commitment. But they are not one and

same thing. An engaged employee will not automatically be a committed employee. Similarly, a committed employee will not always be an engaged one. Engagement refers to how happy an employee is in their job, while commitment refers to how much effort an employee puts into their job. Mowday et al. (1982) offered the following descriptions of the two approaches: “Attitudinal commitment focuses on the process by which people come to think about their relationship with the organization. In many ways it can be thought of as a mind set in which individuals consider the extent to which their own values and goals are congruent with those of the organization. According to Mowday (1998) there appears to be evidence linking specific human resource management systems with overall organization performance and with affective commitment at the level of the individual employees. Commitment is more than a state of mind that exists when an individual experiences a positive exchange relationship with some entity; it contributes to our understanding of organizational behavior (Meyer and Herscovitch 2001).

## **1.2 Problem Statement**

CSR in general refers to the firms’ social responsibility with regard to various stakeholders. In this paper, there will be examined the outcomes of CSR to employees in the work place that is also called internal CSR. CSR to employees includes the corporate activities that involve the employees’ welfare and business ethics, such as non-discrimination policies in the workplace, equal education opportunities to develop the employees’ skills, vocational training, and human rights protection within the organization (Nyame et al., 2021). Internal corporate social responsibility (CSR) practices, encompassing aspects such as labor relations, work-life balance, health and safety, and training and development, are increasingly recognized as critical for enhancing employee well-being and organizational effectiveness. However, now CSR efforts are predominantly focused on external activities, leaving internal CSR underexplored (He et al., 2021). The limited attention to internal CSR practices in the manufacturing sector, where workplace dynamics and employee well-being are particularly sensitive, raises concerns about their adequacy and effectiveness in fostering organizational commitment.

Studies conducted globally highlight that robust internal CSR initiatives significantly

enhance employees' organizational commitment by fostering a sense of trust, loyalty, and emotional connection to the organization (Papasolomou-Doukakis et al., 2021). However, empirical research on this relationship remains scarce in the Nepalese context, particularly in the manufacturing industry. The lack of comprehensive studies addressing how internal CSR influences organizational commitment in Nepal's unique socio-economic and cultural environment represents a critical gap. This study seeks to bridge this gap by examining the current status, relationships, and effects of internal CSR practices on organizational commitment in manufacturing companies, thereby contributing to both academic literature and managerial practices.

Internal CSR practices, such as health and safety measures, work-life balance policies, and training opportunities, are crucial for fostering employee well-being and organizational effectiveness. Studies show that organizations investing in these dimensions often witness improved employee satisfaction and retention (He et al., 2021). However, the implementation of internal CSR in developing nations like Nepal remains inconsistent, with many companies still prioritizing external CSR efforts over internal ones, leaving significant room for improvement (Nyame et al., 2021).

Empirical evidence consistently highlights a strong relationship between internal CSR and organizational commitment. Employees perceive internal CSR initiatives as indicators of the organization's care and respect for their well-being, fostering loyalty and commitment (Boahen & Frempong, 2021). According to social exchange theory, when employees benefit from internal CSR, they reciprocate with higher engagement and dedication to the organization (Frempong, 2021). This aligns with findings that organizations adopting robust internal CSR practices experience significantly lower turnover rates. The impact of internal CSR practices on organizational commitment is substantial and measurable. Health and safety initiatives, training programs, and work-life balance policies contribute positively to employees' emotional and professional attachment to their organization (Papasolomou-Doukakis et al., 2021). Research in similar contexts indicates that companies emphasizing internal CSR enjoy enhanced organizational performance due to committed employees who align their goals with organizational objectives (He et al., 2021). This underscores the potential of internal CSR as a strategic tool in strengthening workforce engagement.

The main purpose of this study is to explore the employee perceptions towards the internal CSR of organizations in Nepal. Based on the above explained parameters, this study has drafted the following research question which has been tried to address in the entire of this research paper. In particular, this study will answer the following research question:

- a. Is the status of internal CSR practice satisfactory in Nepalese organizations?
- b. Is there any relationship between internal CSR practices and organizational commitment of the employees in Nepalese organizations?
- c. Is there any effect of internal CSR practices over organizational commitment of the employees in Nepalese organizations?

### **1.3 Objectives of the Study**

The major objective of this research is to evaluate the internal CSR practices and organizational commitment of the employees in Nepalese organizations. The specific objectives are as follows:

- a. To access the status of internal CSR practices in Nepalese organizations.
- b. To examine the relationship between internal CSR practices and organizational commitment of the employees in Nepalese organizations.
- c. To analyze the effect of internal CSR practices over organizational commitment of the employees in Nepalese organizations.

### **1.4 Research Hypothesis**

In order to address the above research questions, the following set of hypothesis has been developed to test the statistical significance and validity:

*H<sub>1</sub>*: Labour relation has a significant impact on the organizational commitment

*H<sub>2</sub>*: Work-life balance has a significant impact on the organizational commitment

*H<sub>3</sub>*: Health and safety has a significant impact on the organizational commitment

*H<sub>4</sub>*: Training and development has a significant impact on the organizational commitment

## **1.5 Rationale of the Study**

In recent years, Internal Corporate Social Responsibility (CSR) has gained prominence as a strategic tool for enhancing employee well-being and fostering organizational commitment. Internal CSR initiatives, such as fair compensation, career development opportunities, and a supportive work environment, are linked to higher levels of employee engagement, motivation, and retention (Farooq et al., 2017). The rationale behind this study stems from the growing recognition that employees view socially responsible actions as a reflection of organizational values, which can lead to enhanced organizational commitment, the psychological bond employees form with their organization (Glavas, 2016). Understanding this link becomes critical in sectors like manufacturing and service industries in Nepal, where employee turnover, dissatisfaction, and organizational instability are common challenges. The study seeks to contribute to the existing literature by examining how internal CSR initiatives in non-banking sectors influence employee commitment, which has been extensively researched in banking but remains underexplored in these industries.

Moreover, the exclusion of the banking sector in this study allows for a deeper exploration of industries that are integral to Nepal's economic growth yet often overlooked in CSR-related research (Gautam & Pradhan, 2018). With a growing emphasis on improving labor conditions and fostering sustainable growth, the manufacturing and service industries face unique challenges that internal CSR practices could help address. This study will thus provide valuable insights into how organizations in these sectors can leverage internal CSR to cultivate a committed workforce, thereby improving productivity and reducing turnover (Yousaf et al., 2022). By focusing on the Nepalese context, this research also aims to fill a critical gap in CSR literature, offering practical recommendations for organizations in developing economies to build stronger, more engaged, and sustainable workforces.

## **1.6 Limitations of the study**

Each and every work has its own sort of limitations involved in the process of performing the task. Same way this research also has some limitations which could not be ignored. This study is related to the level of corporate social responsibility. It will show relationship between firm's characteristics and CSR. Although it has some

limitations which have been presented as follows:

- a. For primary data, only 100 respondents (employees) from manufacturing and other organizations operating within Nawalparasi and Rupandehi have been taken as sample. Since, the sample size of the study is relatively small, it may not truly represent the characteristics of the entire population.
- b. Only four variables are taken for measuring the perception regarding the impact of internal CSR and organizational commitment.
- c. For measuring the perception six likert scale is used so central tendency error may exist.

## **CHAPTER II**

### **LITERATURE REVIEW**

Review of Literature is the one of the most important part of every study. Without knowing the clear concept over the subject matter, the study may derail from its right way. Therefore, the review of literature is taken as very important part which works as a milestone of the study. This chapter focuses on the review of relevant theoretical literatures and previous related studies. This chapter mainly reviews the available literature in the field of theories related to the CSR and organizational commitment. This chapter has been divided into two parts: the first one is conceptual review and the other is empirical review. Conceptual review includes definitions and explanation of all of the relevant terms related to the study that will be extracted from different books, published articles, and other relevant documents. The second part i.e. empirical review includes the review of different articles, research reports published in different journals, newspapers etc. and previous research studies i.e. published or unpublished thesis or dissertations.

#### **2.1 Conceptual Review**

This chapter reviews relevant literature related to the study. It comprises theories related to the CSR, organizational commitment and other relevant issues. It defines some of the basic concepts used in CSR and organizational commitment. The theories underpinning the concept of CSR and organizational commitment also will be discussed. The research on Corporate Social Responsibility (CSR) is being criticized as a Western- centric phenomenon (Belal & Cooper, 2011), which is primarily focused in the UK, Australia, United States and some other developed countries. In the meantime, countries other than developed countries are far behind the developed world's interim of CSR. However, there is sufficient evidence that CSR in other countries reflect the deep-rooted indigenous cultural traditions of philanthropy, ethics and community involvement and help for a good cause. A study by Visser and Macintosh (1998) found the ethical condemnation of usurious business practices in developing countries that practice Hinduism, Buddhism, Islam and Christianity dated thousands of years back. The region's religious beliefs are one of the major motivations for CSR (Vives, 2006).

Similarly, most of the CSR research is focused in financial sectors such as banking, insurance compared to the non-financial sectors such as mining, production, tourism. This has been used as an argument to exclude organizations other than banks and financial companies in studies which analyses the various components of social responsibility disclosure (Branco & Rodrigues, 2006). However, some scholars argued that organizations other than banks and financial companies are also an important aspect of internal CSR because of their internal working conditions of employees. (Thompson & Cowton, 2004) argued that organizations other than banks and financial companies can be seen as facilitators of industrial activity which causes environmental damage.

### **Corporate Social Responsibility (CSR)**

According to Holmes (2010), CSR often involves the initiatives that extend beyond the legal compliances. Moreover, CSR is a concept which includes ethically/morally 'desirable' or 'good' business practices and the way shareholders, employees, customers, suppliers, government, and other stakeholders are engaged/involved (Mittal, 2007).

In Nepal, financial services sector commenced with the establishment of Nepal Bank Limited in 1937. After the liberalization in the mid-1980s, the government permitted the opening of commercial banks in joint venture with foreign banks. Since then, the Nepalese financial system has undergone major structural changes, with commercial banks being considered as key drivers of financial institutions, products and services (Jha & Hui, 2012). Moreover, financial institutions don't just influence the profit/loss of their shareholders, but also drive the economy of the entire nation (Dhungel, 2013). Hence, they are accountable and obliged towards the society in which they operate. Corporate Social Responsibility is an evolving term that does not have a standard or specified definition. With the understanding that businesses are mandatory in job and wealth creation, CSR is generally understood to be the way a business integrates economic, environmental, and social imperatives (Barakat et al., 2016). In CSR literature, it is very hard to find the agreed common definition. Hence, it becomes one of the key challenges in studying and implementing responsible business practices around the globe. In addition, the term CSR is often used interchangeably with others,

including corporate responsibility, corporate citizenship, business in society, social enterprise, sustainability, sustainable development, triple bottom line, societal value-added, strategic philanthropy, corporate ethics, and in some cases also corporate governance (Nelson, 2004).

In summary, whether the definition of CSR is from a scholar or an organization, CSR is a duty of every corporate body to protect the interest of the stakeholders at large. Egri and Ralston (2008) reviewed the literature in CSR, where they found the majority of the literature focused on four main theme namely social responsibilities, environmental responsibility, ethics and corporate governance. Albeit profit maximization, companies are taking the initiative to increase the welfare of the society and conducting their business practices within the framework of social and environmental norms. The importance of CSR is also reflected in the UN Global Compact, which was launched in July 2000. The UN Global Compact asks companies to embrace, support and enact, within their realm of influence, a set of core values in the areas of human rights, labor standards, the environment and anti-corruption which are known as UN Global Compact's ten principle (Al-Tamimi, 2014). UN Global Compact is a voluntary learning and dialogue platform for business, which is committed to disclose transparent CSR.

### **Expansion of CSR**

CSR gradually gained enough attention from theorists and practitioners. They discussed incredibly in academic and research areas, after the emergence as one of the inseparable facet in the corporate world. As such, the practices began to explore its new domains throughout the world as many emerging economics also showing their participations in the modernization process. After noticing considerable environmental related problems created by firms in United States and other industrial countries, Sethi (1979) classified corporate psychology into three segments as corporate behavior or social obligation, social responsibility and social responsiveness. In addition, Sethi classified businesses response to the society into two ways- market and non-market. Corporate houses improve their products and features to address market related problems. On the other hand, they take actions to tackle non-market or external problems, like pollution created by manufacturing firms, through complying legal norms. Furthermore, they also incorporate social responsibility by matching social norms, values and performance

expectations. In addition, they justify the relevance of CSR by addressing the changing scenario that can come as the result of corporate actions (Sethi, 1979).

Since media influence increased significantly in 70s decade, the managers diverted their attention slightly towards Corporate Social Performance (CSP) and Corporate Social Responsiveness (CSR2) from the mainstream of CSR. Before that, CSR2 and CSP considered as a synonym of CSR (Wartick & Cochran, 1985). Later, Carroll (1979) described CSP in a broad way including three areas of corporate duty- CSR, CSR2 and Social Responsiveness. During the same time, some other noticeable scholars also defined CSP as consistent with economic and public policy responsibility, that considered and defined separately before that time as these concepts could not be applied together (Wartick & Cochran, 1985).

There is no dearth of social welfare activities of banks while we listen radio, read the newspaper and watch television in Nepal. The banks, if not all, seem mainly focusing on contributing the society through philanthropic activities and claiming that their actions are addressing many social problems. They are showing of behaving responsibly despite their financial motives, but, because of lack of formal and systemic studies and presence of independent institutions, that can assess the contributions on these topics, it is not particularly much clear to what extent they are paying decent attention to these issues. Hence, it can be said that the conceptualization of CSR in Nepal is in the primary stage and few companies are taking initiations on the broad aspects of CSR as practiced in developed countries. Banking sector is relatively ahead for taking some initiations of CSR activities, which might be because of their huge size and transparency on (huge) revenue. Not surprisingly, the scenario of other South Asian countries is also not much different though most of them are a step ahead in this regard.

### **Recent Dimensions of CSR**

The concept of CSR now has several coverage and scopes with the development and amendment in various phases. Carroll (1999) primarily defined and analyzed the meaning of CSR from a different perspective. Many other contributors also defined the meaning of CSR consequently. Many other scholars explored the new scopes of CSR through reviewing existing literatures, conducting in-depth interviews with scholars and professionals and theoretical reasoning (Dahlsrud, 2008). The efforts are still

ongoing to shape the meaning of CSR in the academic and research arena.

Researchers have introduced some new dimensions of CSR through revising old constructs. Some representative cases are briefly discussed here. Carroll's (1979) model of four dimensions including economic, legal, ethical and discretionary responsibilities remained as the backbone during 80s and 90s. The model has also included six extra dimensions as- consumerism, environment, racial/gender discrimination, product safety, occupational safety and shareholder. Later, Maignan & Ralston (2002) developed five categories as community stakeholders, customer stakeholders, employee stakeholders, shareholders and suppliers including 11 dimensions of CSR. They are- art and culture, education, quality of life, safety and environmental protection, product/service quality and safety, equal opportunities, health and safety, profit creation commitment, information disclosure, corporate governance and equitable opportunity (Maignan & Ralston, 2002). Moreover, Dahlsrud (2008) gathered 37 well-known CSR definitions and developed 5 major CSR dimensions. The dimensions marked as environmental dimension for natural environmental related issues; social dimension for outer societal activities; economic dimension for financial and economic characters; stakeholder dimension for various stakeholders that influence the corporation; and finally voluntariness dimension for voluntary actions beyond the legal compliance (Dahlsrud, 2008). Furthermore, Xu and Yang (2010) conducted in-depth interviews with executive officers and business owners and compared CSR dimensions with western countries. They found 9 compatible dimensions for China (sino) on which six are similar with western countries. Employment, good faith and social stability and progress are three unique dimensions of China in comparison to shareholders and equality as of western countries. The table below presents an integrated framework through analyzing many previous CSR frameworks and in-depth interviews of Chinese managers (Xu & Yang, 2010).

### **Managerial Perception on CSR**

Empirically examined researches on manager's or professional's perception on CSR show that many things can influence their perception. Widely recognized cultural dimensions- "individualism, power distance, uncertainty avoidance, masculinity and long term orientation"- also influence greatly on the determination of views on ethical and social responsible issues (Christie et al., 2003). Cultural diversity, geography,

religion, education and awareness level, corporation's strategies and others of a region or nation affect and shape the social responsibility approaches. Thus, managers use different CSR philosophies while making policies and decisions because of diverse knowledge and experiences.

Some studies on managerial perception on CSR show that a lot of differences exist on CSR conceptualization depending on the manager's background, knowledge and experiences. Locational diversities of managers lead variations in the CSR approaches. For example, managers from USA and South Africa have a significant difference in CSR conceptualization. A study shows that USA managers are in favor of CSR while that of South Africa are not. Similarly, the public expectation on American managers of private businesses for CSR activities is high and vice versa for South African managers (Orpen, 1987). Additionally, as Quazi and O'Brien (2000) found from an empirical study conducted in Australia and Bangladesh that managers conceptualize CSR only within two universal dimensions. According to them, all managers throughout the world fall into four CSR clusters of two dimensions-wider versus narrow responsibility and benefit versus cost from CSR. Australian managers select either broader or classical related CSR view and Bangladeshi managers select either wider or narrow view of social responsibility. The study further shows that Australian managers are relatively positive on CSR. However, the quality of education, training and researches in certain regions can influence CSR perception of managers. Similarly, business ethic of managers in South and South East Asia is also significantly different because of dissimilar level of privatization, globalization and the economic development. Srinivasan (2011) portrays that most of the countries in that region have institutions related to ethical courses but India, Malaysia, Bangladesh and Sri Lanka only conduct practical trainings. Furthermore, religious varieties within countries also impact on CSR understanding. Buddhist religion influences the corporations in Sri Lanka, Bhutan and Thailand; Islamic religion in Bangladesh, Pakistan and Malaysia; and mostly Hindu religion affects corporate behaviors in India and Nepal (Srinivasan, 2011). Another similar research also found that India, one of the neighbor nation of Nepal with cultural similarity, is ahead in CSR practices than other six Asian countries-Indonesia, Malaysia, The Philippines, South Korea, Singapore and Thailand because of relatively better national business systems but not on the basis of the stage of development (Chapple and Moon, 2005). Hence, an inference can be made from the

findings of these studies that conception of CSR among managers depends on the geography and inherent culture, religion, education, national policies and others of a nation.

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### **Organizational Commitment**

Mowday et al. (1992) offered the following descriptions of the two approaches: “Attitudinal commitment focuses on the process by which people come to think about their relationship with the organization. In many ways it can be thought of as a mind set in which individuals consider the extent to which their own values and goals are congruent with those of the organization.

According to Mowday et al. (1998) there appears to be evidence linking specific human resource management systems with overall organization performance and with affective commitment at the level of the individual employees.

Commitment is more than a state of mind that exists when an individual experiences a positive exchange relationship with some entity; it contributes to our understanding of organizational behaviour (Meyer & Herscovitch 2001).

## **2.2 Theoretical Review**

- **Classical View Theory**

This theory is considered as a traditional perception of trying to avoid performing CSR activities so as to maximize profit for the owners of business (shareholders). Friedman (1970) propounded this theory and supported this classical view on CSR by his statement the responsibility of business is to maximize profits, to earn a good return on capital invested and to be a good corporate citizenship obeying the law no more and no

less. To go further in a deliberate fashion is to exceed the mandate of business. It is to make what amounts to an ideological stand with someone else's money and possibly to engage in activities with which many stakeholders would not agree. This expressed an extreme thought in the capitalist's economic system where business organizations are only concerned with maximization of profit for shareholders by conducting their activities within the limits set by the law. Under this theory managers are expected to focus only on profit maximization because they are the agents of the shareholders and should strive towards maximization of shareholders' wealth through profit motive (Herremans et al., 1993).

- **Agency Theory**

Agency Theory explains the relationship between the agent as the party managing the company and the principal as the owner, both bound in a contract. An owner or principal is as the party who evaluates the information and the agent is as the party who runs the activities of management and decision making. Agency theory arises because of the separation of functions between the owner and the manager; this is because the capital needs of the company cannot be provided by only one owner. Conflicts may occur between the interests of shareholders and managers. Managers tend to prioritize individual interests than the interests of shareholders. (Hendriksen & Breda, 1992)

- **Stakeholder Theory**

Stakeholder Theory is the basic theory used to understand diversification, Corporate Social Responsibility and Corporate Governance, so that the company's operations not only operate for its own sake. Companies must be able to provide benefits to stakeholders (Ghozali & Chariri, 2007). Disclosure of Corporate Social Responsibility becomes important, as stakeholders need to evaluate and know the extent to which companies implement Corporate Social Responsibility.

- **Institutional Theory**

Scott and Christensen (1995) analyzed the external factors that influence the way an organization acts. Institutional theory is having a link with the way an organization performs its CSR practice because one of the drivers to CSR performance is the pressure exerted by stakeholders and competitors, the organization needs to meet multiple

demand expected from it and act according to accepted norms in the industry, because organizational legitimacy and survival could be at stake if an organization fail to conform with acceptable institutional norms (Dimaggio & Powell, 1983). Similarly, conformity with accepted institutional norms is positively related with accessibility to resources and achieving organizational legitimacy (Oliver, 1991).

- **Instrumental Theory**

Instrumental theory looks at CSR from the perspective of a strategist aiming to take CSR practice as an indispensable opportunity to exploit and get benefits for the business organization. This theory emphasizes on linking CSR practices with profit maximization to benefit different stakeholders. Burke and Logsdon (1996) noted that economic benefits derived from implementation of CSR policies show how an organization is effective in using the instrumental/strategic theories of CSR. When an organization utilizes CSR commitments to support its core business activities and accomplish its missions effectively accompanied by getting a substantial high yields then CSR assumes a strategic.

- **Legitimacy Theory**

Legitimacy Theory is the basic theory utilized to understand Corporate Social Responsibility. This theory is derived from the design of organizational legitimacy (Dowling & Pfeffer, 1975). Companies carrying out their activities as a social contract with the community that includes community or environmental norms, so that management is more focused on the interaction between companies and society (Deegan, 2002). Legitimacy Theory is a theory that underlies the disclosure of Corporate Social Responsibility. Suchman (1995) stated the definition of legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions.”

## **2.3 Empirical Review**

This part includes review of previous studies that are relevant to the problem being explained and within the framework of the theory structure. It presents a summary of major findings of previous researches, articles, journals, etc. It presents a summary of

major finding of previous researches being studies in separate readings. It explains why each literature was chosen for the critical review and how it helped to build the theoretical framework and identify problem statement. This study aims to analyze the loan management of commercial banks in Nepal. Various researchers have examined the impact of loans and credit risk management in varying dimensions. Among some of the recent studies i.e. research articles published in different journals and previous dissertations and thesis submitted for the academic purpose with the similar issues have been reviewed as below:

Kanauje and Ghimire (2024) examined the impact of corporate social responsibility on corporate reputation of public sector commercial banks in Nepal. The objective of the study is to assess the influence of Corporate Social Responsibility (CSR) on the corporate reputation of Public Sector Commercial Banks (PSCBs) along with current status of CSR practices in the perspectives of banking professionals in Nepal. This research is based on the descriptive as well as explanatory research design. Primary data was collected by using a structured questionnaire prepared through reviews of literature. This study depends on the data gathered from the perception of 105 banking professionals within Kathmandu valley based on non-probability sampling method, towards the CSR activities and corporate reputation of PSCBs in Nepal. Multiple linear regression was employed and SPSS was used for data analysis. The research elucidated that CSR activities undertaken by PSCBs were positively perceived by respondents, who concurrently acknowledged the commendable corporate reputations of their organizations. This study has highlighted the importance of Corporate Social Responsibility (CSR) in enhancing the corporate reputation of Public Sector Commercial Banks (PSCBs) in Nepal. The study found that community responsibilities and investor responsibilities are the two CSR practices that significantly contribute to enhancing the corporate reputation of PSCBs.

Damnjanovic et al. (2024) examined that how does internal social responsibility affect organizational commitment based on empirical evidence from Serbian service companies. The primary objective of this study is to investigate the impact of ISR on organizational commitment components, i.e. affective, continuance and normative commitment in service companies. This study specifically concentrates on the effects of ISR on organizational commitment with a special emphasis on service companies.

The study has employed descriptive research design based on primary data. Data were collected during October of November of 2023 using an adapted questionnaire which were returned by 100 respondents who were employees from Serbian hotels and restaurants. Descriptive, correlation and regression analysis were applied to examine the hypotheses which was developed in three sets to address the research question. The findings indicate a meaningful positive influence of ISR on affective, continuance and normative commitment among employees. This emphasizes the importance of integrating ISR into companies' business strategies, especially those oriented towards employees. Recognizing and prioritizing ISR can enhance employees' commitment, motivation and retention, ultimately contributing to organizational success.

Herman et al. (2024) evaluated the influence of corporate social responsibility on employee performance with organizational commitment as mediation (study of bank lampung employees). This research aims to determine the effect of CSR on employee performance, CSR on organizational commitment, and organizational commitment on employee performance, which is mediated by organizational commitment. The number of samples in this research is 210, and the testing was done using the SEM test using the SEM-PLS analysis tool; the findings in this research show that corporate social responsibility (CSR) significantly influences employee performance. In addition, CSR has a significant favorable influence on organizational commitment. Organizational Commitment has a significant favorable influence on Employee Performance. The latest findings show that Employee Performance has a significant favorable influence, with Organizational Commitment as a mediating variable. The results of CSR showed that the lowest average scores were recorded on the assessment or evaluation indicators. To anticipate the spread of a similar response, companies need to identify the causes of this response. In the results of respondents, the lowest indicator of employee performance is the work quality indicator. Organizations must delve deeper into understanding the reasons behind the subpar quality of work observed within their operations. Within the spectrum of organizational Commitment, it is evident that the normative commitment indicator scores the least.

Francis et al. (2024) tried to unveil the mediating role of perceived organizational support regarding corporate social responsibility and its impact on organizational attractiveness. The objective of the study is to investigate the mediating role of

perceived organizational support (POS) in the relationship between corporate social responsibility (CSR) initiatives and organizational attractiveness (OA). It employs a cross-sectional quantitative design, collecting data from diverse organizations. Multistage convenient sampling was used to collect responses from employees of 20 IT companies in Bengaluru. Insights from employees working in IT companies are collected through the questionnaire. There were 740 questionnaires distributed, of which only 396 were returned in their completeness state. Statistical analyses, including regression and bootstrapping techniques, were done using SPSS and AMOS to examine the mediating effect of POS. The study highlights a noteworthy mediating effect of perceived organizational support (POS) on the relationship between CSR initiative and organizational attractiveness. It was also revealed that POS partially mediates CSR and OA, significantly influencing CSR and OA. Managerial implications of this study are that the organization focusing primarily on employee support measures enhances the external reputation and develops internal commitment and loyalty.

He and Sutunyarak (2024) evaluated Chinese AI enterprises on perception of corporate social responsibility, organizational commitment and employee innovation behavior. The objective of the study is to delve into the relationships between the perception of corporate social responsibility (PCSR), organizational commitment and employee innovation behavior, as well as the multiple mediating roles of affective, normative and continuance commitment in the relationship between the perception of CSR and innovation behavior. This research involved 419 employees from 15 artificial intelligence (AI) enterprises in Shenzhen, China. This study's hypotheses were tested using structural equation modeling. The findings indicate that PCSR significantly impacts innovation behavior, and affective, continuance and normative commitments also positively influence innovation behavior. Moreover, these three commitments play a partial mediating role in the relationship between PCSR and innovation behavior. This study enriches and expands the understanding of the multiple mediating mechanisms between PCSR and employee innovation behavior, providing a theoretical basis and guidance for management to comprehensively understand the role of employees' PCSR in enhancing organizational commitment and fostering innovation behavior.

Van et al. (2024) examined the impact of internal social responsibility on service employees' job satisfaction and organizational engagement. The objective of the study

was to investigate the influence of internal corporate social responsibility aspects on employees' job satisfaction and organizational engagement through the lenses of social identity and social exchange theories. The convenience sampling technique was adopted for this study. The survey lasted 3 months, from March to May, 2020. There were 368 complete questionnaires collected, of which 97 were collected through the offline survey. The respondents reported that they worked for 25 different banks. The findings show the importance of each internal corporate social responsibility aspect in driving employee job satisfaction and organizational engagement. Job satisfaction is also found to be an antecedent of organizational engagement. The result adds a profound understanding of internal corporate social responsibility to the existing literature and helps bank managers have appropriate solutions to strengthen their employees' job satisfaction and organizational engagement.

Ahsan and Khalid (2023) evaluated the link corporate social responsibility with organizational commitment: the role of employee job satisfaction. The objective of the study was to examine the impact of an organization's internal and external corporate social responsibility (CSR) initiatives on employee job satisfaction and organizational commitment. Drawing on the social identity perspective, the authors proposed and tested a mediation model to understand the psychological mechanisms underlying the effects of CSR. The study sample comprised 263 employees from Italian manufacturing firms. Findings indicate that external CSR orientation is positively associated with employee job satisfaction and organizational commitment. Furthermore, the mediating effect of job satisfaction partially explains the positive relationship between external CSR orientation and organizational commitment. Moreover, we found that the positive impact of external CSR on employee outcomes is strengthened when combined with internal CSR. This research has practical and theoretical implications for organizations seeking to enhance employee engagement and commitment through CSR initiatives and sheds light on how CSR can shape employee attitudes and behaviors toward the organization. This study brings a novel contribution to the field by examining the impact of both internal and external CSR initiatives on employee job satisfaction and organizational commitment.

Rafi et al. (2023) evaluated the impact of internal and external csr on job satisfaction as a mediating role of emotional labor. The objective of this research is to offer practical

and actionable recommendations for organizations seeking to strengthen their CSR programs and promote employee satisfaction and retention. This research paper seeks to investigate the association between internal and external corporate social responsibility (CSR) initiatives and their influence on emotional labor and job satisfaction. Specifically, this research underscores the significance of a holistic CSR strategy that takes into account both internal and external initiatives and their effects on emotional labor and job satisfaction. Smart PLS 3.0 was used to analyze data collected from 142 employees of a major bank in Pakistan, by using purposive sampling. The results revealed that both Internal and External CSR initiatives have a significant positive impact on job satisfaction. The findings of this study have practical implications for organizations in terms of the potential benefits of CSR initiatives for employee well-being and job satisfaction. Theoretical implications based on Social Expectation Theory suggest that employee expectations and perceptions of socially responsible behavior are important factors in shaping employee attitudes and behaviors.

Panagiota et al. (2023) analyzed the effect of corporate social responsibility culture on Greek internal auditors' organizational commitment. The objective of this study is to investigate the effect of corporate social responsibility on the levels of organizational loyalty of internal auditors working in Greek companies, regardless of the industry they belong to. To cover that, quantitative research was carried out. The research sample consists of 220 Greek internal auditors. Random sampling was used to gather the research sample. Quantitative research data collection was done online via email, while statistical analysis was performed using SPSS (v23). The results of the Pearson correlation test showed a positive and statistically significant correlation of the four dimensions of corporate social responsibility (to stakeholders, customers, employees and governmental bodies) with the levels of organizational commitment of the internal auditors. Also, the regression test showed a positive and statistically significant influence and high predictability from the side of the four dimensions of corporate social responsibility to the levels of organizational commitment of internal auditors.

Kim et al. (2023) evaluated the effects of internal and external CSR on supportive and harmful employee attitudes. Based on social exchange and social identity theories, the mechanisms through which external and internal CSR activities influence employees' perceived organizational justice and identification, and their subsequent outcomes (i.e.,

organizational commitment and turnover intention) have been examined in this paper. Data has been collected from the employees of a hospitality company operating in the United States and used confirmatory factor analysis and structural equation modeling for data analysis. The results showed that internal CSR activities had significant sequential effects on organizational justice, organizational identification, and organizational commitment as well as turnover intention. External CSR activities had significant indirect effects on organizational commitment via organizational identification. These findings reinforce the notion that external and internal CSR operate through different mediating mechanisms. We discussed the main findings of this study in terms of their theoretical implications for our understanding of the psychology behind CSR, as well as social exchange and social identity theories. The results suggest that both external and internal CSR have particular importance as a means of supporting a hospitality company's efforts to foster employee identification with the company, and thereby improve employee attitudes at work.

Zambrano et al. (2022) evaluated the Mediating effects of internal motivation and trust while examining the Relationship CSR and employee commitment. The main objective of this article is to check whether the relationship between corporate social responsibility activities and employee commitment is mediated by the existence of two other attitudinal variables of workers: intrinsic motivation and trust towards the organisation. A survey of 318 Ecuadorian workers provides data that allows the application of structural equation modelling to verify the existence of such relationships. The findings of this study shows a positive and significant relationship between CSR actions and the two attitudes of the employees considered: trust and intrinsic motivation. Furthermore, the mediating character that both variables play in the relationship between CSR and organizational commitment is confirmed, i.e. this investigation offers new findings about the relation between the variables considered: the mediator effect between CSR and commitment is greater in the case of internal motivation.

Bhatti et al. (2022) examined the impact of corporate social responsibility directed toward employees on contextual performance in the banking sector as a serial model of perceived organizational support and affective organizational commitment. The objective of the study was to examine the impact of corporate social responsibility

directed toward employees on contextual performance in the banking sector. The theoretical model was tested using a time lagged data. Study is based on primary data collected through questionnaire under survey method and was collected between January to August of year 2018. Respondents consist of non-managerial employees of 200 branches of 8 Pakistani banks. Descriptive statistics, reliability coefficients, Cronbach alpha and correlations analysis were conducted. Further, the information pertaining to the organizational citizenship behaviors of the employees was collected by their immediate supervisors. The mediation hypotheses were tested using process method. Results confirmed a positive and significant relationship between perceived CSR directed toward employees and OCBs, as well as the sequential mediation effect of both POS and AOC between CSR directed toward employees and OCBs.

Stojanovic et.al. (2021) evaluated the effects of CSR activities on business according to employee perception to examine the level of employees' awareness of the implementation of CSR in Serbian and Russian companies. A comparative analysis between two companies i.e. Serbian and Russian each, was carried out in order to perceive the differences in attitudes of employees, their job satisfaction, and consequently the implementation of CSR. The hypotheses of the developed model were tested by using the Multi group Confirmatory Factor Analysis. Result of the research indicate that CSR Dimensions (economic, social, ecological, stakeholder, and voluntariness) have an influence on the satisfaction of employees and the implementation of CSR through the internal and external CSR activities.

Nirula and Panthi (2021) analyzed the corporate social responsibility and employees commitment in Nepalese organization. The study's key goal is to look at the relationship between CSR and employee engagement in the Kathmandu valley's different service sectors. The effect of corporate social responsibility on employee commitment in Nepalese service and manufacturing sectors is investigated in this study. Comprehensive and empirical research design were employed for this study. The primary sources of evidence were used to determine the respondents' views on the various impacts of corporate social responsibility. A total of 280 respondents took part in the survey. The findings were tested using a descriptive and analytical research design. A standardized questionnaire has been prepared to achieve the study's aim. The meaning and effect factors was tested using correlation coefficients and regression

models. The findings suggest that corporate social responsibility and employee engagement have a strong and meaningful relationship. This study concludes that increase in components of corporate social responsibility leads to increase in employee commitment in the organization.

Oh et al. (2021) explored the influence of hotel employees' perception of CSR on organizational commitment. The objective of this study was to investigate the relationships among Korean hotel employees' perception of Corporate Social Responsibility (CSR), their intrinsic motivations, and their organizational commitment (OC). The mediating effect of intrinsic motivation on the relationship between employees' perception of customer- and employee-related CSR and OC is explored, and the moderating role of job level on the relationship between CSR perceptions and intrinsic motivation is tested. The data were collected via online survey, and the Hayes' Process macro was used as an analysis tool. It has been found that both types of CSR perceptions are important in creating intrinsic motivation and OC, intrinsic motivation enhances OC, and job level moderates the link between employee CSR perceptions and intrinsic motivation positively. Further, it was found that when customer-related CSR or employee-related CSR is high, the level of intrinsic motivation will significantly differ between managerial and non-managerial employees.

Chapagain (2021) examined the effect of CSR practices on a firm's reputation and profitability by taking separate measures of internal CSR practices, external CSR practices, and aggregated CSR practices in the Nepalese context. Objective of the study was to examine the effects of CSR practices on the firm's reputation and profitability in the distinct socio-economic context of Nepal. The study used a simple random sampling method in collecting data from 168 listed companies in Nepal. The data were collected using structured questionnaires. There are three sets of variables used in the study. Internal CSR practices, external CSR practices, and aggregated CSR practices were the independent variables in the study whereas the firm's reputation and profitability were the dependent variables. The normality of data concerning various constructs was examined using the Shapiro-Wilk test. Then, hierarchical multiple regression analyses were used to test the stated hypotheses. The results of this study showed that CSR practices toward both the internal and external stakeholders pay off to business in terms of enhanced corporate reputation and profitability. Hence, the

research clearly refuted the argument that “CSR and profit maximization are the conflicting goals of a firm”. Despite the achievement of statistical significance on both the cases, the effect of a firm’s CSR practices on its reputation was stronger than the effect of a firm’s CSR practices on its profitability.

Dung (2020) examined the impact of internal CSR perception on affective organizational commitment among bank. The study was to investigate the relationship between internal corporate social responsibility (CSR) practices and organizational commitment, which primarily aimed to test the effect of internal CSR perception on affective commitment among bank employees. Study was mainly based on primary data, which were collected through a structural equation model (SEM) was developed to test the research hypotheses. Employees from private and public banks in Ho Chi Minh city equal to 300 person were taken as sample, which engage in CSR initiatives with CSR disclosure on the website. The sample selection was based on non-probability sampling methods with convenience sampling techniques. The relationship between affective commitment and internal CSR was also investigated within a model that moderates effects on employee gender. The questionnaire was built on the results of previous empirical studies and background theories. To measure organizational commitment, the author used the eight items. Using 32 variables, SEM was adopted to estimate research parameters. The measurement scale developed for this study is an interval scale which excludes a demographic of the respondents. All items were measured by a 5-point Likert scale, in which 5 denotes strongly agree and 1 strongly disagree. The questionnaire was put into a pilot survey to assess scale reliability through Cronbach’s alpha coefficient. The results indicated that the research model fitted well with the empirical data. The findings show that employee perception of internal CSR dimensions was significantly related to affective organizational commitment. This study provides an understanding that motivations could encourage employee’s affective commitment, which might translate to effective human resource management policies.

Maharjan and Kautish (2020) examined the impact of corporate social responsibility dimensions on organizational attractiveness on NIC bank limited. The main aim of this study was to determine if CSR affects organizational attractiveness. The study investigated the impact of CSR dimensions on organizational attractiveness from two perspectives; signaling theory and person-organization fit (P-O fit). The conceptual

framework of this research consists of four basic CSR Dimensions which are: Economic Responsibility, Legal Responsibility, Ethical Responsibility and Philanthropic Responsibility. Conducting the primary research methodology, a structured questionnaire was developed and applied on 350 permanent employees of NIC ASIA Bank, while 304 successfully conducted the research. The findings showed the significant relationship between each CSR dimensions and organizational attractiveness as hypothesized. The study further revealed about the mediation effect of P-O-Fit theory among the two variables of CSR dimensions and organizational attractiveness. The analysis therefore demonstrates the importance of CSR in the attraction and retention of human resources by Nepalese commercial banks.

Macassa (2020) reviewed on corporate social responsibility and internal stakeholders' health and well-being in Europe. The objective of the study is to identify studies addressing the relationship between CSR and employee health and well-being within the European context, and a systematic literature search using Web of Science and Medline has been conducted in this study. Of the 60 articles screened for inclusion, 16 were retained. The results suggest that the majority (n<sup>1</sup>/<sub>4</sub>14) of the identified studies aimed to understand the impact of CSR strategies on employees' job satisfaction. None of the studies investigated the relationship between internal CSR and physical health. There was no clarity in the measurement of either internal CSR or the extent to which it affected employee outcomes. The result of this study indicated that job satisfaction can directly affect organizational performance and profitability. It has also been suggested that business organizations can develop strategies that produce both intrinsic (moral values, creativity, achievement, power and independence) and extrinsic (work tasks and the work itself) job satisfaction.

Zaman and Nadeem (2019) evaluated the role of csr strategic importance and organizational identification by linking corporate social responsibility (csr) and affective organizational commitment. The objective of this study is to empirically examine the impact of corporate social responsibility (CSR) on affective organizational commitment (AOC) under moderating condition of CSR strategic importance and mediating effect of organizational identification (OI). Survey-based primary data was collected from 229 participants from the telecom sector. Sequential methodological approach for developing a conceptual framework (through qualitative research) and

then structural equation modeling (SEM) (as a quantitative technique) for hypotheses testing and assessment of proposed model was used. SEM findings reveal that CSR has a significantly positive effect on AOC. Findings conclude that organizational identification significantly mediate the CSR-AOC relationship; while CSR strategic importance significantly and positively moderate the CSR effect on AOC.

Kim et al. (2018) examined the influence of corporate social responsibility on organizational commitment, where the sequential mediating effect of meaningfulness of work and perceived organizational support were examined by the researchers. The objective of the study was to examine how CSR practices influence attitudes of employees. Particularly, it was hypothesized that perceived CSR would enhance organizational commitment (OC) of employees through the sequential mediation of meaningfulness of work (MOW) and perceived organizational support (POS). The mean, standard deviation, skewness, and kurtosis and correlation of the data were calculated. Next, structural equation modeling (SEM) was conducted using AMOS 21.0. The results show that MOW and POS sequentially mediate the relationship between perceived CSR and OC. The findings suggest that CSR practices could be an active investment which enhances important attitudes of employees, instead of merely being a cost or obligation for firms.

Maung and Chotiyaputta (2018) examined the multinational enterprise in Myanmar exploring the impact of corporate social responsibility on employees' organizational commitment. This paper aimed to investigate the impact of four corporate social responsibility (CSR). Social responsibility towards the employees, the customers, the government and the society on employees' organizational commitment from the perspective of the employees in Myanmar. The notion of social identity theory and social exchange theory was used to examine CSR-EOC relationship model. The quantitative questionnaires were conducted and 423 sets of data were collected from the employees who are working in a multinational enterprise with simple random sampling technique. The regression analysis was used to confirm the results. The results indicated that three dimensions of CSR positively influence employees' commitment to their organization expect CSR to society dimension. Further, there was no evidence that position, education and income level were the important determinants of employees' CSR perception and commitment level while the work tenure was found to

be significant.

Thang and Fassin (2017) examined the impact of internal corporate social responsibility on organizational commitment: evidence from Vietnamese service firms. The main objective of the study is to explore the employee perceptions of the internal CSR of service companies in Vietnam. In other words, The purpose of this study was to examine the relationship between internal CSR and OC. In particular, the article tries to answer the following research question: What is the impact of internal CSR on OC? Employees for this study were selected on the basis of two criteria. First, the companies that engage vigorously in CSR initiatives were considered. The second criterion concerns the companies in the service sector. A research questionnaire was designed to capture data to explore the employees' perception of CSR in the context of Vietnam. The questionnaire was adapted from the literature and refined to fit the present study, including five dimensions. Three of the dimensions (work–life balance, health and safety at work, and training and development) in the questionnaire were adapted from Vives (2006) and two new dimensions (social dialogue and labor relations) were developed and included in the questionnaire based on the Vietnamese context. The multiple regressions reveal that health and safety has a positive and significant effect on AC and CC. This finding implies that good health and safe work-life balance lead to high CC. More specifically, when employees believe that the organization supports them by providing a healthy and safe working space, they could work with more satisfaction and could then express greater commitment to the organization.

The summary of the major articles and publications on this subject matter have been presented in the following table:-

**Table 1***Summary of Empirical Review*

S. N.	Author (s)	Variables	Methodology	Major Findings
1	Kanauje and Ghimire (2024)	Communities responsibilities, environmental responsibilities, employee responsibilities, investor responsibilities, customer responsibilities and supplier responsibilities identified as independent variables; whereas corporate reputation identified as dependent variable.	Descriptive and explanatory research design, primary data , questionnaire, 105 banking professionals within Kathmandu valley as respondents based on non-probability sampling method, regression, SPSS	The study found that community responsibilities and investor responsibilities are the two CSR practices that significantly contribute to enhancing the corporate reputation of PSCBs.
2	Damnjanovic et al. (2024)	Internal social responsibility itself identified as independent variables; whereas affective, continuance and normative commitment in service identified as dependent variable.	Descriptive research design, primary data, questionnaire , 100 respondents from hotels and restaurants, descriptive, correlation and regression analysis	The findings indicate a meaningful positive influence of ISR on affective, continuance and normative commitment among employees.
3	Herman et al. (2024)	Employees perception of CSR identified as independent variables; whereas employee performance identified as dependent variable.	Descriptive resesrch design, primary data, questionnaire, 210 respondents, SEM-PLS analysis,	The results of CSR showed that the lowest average scores were recorded on the assessment or evaluation indicators.
4	Francis et al. (2024)	Corporate social responsibility identified as independent variables; whereas employee perceived organizational support and organizational attractiveness identified as dependent variable	Cross-sectional quantitative design, collecting data from diverse organizations. Multistage convenient sampling was used to collect responses from employees of 20 IT companies in Bengaluru, 396 respondents, SPSS, AMOS	The study revealed a noteworthy mediating effect of perceived organizational support (POS) on the relationship between CSR initiative and organizational attractiveness

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5	He and Sutunyarak (2024)	Perceived corporate social responsibility identified as independent variables; whereas employee innovative behaviour, affective commitment, normative commitment, continuance commitment identified as dependent variable.	This research involved 419 employees from 15 artificial intelligence (AI) enterprises in Shenzhen, China. This study's hypotheses were tested using structural equation modeling	The findings indicate that PCSR significantly impacts innovation behavior, and affective, continuance and normative commitments also positively influence innovation behavior
6	Van et al. (2024)	Health and safety, work-life balance, employee training and development, labour relations and social dialogue identified as independent variables; whereas job satisfaction and organizational engagement identified as dependent variable.	Descriptive analysis, primary data, survey, questionnaire, convenience sampling, 97 respondents from 25 banks	The findings show the importance of each internal corporate social responsibility aspect in driving employee job satisfaction and organizational engagement
7	Ahsan and Khalid (2023)	Internal CSR and external CSR identified as independent variables; whereas employee job satisfaction and organizational commitment identified as dependent variable.	Mediation model was employed to understand the psychological mechanisms underlying the effects of CSR, primary data, questionnaire, 263 employees from manufacturing firms were respondents.	Findings indicate that external CSR orientation is positively associated with employee job satisfaction and organizational commitment
8	Rafi et al. (2023)	Internal CSR, external CSR and emotional labour identified as independent variables; whereas employee job satisfaction and organizational commitment identified as dependent variable.	Smart PLS 3.0 was used to analyze data collected from 142 employees of a major bank in Pakistan, by using purposive sampling	The results revealed that both Internal and External CSR initiatives have a significant positive impact on job satisfaction

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9	Panagiota et al. (2023)	CSR stakeholders, CSR employees, CSR customers and CSR government identified as independent variables; whereas organizational commitment identified as dependent variable	Quantitative research, primary data, questionnaire, 220 internal auditors were selected as respondents based on random sampling, SPSS, correlation , regression	The result found a positive and statistically significant influence and high predictability from the side of the four dimensions
10	Kim et al. (2023)	Internal CSR, external CSR identified as independent variables; whereas organizational commitment and turnover intention identified as dependent variable	Data has been collected from the employees of a hospitality company operating in the United States and used confirmatory factor analysis and structural equation modeling for data analysis.	The results showed that internal CSR activities had significant sequential effects on organizational justice, organizational identification, and organizational commitment as well as turnover intention
11	Zambrano et al. (2022)	Economic dimension, social dimension and environmental dimension of CSR identified as independent variables; whereas Intrinsic motivation and employee trust identified as dependent variable	Primary data, 318 respondents based on random sampling, structural equation modelling	The findings of this study shows a positive and significant relationship between CSR actions and the two attitudes of the employees considered: trust and intrinsic motivation.
12	Bhatti et al. (2022)	Perceived organizational support of employees and organizational affective commitment of employees identified as independent variables; whereas organizational citizenship behaviour towards individual and towards organizational identified as dependent variable	Descriptive statistics, reliability coefficients, and correlations analysis were conducted, primary data, Survey method, questionnaire, year 2018, respondents were selected from 200 branches of 8 Pakistani banks.	Results confirmed a positive and significant relationship between perceived CSR directed toward employees and OCBs, as well as the sequential mediation effect of both POS and AOC between CSR directed toward employees and OCBs.

13	Stojanovic et.al. (2021)	CSR dimension, Internal CSR activities and external CSR activities identified as independent variables; whereas satisfaction of employees identified as dependent variable	Primary data, questionnaire, random sampling, 338 respondents, SPSS, AMOS,	Result of the research indicate that CSR dimensions have an influence on the satisfaction of employees and the implementation of CSR through the internal and external CSR activities identified as independent variables.
14	Niroula and Panthi (2021)	CSR to stakeholders, CSR to employee and CSR to customers identified as independent variables; employee commitment identified as dependent variable	Comprehensive and empirical research design, primary data, questionnaire, 280 respondents, correlation coefficients and regression models	This study concludes that increase in components of corporate social responsibility leads to increase in employee commitment in the organization.
15	Oh et al. (2021)	Employee perception, employee related CSR and customer related CSR identified as independent variables; whereas intrinsic motivation and organizational commitment identified as dependent variable	Online survey, primary data, random sampling, Hayes' Process macro	It was found that when customer-related CSR or employee-related CSR is high, the level of intrinsic motivation will significantly differ between managerial and non-managerial employees.
16	Chapagain (2021)	Internal CSR practice, External CSR practice and aggregate CSR practice identified as independent variables; firm's reputation and profitability identified as dependent variable	Descriptive resesrch design, survey method, questionnaire, primary data, 168 listedd companies based on random sampling, SPSS, Shaprio–Wilk test, regression	The results of this study showed that CSR practices toward both the internal and external stakeholders pay off to business in terms of enhance corporate reputation and profitability.

17	Dung (2020)	Employment relationship, condition of work and social protection, social dialogue and health and safety identified as independent variables; organizational commitment identified as dependent variable	Primary data, survey method, questionnaire, 300 employees from private and public banks in Vietnam were taken as sample based on convenient sampling method, SEM model	The findings show that employee perception of internal CSR dimensions was significantly related to affective organizational commitment.
18	Maharjan and Kautish (2020)	CSR related to economic responsibilities, CSR related to ethical responsibilities and CSR related to legal responsibilities identified as independent variables; organizational attractiveness identified as dependent variable	Primary data, survey method, questionnaire, 304 employees from private were taken as sample based on convenient sampling method, SEM model	The findings showed the significant relationship between each CSR dimensions and organizational attractiveness as hypothesized
19	Macassa (2020)	Corporate social responsibility identified as independent variables; employee health and well-being identified as dependent variable	Literature review	The result of this study indicated that job satisfaction can directly affect organizational performance and profitability.
20	Zaman and Nadeem (2019)	CSR to employees, to customer and to non-stakeholders identified as independent variables; organizational commitment identified as dependent variable	Survey-based primary data was collected from 229 participants from the telecom sector, SEM model	Findings reveal that CSR has a significantly positive effect on AOC.
21	Kim et al. (2018)	Perceived CSR, perceived organizational support identified as independent variables; meaningfulness of work and organizational commitment identified as dependent variable	Primary data, questionnaire, SEM model, skewness, kurtosis and correlation, AMOS	The findings suggest that CSR practices could be an active investment which enhances important attitudes of employees, instead of merely being a cost or obligation for firms

22	Maung and Chotiyaputta (2018)	Employee CSR, customer CSR, government CSR and society CSR identified as independent variables; organizational commitment identified as dependent variable	social identity theory and social exchange theory were employed, questionnaire, 423 respondents working in MNCs, random sampling, regression	The results indicated that three dimensions of CSR positively influence employees' commitment to their organization expect CSR to society dimension
23	Thang and Fassin (2017)	Labour relation, work-life balance, social dialogue, health and safety, training and development identified as independent variables; organizational commitment identified as dependent variable	Primary data, survey method, questionnaire, employees from private sector were taken as sample based on convenient sampling method, regression	The multiple regressions reveal that health and safety has a positive and significant effect on organizational commitment

### 2.3 Research Gap

Corporate social responsibility (CSR) has been a widely studied topic, with significant attention given to its external dimensions, such as community involvement and environmental sustainability. However, the concept of internal CSR practices focused on employees' well-being and development has received comparatively less focus, particularly in developing countries. While several studies have investigated the relationship between internal CSR practices and organizational commitment (OC) in industries like banking and service sectors, these studies have predominantly been conducted in developed countries. The findings from such contexts may not be directly applicable to developing nations like Nepal due to differences in socio-economic conditions, organizational culture, and employee expectations.

In Nepal, while some research exists on CSR practices, much of it centers on external CSR or general CSR frameworks. Studies specifically examining the connection between internal CSR dimensions, such as labor relations, work-life balance, health and safety, and training and development, and their impact on OC remain scarce. The limited research that does exist tends to treat these variables in isolation rather than as a collective cluster, leaving gaps in understanding the interplay and combined effects of these factors on organizational commitment. Moreover, there is a lack of research

focusing on the manufacturing sector in Nepal, which is a critical part of the nation's economy. Most existing studies emphasize banking, tourism, or service sectors, leaving the unique challenges and opportunities within manufacturing organizations underexplored. This study, therefore, aims to bridge these gaps by investigating the relationship between internal CSR practices and organizational commitment in manufacturing companies in the Nawalparasi and Rupandehi districts of Nepal. It seeks to provide fresh insights into how internal CSR can be leveraged to enhance OC, contributing to the broader understanding of CSR in developing countries and expanding the existing literature to include underrepresented sectors and regions.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

Research methodology describes the methods and process applied in the entire study. In other words, research methodology is a systematic process to approach any research problem and explore it objectively. This chapter exclusively explains the research methodology that is employed in this study which is divided into five sections. Section one provides a description of research design, sections two presents the details of population and sampling procedure for this study, section three describes nature and sources of data, section four describes the method of analysis and finally section five presents Research Framework and Definition of the Variables.

#### **3.1 Research Design**

In this study, descriptive and casual comparative research design have been adopted to examine the interrelation of CSR with Organizational Commitment. Some financial and statistical tools have been applied, such as standard deviation, correlation, regression analysis to examine facts and descriptive techniques has been used to examine the relationship between CSR practices and Organizational Commitment in manufacturing and other organizations operating within Nawalparasi and Rupandehi. The research has used the quantitative approach where the questionnaire are administered to the respondents to find the facts regarding organizational commitment of employees. The questionnaires have been left with the respondents and requested to fill up the questionnaire on the free time, not instantly. After few days, it has been collected back, following no influence of the researcher on the respondents. In order to get diverse responses from the respondents, questionnaire has been distributed to all levels of employees of all of the manufacturing and other organizations operating within Nawalparasi and Rupandehi. The study has tried to cover a wide range of factual questions about internal CSR and organizational commitment.

#### **3.2 Population and Sample, and Sampling Design**

Sampling design is the blue print of the data collection and dissemination of data for the research. A sample is a finite part of a statistical population whose properties are studied to gain information about the whole. When dealing with people, it can be

defined as a set of respondents (people) selected from a larger population for the purpose of a survey. Since, the study is about the organizational commitment of employees; the population for the study comprises all the individual employees of manufacturing and other organizations operating within Nawalparasi and Rupandehi. The census of the population is not desirable for this nature of study that is why a sample for the population has been selected. Based on convenient sampling method, the following ten organizations listed in table 2 have been chosen as sample organizations, and the sample size for this study consists of 100 employees working in these organizations as respondents. In order to collect required information from the individual, the sampling design has carefully and properly chosen for the study. Convenient sampling has been adopted for the study.

**Table 2**

*List of organization chosen as sample for the study*

S. N.	Name of Organizations	Concern
1	Red Brewery Pvt. Ltd.	Manufacturing
2	Siddhilaxmi Steels Pvt. Ltd.	Manufacturing
3	Ten Steels Pvt. Ltd.	Manufacturing
4	Goyal Ispat Pvt. Ltd.	Manufacturing
5	Ten Plast Pvt. Ltd.	Manufacturing
6	Arati Gas Pvt. Ltd.	Manufacturing
7	Sagarmatha Gas Pvt. Ltd.	Manufacturing
8	MB Paper Mills	Manufacturing
9	Indigo Paints Pvt. Ltd.	Manufacturing
10	Daunne Floor Mills Pvt. Ltd.	Manufacturing

### **3.3 Nature and Sources of Data, and Instrument of Data Collection**

The study is mainly based on primary data. In addition to primary data, secondary data also has been used whenever needed. Primary data has been collected through survey method. Self-administered questionnaires has been designed for the employees of sample organizations, which are structured into a closed questions for collecting specified information. Questionnaire includes questions for demographic information

of customer namely; gender, age, educational qualification, employment status, under a study on a six-point Likert scale.

### **3.4 Method of Analysis**

The structured questionnaire has been designed to conduct the survey. The questionnaire consists of single response in Likert scale questionnaire. Statistical tools have been used for data analysis. Both qualitative and quantitative data analysis method have been used. The following statistical tools have been utilized for data analysis.

- Frequency and descriptive analysis.
- Inferential analysis (Pearson's coefficient of correlation, multiple regression analysis).

#### **Descriptive statistics**

Descriptive statistics is used to explain the demographic characteristics of the respondents i.e. the employees of sample organizations. Descriptive analytical tools like frequency, percentage and mean have been used. The analyzed data have been presented by use of percentages, frequency tables.

#### **Mean**

The arithmetic means or average is the sum of total values to the number of observations in the sample. It represents the entire data which lies almost between the two extremes. For this reason, an average is frequently referred to as a measure of central tendency. A simple arithmetic average is used to summarize the data as a representation of mean data.

#### **Standard Deviation**

The standard deviation is the absolute measure of dispersion in which the drawback presents in other measure of dispersion as it satisfied most of the requisites of a good measure of dispersion. It indicates the ranges and size of deviance from the middle or mean. Dispersion measures the variation of the data from the central value. So, higher the value of standard deviation the higher the variability and vice versa.

## **Inferential Analysis**

### **Pearson's correlation coefficient**

Correlation can be measured by means of the correlation coefficient. Pearson's correlation coefficient is used in this research in order to examine the relationships between two or more research variables. If the value of the correlation coefficient is 1.0, then there is a perfect positive correlation between two variables (they increase together). In contrast, if the value of correlation coefficient is -1.0, it can be concluded that there is a perfect negative correlation between two variables (one increases while the other decreases). In addition, there is no relationship between two variables if the value of correlation coefficient is zero.

### **Regression Analysis**

The general purpose of multiple regressions is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. In statistical modeling, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. A correlation analysis can only tell whether or not a strong relationship exists between two variables. But even if a correlation coefficient indicates that a strong relationship exists between two variables, the exact shape of the relationship between the two variables cannot be determined. In this case, regression analysis provides more information about the slope of the relationship. It is used to describe the nature of a relationship and to make predictions. Multiple regressions are used to explore the impact of independent variables.

The linear regression model is used in this study to examine the organizational commitment of employees within organizations as an impact of internal CSR of the organizations. From the conceptual framework, the function of dependent variables (i.e. organizational commitment) has been formulated as follows:

$$\text{Organizational Commitment} = f(\text{LR, WB, HS, TD})$$

More specifically, the given model has been segmented into the following model:

**Model 1**

$$OC = \alpha + \beta_1LR + \beta_2WB + \beta_3HS + \beta_4TD + e \dots\dots\dots(I)$$

Where,

OC = Organizational Commitment (Dependent Variable)

LR = Labour Relation (Independent Variable)

WB = Work-life Balance (Independent Variable)

HS = Health and Safety (Independent Variable)

TD = Training and Development (Independent Variable)

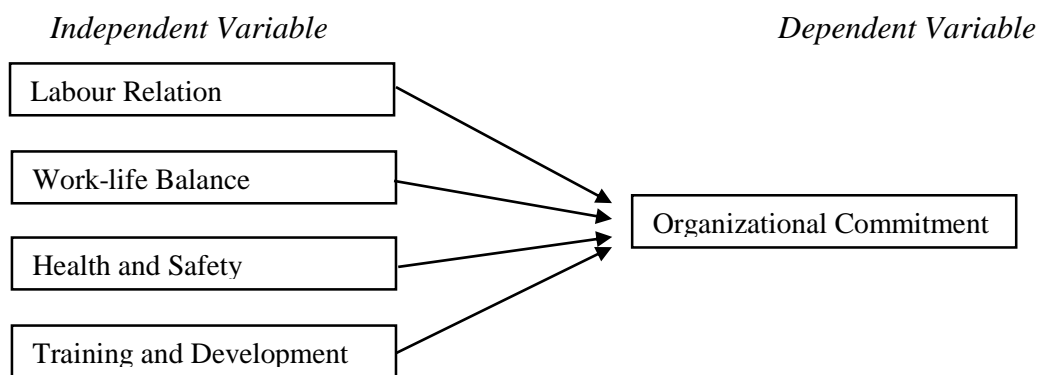
e = Error term

$\alpha$  is the constant term and  $\beta_1, \beta_2, \beta_3$  and  $\beta_4$  are the beta coefficients of variables

**3.5 Research Framework and Definition of the Variables**

This research framework fundamentally describes the connection between variables. The variables identified as independent are labour relation, work-life balance, health and safety and training and development whereas variables identified as dependent is organizational commitment in organizations. This is the elementary subject of interest in our whole work.

Figure 1: *Research Framework*



(Source: Thang & Fassin, 2017)

**Labor relation (LR)**

Labour relations exist primarily between employers and employees within a framework

established and maintained by the state. Three parties are therefore involved in the labour relations system, and subsequently it has a tripartite nature. Labor relations are the term used to define the process between employers and employees, management and unions in order to make decisions in organizations. The decision refers to wages, working condition, hours of work, and safety at work, security and grievances. It has been looked upon a fire fighting function to resolve labour disputes (Kim et al., 2018).

### **Work-life balance (WLB)**

Work-life balance refers to the level of prioritization between personal and professional activities in an individual's life and the level to which activities related to their job are present in the home. It can be considered as an intersection of work and personal life. In other words, work-life balance is the state of equilibrium where a person equally prioritizes the demands of one's career and the demands of one's personal life (Stojanovic, 2021).

### **Health and safety (HS)**

Within an organization, it is responsibility of an employer to maintain a safe and healthy workplace. A safety and health management system, or safety program, can help you focus your efforts at improving your work environment. Now a days, many of the organizations are following Occupational Safety and Health (OSH) at workplace program, which is a multidisciplinary field concerned with the safety, health, and welfare of people at workplace . Whatever you call it, your plan describes what the people in your organization do to prevent injuries and illnesses at your workplace (Oh et al, 2021).

### **Training and development (TD)**

Training and development refers to educational activities within a company created to enhance the knowledge and skills of employees while providing information and instruction on how to better perform specific tasks. Training and development is essential sub function of Human Resource Management so as CSR. Training mainly refers to organizational training which is the process of transferring knowledge within an organization. This type of training focuses on developing employees for their current jobs and make them prepared for futures roles and responsibilities (Nguyen & Yves, 2017).

**Organizational commitment (OC)**

Organizational commitment refers to the connection or bond employees have with their organization. This is based on industrial-organizational psychology and describes the individual's psychological attachment to the organization. The term "employee engagement" is often confused with employee commitment. But they are not one and same thing. An engaged employee will not automatically be a committed employee. Similarly, a committed employee will not always be an engaged one. Engagement refers to how happy an employee is in their job, while commitment refers to how much effort an employee puts into their job (Kim et al., 2018).

## CHAPTER IV

### RESULTS AND DISCUSSION

After collecting data using a questionnaire, the data has been entered into the computer software in order to complete the data management and analysis tasks. SPSS and MS-Excel have been used for data analysis and interpretation. Therefore, this chapter deals with the results and analysis of the findings and it contains three sections. The first section portrays the descriptive analysis where the dependent and independent variables along with their indicators has been explained, whereas the second section presents inferential analysis such as correlation analysis and regression analysis based on multiple linear regression models, and finally the third section referred as discussion part explores the result that has been derived from such analysis.

#### **Reliability and Validity of Data**

Reliability is the extent to which a measure is error-free and generates consistent results. The degree to which a test grabs what we actually wish to collect is known as validity. Here both of the reliability and validity have been tested using a reliable scale of measurement. Both of the dependent and independent variables have been identified from literature review and its relevance and accuracy were assured by conducting discussions with relevant supervisor and other experts of the same subject. Prior to data collection, a pilot testing was conducted on 15% of the samples to ensure the data's accuracy and consistency.

**Table 3**

*Reliability and validity of data*

Variables	Cronbach's alpha	Items
Labour Relation	0.834	lr1, lr2, lr3
Work-life Balance	0.815	wb1, wb2, wb3
Health and Safety	0.896	hs1, hs2, hs3, hs4
Training and Development	0.876	td1, td2, td3, td4
Organizational Commitment	0.973	oc1,oc2,oc3,oc4,oc5,oc6, oc7, oc8

*(Source: SPSS Output)*

Table 3 shows the Cronbach's alpha for all of the given variables. The alpha measures of each of the variable lies between 0.81 and 0.97. Since the minimum desired level of Cronbach's alpha is 0.70, we can ascertain that the data collected have high degree of reliability (Cortina, 1993). In this ground, the data collected has been proved to be a reliable one which can be further processed for analyzing.

### Data Presentation and Analysis

This section analyzes respondents' demographic information, such as gender, age, academic qualification, marital status etc. Respondents' responses are shown in accordance with the question patterns and frequency distributions has been observed. This section presents the frequency count of the respondents' gender, age, academic qualification and marital status. The analysis of the variable that has the most influence on digital banking adoption perceptions are also included in this section. Out of 100 people who were served the questionnaire, all of them returned back the questionnaire leaving non-of the space blank, since all the employees were the regular and the professional one. Now we have 100 respondents in this research and all of the required questions were attended properly. Here we have details of respondents as per their gender.

**Table 4**

*Frequency of respondents by Gender*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	59	59	59	59
	Female	41	41	41	100
	Total	100	100	100	

*(Source: Field survey)*

Table 4 shows the gender based frequency distribution of 100 respondents, out of which 59 % are male and 41 % are female. The data shows a gender disparity among the respondents, with males constituting a larger share compared to females. This distribution highlights the potential gender dynamics at play within the organization. Understanding these dynamics is essential for analyzing organizational commitment,

as gender may sometimes influence the experiences and challenges faced by employees in balancing their professional and personal lives.

**Table 5**

*Frequency of respondents by Age*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20	9	9	9	9
	20 to 25	29	29	29	38
	25 to 30	36	36	36	74
	30 to 40	12	12	12	86
	40 and above	14	14	14	100
	Total	100	100	100	

*(Source: Field survey)*

Table 5 shows the age group of 100 respondents, out of which 9 % are of below 20 years, 29 % are of 20 to 25 years, 36 % are of 25 to 30 years, 12 % are of 30 to 40 years and 14 % are of 40 years and above. The data indicates a diverse age distribution among employees of sample organizations, with the largest group being those aged 25 to 30 years, followed by those aged 20 to 25 years. This distribution suggests a mix of youthful energy and experienced leadership within the industry sector. Understanding the age demographics is crucial for tailoring organizational commitment initiatives to meet the needs of different age groups effectively.

**Table 6**

*Frequency of respondents by academic qualification*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Slc	7	7	7	7
	Plus two	48	48	48	55
	Bachelor	26	26	26	81
	Masters	19	19	19	100
	Total	100	100	100	

*(Source: Field survey)*

Table 6 shows the education level of 100 respondents, out of which 7 % have completed SLC, 48 % have completed plus two, 26 % have completed Bachelor's degree, 19 % have completed Master's degree. The data shows a diverse range of academic qualifications among the respondents, with the majority holding a plus two qualification, followed by bachelor's degree. The presence of employees with varying levels of education highlights the different roles and responsibilities within the organizational sector, from entry-level to managerial positions. Understanding the educational background of employees is crucial for analyzing work-life balance which finally leads towards organizational commitment, as educational attainment can influence job roles, career progression, and the associated challenges towards organizational commitment. Tailoring organizational commitment initiatives to suit the educational profile of the workforce can help in addressing the specific needs and expectations of employees at different educational levels.

**Table 7**

*Frequency of respondents by Marital Status*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	35	35	35	35
	Married	65	65	65	100
	Total	100	100	100	

*(Source: Field survey)*

Table 7 shows the frequency distribution of 100 respondents based on their marital status, out of which 35 % are single and 65 % are married. This indicates that the majority of the sample consists of married individuals. The marital status of respondents may provide insights into their level of organizational commitment and perception of internal CSR activities. For example, married employees may have different expectations regarding labour relation, work-life balance, health and safety and training and development, which could influence their level of organizational commitment compared to single employees.

## 4.1 Results

### 4.1.1 Results of Descriptive Analysis

A descriptive analysis is a form of summary statistics that quantifies or summarizes the characteristics of a set of data. In this study, the mean is calculated as a measure for central tendency, and the standard deviation serves as a measure of the variability among the different research variables, including those related to the study, like labor relations, work-life balance, health and security, training and development and organizational commitment.

In this part, I have presented the mean (as measure of central tendency) and standard deviation (as measure of variability) of the indicator of internal corporate social responsibility i.e. Labor relation, work life balance, health and security and training and development.

**Table 8**

*Descriptive statistics of labour relation*

Code	Opinion Statement	Mean	S. D.
LR 1	I can fully utilize my knowledge and skill in the organization	2.88	.769
LR 2	I can freely discuss job related issues with my supervisor	2.68	.790
LR 3	My organization provides the equal employment opportunity for all employees	2.45	.809
Labour Relation		2.67	.789

*(Source: SPSS Output)*

Table 8 shows the mean score for the statement “I can fully utilize my knowledge and skill in the organization” has 2.88 mean with standard deviation of 0.769 which means respondent agree with the given statement, while the statement “I can freely discuss job related issues with my supervisor” has 2.68 mean with standard deviation 0.790 which means respondent agree with the given statement. Similarly, the statement “My organization provides the equal employment opportunity for all employees” has 2.45 mean with standard deviation 0.809 which means respondent again agree with the given statement. It has been found a high volatility in the third statement, whereas the response on the first statement seems to have more consistent.

**Table 9***Descriptive statistics of work-life balance*

Code	Opinion Statement	Mean	S. D.
WB 1	I feel very energetic after work	3.18	.593
WB 2	I am able to balance my work responsibilities with my personal/family life	3.24	.553
WB 3	I look forward to being with the people I work with each day	2.93	.432
Work-life balance		3.12	.526

*(Source: SPSS Output)*

Table 9 shows the mean score for the statement “I feel very energetic after work” has 3.18 mean with standard deviation of 0.593 which means respondent slightly agree with the given statement, and the statement “I am able to balance my work responsibilities with my personal/family life” has 3.24 mean with standard deviation 0.553 which means respondents slightly agree with the given statement. Whereas, the statement “I look forward to being with the people I work with each day” has 2.93 mean with standard deviation 0.432 which means respondents agree with the given statement. It has been found a high volatility in the first statement, whereas the response on the third statement seems to have more consistent.

**Table 10***Descriptive statistics of health and safety*

Code	Opinion Statement	Mean	S. D.
HS 1	My organization provides good health care in the work place	2.82	.957
HS 2	My organization provides stress management for employees	3.06	1.118
HS 3	My organization provides medical insurance for employees	3.01	1.133
HS 4	My organization provides professional counselling service on health and safety	3.02	1.119
Health and Safety		2.98	1.08

*(Source: SPSS Output)*

Table 10 shows the mean score for the statement “My organization provides good health care in the work place” has 2.82 mean with standard deviation of 0.957 which

means respondents agree with the given statement, and the statement “My organization provides stress management for employees” has 3.06 mean with standard deviation 1.118 which means respondent slightly agree with the given statement. Accordingly, the statement “My organization provides medical insurance for employees” has 3.01 mean with standard deviation 1.133 which means respondent slightly agree with the given statement, and the statement “My organization provides professional counselling service on health and safety” has 3.02 mean with standard deviation 1.119 which means respondents again slightly agree with the given statement. It has been found a high volatility in the third statement, whereas the response on first statement seems to have more consistent.

**Table 11**

*Descriptive statistics of training and development*

Code	Opinion Statement	Mean	S. D.
TD 1	My organization provides career counselling and planning assistance to the employees	3.41	.954
TD 2	My organization is fully supportive of a career management program for the employees	3.34	1.017
TD 3	My organization provides financial support for my training	3.16	.961
TD 4	My organization provides a systematic program that regularly assesses employee’s skill and interest	3.25	.947
Training and Development		3.29	.969

*(Source: SPSS Output)*

Table 11 shows the mean score for the statement “My organization provides career counselling and planning assistance to the employees” has 3.41 mean with standard deviation of 0.954 which means respondents slightly agree with the given statement, and the statement “My organization is fully supportive of a career management program for the employees” has 3.34 mean with standard deviation 1.017 which means respondent again slightly agree with the given statement. Accordingly, the statement “My organization provides financial support for my training” has 3.16 mean with standard deviation 0.961 which means respondent slightly agree with the given statement, and the statement “My organization provides a systematic program that regularly assesses employee’s skill and interest” has 3.25 mean with standard deviation

0.947 which means respondents again slightly agree with the given statement. It has been found a high volatility in the second statement, whereas the response on fourth statement seems to have more consistent.

**Table 12**

*Descriptive statistics of organizational commitment*

Code	Opinion Statement	Mean	S. D.
OC 1	I would be very happy to spend the rest of my career with my company	3.04	1.091
OC 2	I really feel as if this company's problems are my own	3.18	1.086
OC 3	I am not afraid of what might happen if I quit my Job without having another one lined up	3.46	1.009
OC 4	It would be very hard for me to leave my company right now, even if I wanted to	3.43	1.027
OC 5	I feel that I have too few options to consider leaving this company	3.32	1.004
OC 6	I think that people move from company to another company too often	3.22	.970
OC 7	I need to remain moral obligation because I believe that loyalty is important	3.09	1.164
OC 8	I was taught to believe in the value of remaining loyal to one company	3.07	1.112
Organizational Commitment		3.23	1.057

*(Source: SPSS Output)*

Table 12 shows the mean score for the statement “I would be very happy to spend the rest of my career with my company” has 3.04 mean with standard deviation of 1.091 which means respondents slightly agree with the given statement, and the statement “I really feel as if this company's problems are my own” has 3.18 mean with standard deviation 1.086 which means respondents again slightly agree with the given statement. Accordingly, the statement “I am not afraid of what might happen if I quit my Job without having another one lined up” has 3.46 mean with standard deviation 1.009 which means respondents slightly agree with the given statement, and the statement “It would be very hard for me to leave my company right now, even if I wanted to” has 3.43 mean with standard deviation 1.027 which means respondents again slightly agree with the given statement. Further, the statement “I feel that I have too few options to

consider leaving this company” has 3.32 mean with standard deviation 1.004 which means respondents slightly agree with the given statement, and the statement “I think that people move from company to another company too often” has 3.22 mean with standard deviation 0.970 which means respondents again slightly agree with the given statement. Accordingly, the statement “I need to remain moral obligation because I believe that loyalty is important” has 3.09 mean with standard deviation 1.164 which means respondents slightly agree with the given statement, and the statement “I was taught to believe in the value of remaining loyal to one company” has 3.07 mean with standard deviation 1.112 which means respondents again slightly agree with the given statement. It has been found a high volatility in the seventh statement, whereas the response on sixth statement seems to have more consistent.

**Table 13**

*Summary of Descriptive findings*

<b>Variables</b>	<b>Mean</b>	<b>Std. Deviation</b>
LR	2.67	0.789
WB	3.12	0.526
HS	2.98	1.080
TD	3.29	0.969
OC	3.23	1.057

*(Source: SPSS Output)*

Table 13 has showed the summary of descriptive statistics of all of the independent and dependent variables such as labour relation, work-life balance, health and safety, training and development and organizational commitment. Table shows the composite mean of individual mean of each variables and composite standard deviation of individual standard deviation of each variables. The composite mean score of labour relation, work-life balance, health and safety, training and development and organizational commitment are 2.67, 3.12, 2.98, 3.29 and 3.23 respectively. Similarly mean of standard deviation of labour relation, work-life balance, health and safety, training and development and organizational commitment are 0.789, 0.526, 1.08, 0.969 and 1.057 respectively. Most of the respondents have slightly agreed in a positive way to the questionnaire based on organizational commitment as dependent variable, since

the mean response score is 3.23 (1.057). Accordingly, mean response of labour relation which is 2.67 (0.789), mean score of work-life balance which is 3.12 (0.526) and mean score of training and development which is 3.29 (0.969) indicate that respondents have slightly agreed in a positive way to the questionnaires based on these variables (independent variables). However, mean score of health and security which is 2.98 (1.08) indicate that most of the respondents have agreed in a positive way to the questionnaire based on health and security variable (independent variable). The mean score of health and security as an independent variable indicates that most of the respondents are adequately satisfied with the present situation of health and security regarding organizational commitment, since most of the respondents have agreed (based on mean score) the questionnaire based on health and security. Further, The mean score of labour relation, work-life balance and training and development as an independent variable indicates that most of the respondents have moderate opinion regarding the present situation of organizational commitment, since most of the respondents have slightly agreed (based on mean score) the questionnaire based on labour relation, work-life balance, training and development.

#### **4.1.2 Results of Inferential Analysis**

##### **Pearson's correlation coefficient**

Correlation can be measured by means of the correlation coefficient. Pearson's correlation coefficient is used in this research in order to examine the relationships between two or more research variables. If the value of the correlation coefficient is 1.0, then there is a perfect positive correlation between two variables (they increase together). In contrast, if the value of correlation coefficient is -1.0, it can be concluded that there is a perfect negative correlation between two variables (one increases while the other decreases). In addition, there is no relationship between two variables if the value of correlation coefficient is zero. In this study, since labour relation, work-life balance, health and safety and training and development are the independent variables and organizational commitment is a dependent variable, it has been tried to find whether the changes in any of the independent variables affects the dependent variable or not. If yes, then what is the degree of impact of these variables over dependent variable?

**Table 14***Pearson Correlation Coefficients of Study Variables*

	LR	WB	HS	TD	OC
LR	1				
WB	-.003 (.976)	1			
HS	-.047 (.642)	-.034 (.740)	1		
TD	-.039 (.697)	.069 (.496)	.128 (.203)	1	
OC	.343* (.000)	-.100* (.024)	.052 (.610)	.023 (.820)	1

\*. Correlation is significant at the 0.05 level (2-tailed).

(Figures in parenthesis are P-values)

(Source: SPSS Data)

Table 14 gives a clear picture of correlation of labour relation, work-life balance, health and safety, training and development and organizational commitment, since the correlation coefficient among each and every variables have been plotted in the table. Organizational commitment as a dependent variable itself being an indicator of organizational commitment and labour relation, work-life balance, health and safety and training and development variables being the indicator of internal CSR, altogether five variables have been plotted in the table. This matrix shows the correlation coefficient between each of these variables. Correlation coefficient has been observed between organizational commitment and the indicators of internal CSR i.e. labour relation, work-life balance, health and safety, training and development as 0.343, -0.100, 0.052 and 0.023 at 5 percent (2-tailed) level of significance. This table suggests that there is negative association between organizational commitment and other independent variable i.e. work-life balance, which means increase in work-life balance related activities will decrease the level of organizational commitment within sample organizations. On the other hand, there is positive association between organizational commitment and other independent variables i.e. labour relation, health and safety and training and development, which means increase in labour relation, health and safety

and training and development related activities will also increase the level of organizational commitment within sample organizations. When we check the significance of these associations, it has been found that the association of organizational commitment is significant to labour relation ( $p=0.000<0.05$ ), significant to work-life balance ( $p=0.024<0.05$ ), insignificant to health and safety ( $p=0.610>0.05$ ) and insignificant to training and development ( $p=0.820>0.05$ ). Thus, from the above results it can be concluded that labour relation has significant positive association, work-life balance has significant negative and health and safety and training and development have insignificant positive association with organizational commitment.

### **Regression Analysis**

General purpose of multiple regressions is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. In statistical modeling, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. A correlation analysis can only tell whether or not a strong relationship exists between two variables. But even if a correlation coefficient indicates that a strong relationship exists between two variables, the exact shape of the relationship between the two variables cannot be determined. In this case, regression analysis provides more information about the slope of the relationship. It is used to describe the nature of a relationship and to make predictions. Multiple regressions have been used to explore the impact of independent variables. The linear regression model is used in this study to examine the internal CSR and its impact on organizational commitment in Nepalese organizations. From the conceptual framework, the function of dependent variables (i.e. Organizational commitment) has been formulated as follows:

$$\text{Organizational Commitment} = f(\text{LR}, \text{WB}, \text{HS}, \text{TD})$$

More specifically, the given model has been segmented into the following model:

#### **Model 1**

$$\text{OC} = \alpha + \beta_1\text{LR} + \beta_2\text{WB} + \beta_3\text{HS} + \beta_4\text{TD} + e \dots\dots\dots (I)$$

**Table 15***Model Summary*

Model	R	R square	Adjusted R square	Std. Error of the Estimate
1	.364 <sup>a</sup>	.133	.096	6.396

a. Predictors: (Constant). LR, WB, HS, TD

(Source: SPSS Data)

Table 15 shows the R-statistic, R-squared statistic and the adjusted R-squared statistics of the model. The coefficient of R-squared (multiple regression) is a summary measure that tells how well the sample regression line fits the data. In other word, the R-squared statistic tells us the proportion of variance in the dependent variable that is accounted for by the independent variables. In this case, the model fits (accounts) for 13.3 percent of the variance in the dependent variable, i.e. organizational commitment. The adjusted R-squared is 9.6 percent indicating 9.6 percent of the variance is accounted for by the model. The result indicates that the changes in the independent variables explain 9.6 percent of the changes in the dependent variables. That is labour relation, work-life balance, health and safety, training and development explain 9.6 percent of the changes in organizational commitment. The remaining part of the changes is explained by other factors, which are not included in the model. The strength of variables relationship (multiple correlation coefficient) is based on the value of R-statistic which is 36.4 %, indicated that there is a weak relationship between study variables. This implies that the organizational commitment was poorly influenced by its independent variables.

**Table 16***Analysis of Variance ANOVA<sup>a</sup>*

Model		Sum of Squares	df.	Mean Square	F	Sig.
1	Regression	594.331	4	148.583	3.633	.008 <sup>b</sup>
	Residual	3885.829	95	40.903		
	Total	4480.160	99			

a. Dependent Variable: OC

b. Predictors: (Constant), LR, WB, HS, TD

(Source: SPSS Data)

An examination with ANOVA (F-value) indicates that explains the most possible combination of predictor variables that could contribute to the impact of dependent variables. Results show significant impact of organizational commitment indicator. On the F-values of 3.633 ( $p = 0.008 < 0.05$ ) for labour relation, work-life balance, health and safety, training and development as internal CSR proxy, it clearly shows that there is a significant relationship between the dependent variable (OC) and the independent variables (LR, WB, HS and TD).

**Table 17**

*Regression Coefficient Analysis*

Model	Beta	Std. Error	t	Sig.	Tolerance	VIF
(Constant)	17.958	5.490	3.271	.000		
LR	.797	.220	.623	.001	.997	1.003
WB	-.491	.475	-1.034	.004	.993	1.007
HS	.116	.187	.621	.536	.980	1.023
TD	.072	.195	.371	.712	.977	1.023

a. Dependent variable: OC

(Source: SPSS Data)

Table 17 presents the regression coefficient of independent variables labour relation, work-life balance, health and safety and training and development of sample organizations and the intercept value of dependent variable organizational commitment. P-value indicates at what percentage or precession level of each variable is significant. Tolerance indicates the percent of variance in the independent variable that cannot be accounted for by the other independent variable while variance inflation factor (VIF) is the inverse of tolerance. Since the value of variance inflation factor (VIF) is less than 10 and tolerance is higher than 0.10, there is no multicollinearity and that's why the regression model can be further analyzed and developed.

By substituting the value of  $\alpha$  and  $\beta$  (from table 17) in model (I) above, we can derive a resulting regression model as follows:

$$OC = 17.958 + 0.797LR - 0.491WB + 0.116HS + 0.072TD + e \dots\dots\dots (I)$$

The results of regression shows that the labour relation (LR) has a positive relationship with organizational commitment (OC) indicated by a coefficient of 0.797. This means that remaining all of the other independent variables constant, one percent increases in labour relation results 12.1 percent increase in organizational commitment. Further p-value of labour relation is 0.001 which indicate that it is statistically significant at 5 percent level of significance. This means labour relation has significant positive impact on organizational commitment within sample organizations.

The results of regression shows that the work-life balance (WB) has a negative relationship with organizational commitment (OC) indicated by a coefficient of -0.491. This means that remaining all of the other independent variables constant, one percent increases in work-life balance results 49.10 percent decrease in organizational commitment. Further p-value of work-life balance is 0.004 which indicate that it is statistically significant at 5 percent level of significance. This means work-life balance has significant negative impact on organizational commitment within sample organizations.

The results of regression shows that the health and safety (HS) has a positive relationship with organizational commitment (OC) indicated by a coefficient of 0.116. This means that remaining all of the other independent variables constant, one percent increases in health and safety results 11.60 percent increase in organizational commitment. Further p-value of health and safety is 0.536 which indicate that it is statistically insignificant at 5 percent level of significance. This means health and safety has insignificant positive impact on organizational commitment within sample organizations.

The results of regression shows that the training and development (TD) has a positive relationship with organizational commitment (OC) indicated by a coefficient of 0.072. This means that remaining all of the other independent variables constant, one percent increases in training and development results 7.20 percent increase in organizational commitment. Further p-value of training and development is 0.712 which indicate that it is statistically insignificant at 5 percent level of significance. This means training and development has insignificant positive impact on organizational commitment within sample organizations.

### 4.1.3 Results of Hypothesis Testing

Now, we check the hypothesis that we have already developed, as follows:

$H_1$ : Labour relation has a significant impact on the organizational commitment

$H_2$ : Work-life balance has a significant impact on the organizational commitment

$H_3$ : Health and safety has a significant impact on the organizational commitment

$H_4$ : Training and development has a significant impact on the organizational commitment

From the above test, the relationship between the indicators of internal CSR (Labour relation, work-life balance, health and safety, training and development) and organizational commitment itself has been either found positive or negative and the relation of individual p-values also showed a mixed result. So, it has been tried to test it separately based on individual test values of each of the variables. For the purpose of better convenience, the hypothesis that already have been developed and the result of the calculation and status of acceptance/ rejection and been plotted in the following table and has been explained thereafter.

**Table 18**

*Summary of Hypothesis Testing*

<b>Variables Hypothesized</b>	<b>P-value</b>	<b>Result</b>
Labour Relation ( $H_1$ )	0.001	Accepted
Work-life Balance ( $H_2$ )	0.004	Accepted
Health and Safety ( $H_3$ )	0.536	Rejected
Training and Development ( $H_4$ )	0.712	Rejected

*(Source: SPSS Output)*

From the above test, the relationship between the indicators of internal CSR (Labour relation, work-life balance, health and safety, training and development) and organizational commitment itself has been either found positive or negative and the relation of individual p-values also showed a mixed result. But when we check the composite p-values of independent variables with dependent variable, it clearly shows that relationship is significant (since  $p = 0.008 < 0.05$ ). It means internal CSR has

significant association with organizational commitment. Now we check these associations separately. Since the relationship between labour relation and organizational commitment seems to be significant, the first hypothesis (H1): labour relation has a significant impact on the organizational commitment, is accepted. Since the relationship between work-life balance and organizational commitment seems to be significant, the second hypothesis (H2): work-life balance has a significant impact on the organizational commitment, is accepted. Since the relationship between health and safety and organizational commitment seems to be insignificant, the third hypothesis (H3): health and safety has a significant impact on the organizational commitment, is rejected. Since the relationship between training and development and organizational commitment seems to be insignificant, the fourth hypothesis (H4): training and development has a significant impact on the organizational commitment, is rejected.

## **4.2 Discussion**

In this study, different types of descriptive and statistical tests have been conducted to explore the determinants of internal CSR and their nature of relationship with organizational commitment itself within manufacturing and other organizations operating in Nawalparasi and Rupandehi, Nepal. In this section, it will be individually discussed and interpreted the results of these tests. First of all, data collected from primary source has been tabulated in SPSS software and the reliability of the data was tested using Cronbach's alpha. The data for all of the variables i.e. labour relation, work-life balance, health and safety, training and development have separately been tested for reliability and validity. Since, above 0.70 is acceptable (Cortina, 1993), data collected has been found to be reliable and a valid one.

Most of the respondents have slightly agreed in a positive way to the questionnaire based on organizational commitment as dependent variable, since the mean response score is 3.23 (1.057). Accordingly, mean response of labour relation which is 2.67 (0.789), mean score of work-life balance which is 3.12 (0.526) and mean score of training and development which is 3.29 (0.969) indicate that respondents have slightly agreed in a positive way to the questionnaires based on these variables (independent variables). However, mean score of health and security which is 2.98 (1.08) indicate that most of the respondents have agreed in a positive way to the questionnaire based

on health and security variable (independent variable). Thus, descriptive statistics has showed a mixed result in case of most of the variables. Descriptive statistics of organizational commitment indicates that most of the respondents have slightly agreed in a positive way to the questionnaire based on organizational commitment as a dependent variable. The mean score of health and security as an independent variable indicates that most of the respondents are adequately satisfied with the present situation of health and security regarding organizational commitment, since most of the respondents have agreed (based on mean score) the questionnaire based on health and security. Further, The mean score of labour relation, work-life balance and training and development as an independent variable indicates that most of the respondents have moderate opinion regarding the present situation of organizational commitment, since most of the respondents have slightly agreed (based on mean score) the questionnaire based on labour relation, work-life balance, training and development. This result is consistent with the findings of Herman et al. (2024)., and is inconsistent with the findings of Zaman and Nadeem (2019).

Pearson's correlation coefficient has been observed between organizational commitment and the indicators of internal CSR i.e. labour relation, work-life balance, health and safety, training and development as 0.343, -0.100, 0.052 and 0.023 respectively and level of significance as 0.000, 0.024, 0.610 and 0.820 respectively. The result literally indicate that labour relation has significant positive association, work-life balance has significant negative and health and safety and training and development have insignificant positive association with organizational commitment. It has been found from the Pearson's correlation coefficient between organizational commitment and labour relation, work-life balance, health and safety, training and development; labour relation has significant positive; work-life balance has significant negative; and health and safety and training and development have insignificant positive association with organizational commitment. This result is consistent with the findings of Nirula and Panthi (2021).

For more clarity, these data were further tested using multiple regression analysis which gave a different result than that of Pearson's correlation analysis, however the itself is mixed rather than a conclusive one. The result of regression analysis based on organizational commitment being dependent variable, has found the value of R-statistic

36.4 percent, value of R-squared 13.3 percent, value of adjusted R-squared is 9.6 and std. error of the estimate is 6.396 which is based on model summary statement. While the result of ANOVA shows the F-values of 3.633 and p-value of 0.008 (significance). The regression coefficient analysis indicate the beta coefficient (constant) to be 17.958. Unstandardized coefficient beta ( $\beta$ ) for independent variables i.e. Labour relation, work-life balance, health and safety and training and development are 0.797, -0.491, 0.116 and 0.072 respectively. P-value (significance) for independent variables i.e. job security, job satisfaction and organizational commitment are 0.001, 0.004, 0.536 and 0.712. The value of R-statistic indicate that there is a weak relationship between study variables. This implies that the organizational commitment was poorly influenced by its independent variables. This conclusion is in the line with Zambrano et al. (2022), and the same result has been found to be insistent with the findings of Macassa (2020). On the P-values from ANOVA table for labour relation, work-life balance, health and safety, training and development as the determinants of organizational commitment proxy, it clearly shows that there is a significant relationship between the dependent variable (OC) and the independent variables (LR, WB, HS and TD). This conclusion is in the line with Panagiota et al. (2023), Maung and Chotiyaputta (2018). The results of regression shows that the labour relation (LR) has significant positive impact on organizational commitment within sample organizations. This result is in the line with Zambrano et al. (2022). The results of regression shows that the work-life balance (WB) has significant negative impact on organizational commitment within sample organizations. This result is in the line with Stojanovic et.al. (2021). The results of regression further shows that the health and safety (HS) has insignificant positive impact on organizational commitment within sample organizations. The results of regression further shows that training and development (TD) has insignificant positive impact on organizational commitment within sample organization.

CSR is a sustainable business organization strategy. It improve the company's image and popularity. Despite increasing interest in CSR around the globe, there are few studies conducted about it in Nepal. The majority of studies conducted so far in the Nepalese context have been on attitudes and perspectives about CSR. The primary goal of this study is to examine how internal CSR and organizational commitment in Nepalese manufacturing and other organizations relate to one another. The major source of information was utilized to analyze respondents' perceptions of organizations

internal' CSR initiatives. A list of pre-written questions has primarily been used as the instrument for gathering primary data.

# **CHAPTER V**

## **SUMMARY AND CONCLUSION**

This chapter summarizes the whole study. This chapter is divided into three sections i.e. summary, conclusion and implication. The first section deals with summary. The second one contains the major facts of the study, and the third one presents the implications of study. This is a brief introduction to all the chapters of the study as well as the overall summary from the analysis of the relevant data. The analysis of data is carried out with the help of various financial and statistical tools using MS-excel and SPSS software and the result has been presented in chapter iv of this report. The findings of the study are summarized and conclusion and recommendations are given below.

### **5.1 Summary**

This study is a research about internal CSR and its impact over organizational commitment in organizations. The main purpose of this study is to explore the employee perceptions towards the internal CSR of organizations in Nepal. To address the research problem, four sets of hypothesis showing the employee perceptions towards the internal CSR of organizations in Nepal have been developed. Descriptive and casual comparative research design has been adopted to address the research question. The research is based on quantitative approach where the questionnaires were administered to the respondents to find the facts regarding employees' opinion. All of the employees of manufacturing and other organizations within Nawalparasi and Rupandehi have been considered as the population of this study. The sample size for this study includes 100 employees as respondents selected from ten selected organizations operating in Nawalparasi and Rupandehi. Method of sampling employed here is convenient sampling design. The study is mainly based on primary data that is collected through the primary survey. The instrument for the data collection is a set of structured questionnaire along with personal details of respondents and a six point likert scale has been set for the questionnaire. For the study, variable identified as dependent is Organizational commitment and the variable identified as independent is internal CSR. Organizational commitment itself has been considered as the indicator of organizational commitment and a set of questionnaire were developed under a six point likert scale to

take the opinion from the respondent. Similarly, Labour relation, work-life balance, health and safety, training and development have been considered as the indicator of the internal CSR, and a set of questionnaire has been developed under a six point likert scale to take the opinion from the respondent. The questionnaire was made available to the respondents through mail and through physical distribution of questionnaire in different organizations. A conceptual framework of the study was developed based on dependent and independent variables identified through literature review. Reliability scores are also numerically expressed as a coefficient. Data has been tested by using Cronbach's alpha, and the results showed that the research was reliable and valid. The reliability and validity of the study were confirmed by this pilot test, which was crucial in determining whether to continue the investigation or not. Collected data has been analyzed under two approaches. First one is frequency and descriptive analysis, where frequency, mean and standard deviation has been used. Next is inferential analysis, where the Pearson's correlation analysis and multiple regression analysis have been conducted.

Out of 100 respondents, 59 % are male and 41 % are female; 35 % are single and 65 % are married. Further 7 % have completed SLC, 48 % have completed plus two, 26 % have completed Bachelor's degree, 19 % have completed Master's degree. Similarly, 9 % are of below 20 years, 29 % are of 20 to 25 years, 36 % are of 25 to 30 years, 12 % are of 30 to 40 years and 14 % are of 40 years and above. Descriptive statistics has showed a similar result in case of most of the variables. The composite mean score of Labour relation, work-life balance, health and safety, training and development and organizational commitment are 2.67, 3.12, 2.98, 3.29 and 3.23 respectively. Similarly mean of standard deviation of Labour relation, work-life balance, health and safety, training and development and organizational commitment are 0.789, 0.526, 1.08, 0.969 and 1.057 respectively.

Let's have a look over result of Pearson's correlation analysis. Correlation coefficient has been observed between Organizational commitment and the indicators of internal CSR i.e. Labour relation, work-life balance, health and safety, training and development as 0.343, -0.100, 0.052 and 0.023 at 5 percent (2-tailed) level of significance. When we check the significance of these associations, it has been found that the association of organizational commitment is significant to labour relation

( $p=0.000 < 0.05$ ) and work-life balance ( $p=0.024 < 0.05$ ); insignificant to health and safety ( $p=0.610 > 0.05$ ) and training and development ( $p=0.820 > 0.05$ ).

Let's have a look over result of regression analysis based on organizational commitment being dependent variable. Based on model summary, it has been found value of R-statistic 36.4 percent, value of R-squared 13.3 percent, value of adjusted R-squared is 9.6 and std. error of the estimate is 6.396. While the result of ANOVA shows the F-values of 3.633 and p-value of 0.008 (significance). When we check the regression coefficient, beta coefficient (constant) has been found to be 17.958. Unstandardized coefficient beta ( $\beta$ ) for independent variables i.e. Labour relation, work-life balance, health and safety and training and development are 0.797, -0.491, 0.116 and 0.072 respectively. P-value (significance) for independent variables i.e. job security, job satisfaction and organizational commitment are 0.001, 0.004, 0.536 and 0.712.

## 5.2 Conclusion

The findings from an empirical investigation and a review of the organizational commitment related literature are incorporated in this chapter. The study's findings contributes to the literature pertaining to human aspect related to organizational commitment by uncovering how the research's participant employees considered the organizational commitment related indicators that were used to implement the core concept of organizational commitment that has been addressing employees' needs and concerns above and beyond what is required by statutory standards. The research examined the above issues with respect to organizational commitment within organizations in Nawalparasi and Rupandehi in Nepal.

Majority of the respondents have positive opinion over organizational commitment i.e. they are felling a satisfactory organizational commitment within the organization. It has been found from the Pearson's correlation coefficient between organizational commitment and labour relation, work-life balance, health and safety, training and development; labour relation has significant positive; work-life balance has significant negative; and health and safety and training and development have insignificant positive association with organizational commitment. The result of regression analysis

which has given a composite and mixed result indicate that there is a weak relationship between study variables. This implies that the organizational commitment is poorly influenced by its independent variables. The P-values for Labour relation, work-life balance, health and safety, training and development as the determinants of organizational commitment proxy, it clearly shows that there is a significant relationship between the dependent variable (OC) and the independent variables (LR, WB, HS and TD). However the regression coefficient has given a mixed result, which concluded that labour relation has significant positive; work-life balance has significant negative; and health and safety and training and development have insignificant positive impact over dependent variable (organizational commitment) within sample organizations. Thus, based on the regression analysis, it can be concluded that Internal CSR has an insignificant positive impact on the organizational commitment.

Based on the study's findings, it can be concluded that internal CSR practices significantly influence organizational commitment, although their impact varies across different dimensions. Labor relations and work-life balance were found to have a strong and positive effect on organizational commitment, as shown by their substantial regression coefficients and statistically significant p-values. In contrast, health and safety, as well as training and development, exhibited weaker associations with organizational commitment, suggesting that while they are important, their direct influence may not be as pronounced. The R-squared value indicates that internal CSR alone does not fully explain organizational commitment, implying that additional factors, such as individual job satisfaction and external factors, might also play a crucial role. Therefore, while internal CSR initiatives are essential for fostering organizational commitment, further research is needed to explore other contributing variables and to refine the model for greater explanatory power. This study provides valuable insights, particularly for organizations seeking to enhance employee engagement through targeted CSR efforts. This study has tried to examine the impact of internal corporate social responsibility over organizational commitment within Nepalese organizations. The results have significant implications for the implementation of CSR strategies within organizations. First the positive relationship between each three out of four indicator of internal CSR and organizational commitment emphasizes the payoff in term so for organizational commitment that may flow from corporate investments in CSR.

## **5.3 Implications**

### **General Implications**

The study might have two potential pitfalls. Firstly, information on organizational commitment and employee perceptions of CSR is obtained from the same source. Therefore, the outcomes are, at the very least, potentially, biased by conventional approaches. The effect of common techniques bias on our results, however, is probably minimal since our research concentrates on the influence of various kinds of CSR indicators on organizational commitment rather than the overall association between CSR and organizational commitment. In any case, according to social identity theory, what matters is how employees perceive corporate social responsibility (Peterson, 2004) and it is these measures which this study uses. Second, figures may be biased if information from a survey of the company's own employees has been used. However, the source's impact on the outcomes is probably rather minimal. Since the data was collected from the third party, we are more concerned with gender differences in CSR categories than we are with aggregate correlations, which are more likely to contain biases. In any case, using this source allows you access to a massive data set and prevents the statistical issues brought on by the removal of important variables.

### **Implication for Future Research**

Finally, we made several recommendations for further research. In the beginning, 100 employees of Nepalese organizations contributed information for this study. Since the sample size is small, it might not be representative for reflecting Nepal's manufacturing and other organizations or we can say the result derived from this study cannot be absolutely generalized. Future studies must obtain information from a sizable and representative sample. Second, the entire objective of this study was to examine how internal CSR affected organizational commitment in the Nepalese manufacturing and other organizations. Finally, it has been suggested that future studies should examine at the association between organizational commitment and CSR in multiple industries.

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## **APPENDIX –I**

Dear Sir/Madam,

I am Endrashan Chaudhary, MBS student of Shankerdev Campus, Kathmandu. I would like to invite you to participate in the study which aims at collecting data for my graduate research project. I assure you that the survey is purely academic and confidential. I kindly request you for your valuable participation and Cooperation. You are requested to fill the questionnaire attached herewith and return it within a period of two weeks.

Thank you!

.....

Endrashan Chaudhary

Shankerdev Campus, Kathmandu

Dated: 2081 Bhadra 25

## **QUESTIONNAIRE**

### **Personal Information**

Name: .....

### **Education Qualification:**

SLC ( )

Plus Two( )

Bachelor Degree ( )

Master Degree ( )

Above Master Degree ( )

### **Gender:**

Male ( )      Female ( )

### **Age:**

Below 20 ( )

20 to 25 ( )

25 to 30 ( )

30 to 40 ( )

40 and above ( )

### **Marital Status:**

Single ( )      Married ( )

## **Internal CSR and Organizational commitment Information**

### **Awareness about Organizational commitment**

Strongly Agree = 1 , Agree = 2 , Slightly Agree = 3 , Slightly Disagree = 4 ,  
Disagree = 5 Strongly Disagree = 6

<b>Particulars</b>	<b>Code</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Labour relation</b>							
I can fully utilize my knowledge and skill in the organization.	LR1						
I can freely discuss job related issues with my supervisor.	LR2						
My organization provides the equal employment opportunity for all employees.	LR3						
<b>Work-life balance</b>							
I feel very energetic after work.	WB1						
I can choose part-time work at my organization.	WB2						
I am able to balance my work responsibilities with my personal/family life	WB3						
I look forward to being with the people i work with each day.	WB4						
<b>Health and security</b>							
My organization provides good health care in the work place.	HS1						
My organization provides stress management for employees.	HS2						
My organization provides medical insurance for employees.	HS3						

My organization provides professional counselling service on health and safety.	HS4						
<b>Training and development</b>							
My organization provides career counselling and planning assistance to the employees.	TD1						
My organization is fully supportive of a career management program for the employees.	TD2						
My organization provides financial support for my training.	TD3						
My organization provides a systematic program that regularly assesses employee's skill and interest.	TD4						
<b>Organizational commitment</b>							
I would be very happy to spend the rest of my career with my company.	OC1						
I really feel as if this company's problems are my own.	OC2						
I am not afraid of what might happen if I quit my job without having another one lined up.	OC3						
It would be very hard for me to leave my company right now, even if I wanted to.	OC4						
I feel that I have too few options to consider leaving this company.	OC5						
I think that people move from company to another company too often.	OC6						
I need to remain moral obligation because I believe that loyalty is important.	OC7						
I was taught to believe in the value of remaining loyal to one company.	OC8						

## APPENDIX –II

### Correlations

		LR	WB	HS	TD	OC
LR	Pearson Correlation	1	-.003	-.047	-.039	.343*
	Sig. (2-tailed)		.976	.642	.697	.000
	N	100	100	100	100	100
WB	Pearson Correlation	-.003	1	-.034	.069	-.100*
	Sig. (2-tailed)	.976		.740	.496	.024
	N	100	100	100	100	100
HS	Pearson Correlation	-.047	-.034	1	.128	.052
	Sig. (2-tailed)	.642	.740		.203	.610
	N	100	100	100	100	100
TD	Pearson Correlation	-.039	.069	.128	1	.023
	Sig. (2-tailed)	.697	.496	.203		.820
	N	100	100	100	100	100
OC	Pearson Correlation	.343*	-.100*	.052	.023	1
	Sig. (2-tailed)	.000	.024	.610	.820	
	N	100	100	100	100	100

\*\* . Correlation is significant at the 0.05 level (2-tailed).

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.364 <sup>a</sup>	.133	.096	6.396	.133	3.633	4	95	.008

a. Predictors: (Constant), TD, LR, WB, HS

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	594.331	4	148.583	3.633	.008 <sup>b</sup>
	Residual	3885.829	95	40.903		
	Total	4480.160	99			

a. Dependent Variable: OC

b. Predictors: (Constant), TD, LR, WB, HS

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	17.958	5.490		3.271	.000		
	LR	.797	.220	.347	3.623	.001	.997	1.003
	WB	-.491	.475	-.099	-1.034	.004	.993	1.007
	HS	.116	.187	.060	.621	.536	.980	1.020
	TD	.072	.195	.036	.371	.712	.977	1.023

a. Dependent Variable: OC

# INTERNAL CSR AND ORGANIZATIONAL COMMITMENT IN ...

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## paper text:

### ABSTRACT

**This study** examines **the impact of internal CSR** practices on **organizational commitment** in Nepalese organizations. **The** main objective **of the study**

is

**to examine the relationship between internal CSR practices and organizational commitment of the employees in Nepalese**

manufacturing and other organizations. Specially

**the impact of five dimension of internal CSR practices on organizational commitment: Labour relation, Work-Life Balance, Health & Safety, and Training and Development**

, has been examined. Descriptive and survey research design has been adopted. The research is based on quantitative approach where the questionnaires were administered to the 100 respondents, who are actually employees of the manufacturing and other organizations operating within Nawalparasi and Rupandehi, and were chosen under convenience sampling method. Opinion has been collected through questionnaire with six point likert scale. Collected data has been analyzed by using mean, standard deviation, correlation analysis and regression analysis.

**The results have significant implications for the implementation of CSR strategies within** organizations. **First the positive relationship between each** three out **of** for indicator of **internal CSR and organizational commitment emphasizes the payoff in term so for organizational commitment that may flow from corporate investments in CSR**

. Keywords: Corporate social responsibility, Organizational commitment, Regression CHAPTER I INTRODUCTION 1.1

Background of the study