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Dynamics of CSR and Employee Retention: A Generational Perspective

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Abstract

The main objective of this study is to gain insights into the five corporate social responsibility (CSR) factors— environment-related CSR, human rights & labor, product responsibility, community engagement, and corporate governance— and to understand their impact on employee retention among gen X, Y, and Z employees in the workplace during the Covid-19 pandemic. We collected survey data using Amazon Mechanical Turk, with a final sample size of 536 responses. The regression analyses indicated a positive and significant relationship between environment-related CSR and employee retention. The results also suggested that both human rights and labor-related CSR, as well as product responsibility-related CSR, are positively related to higher employee retention. Additionally, generational differences moderated the effect of environment-related CSR on employee retention, with a stronger correlation observed among gen Y and Z employees compared to gen X. These findings help reconcile mixed evidence on CSR–retention links by emphasizing generational differences and offering practical guidance. Managers aiming to retain talent should prioritize environmental stewardship, fair labor practices, and responsible products while tailoring CSR initiatives to the preferences of different employee cohorts.

Keywords: employee retention, CSR, corporate governance, gen Z, employee generation, Covid-19.

I. INTRODUCTION

The emergence and growth of numerous industries have intensified employee retention challenges for many employers. Recruiting highly skilled employees at the right time and retaining them for the long term is crucial for organizational success. High employee turnover can be costly for a company. A poor retention strategy not only incurs direct costs such as hiring, training, and recruitment but also leads to indirect costs due to decreased productivity among new and existing employees (Soundarapandiyan & Ganesh, 2015). Managers consistently face the challenge of retaining top talent within their organizations. Interestingly, there are not many differences between the age of an employee and the retention factors considered.

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The integration of CSR into business practices has become a crucial component of organizational success (Abd Elsamea & Rashed, 2021; Ali & Ghaffar, 2022). Consumers are more brand-conscious than ever, pushing companies to address pressing societal issues such as hunger and climate change to remain profitable. Millennials, with their significant purchasing power estimated at $200 billion and constituting over 80 million individuals in the United States alone, have influenced the adoption of CSR strategies across numerous industries (Staheli, 2018). As many of them join the workforce, they are driving companies to integrate CSR into their recruitment and retention efforts.

Numerous studies have underscored the influence of CSR on employee retention (Soundarapandiyan & Ganesh, 2015; Zaharee et al., 2018). For instance, environment-related CSR has been shown to have positive effects on retaining employees (Newell, 2014; Cohen et al., 2017; Staheli, 2018; and Crinis, 2019). Similarly, human rights and labor-related CSR are positively associated with workplace dynamics (Palazzi & Starcher, 1998; Cheruiyot & Maru, 2014; and Bode et al., 2015). Many studies have shown empirical evidence for the positive impacts of product responsibility-related CSR on employee retention (Grolleau et al., 2012; Halpern & Snider, 2012; and O'Connor et al., 2016). Moreover, community involvement in CSR is linked with improved employee retention (Panwar et al., 2016; Cohen et al., 2017; and Hoang, 2020). Finally, the role of corporate governance within the context of CSR has also been highlighted as significant for employee retention in the workplace (Vukic et al., 2018; Fahad & Rahman, 2020; and Jarkovská & Jarkovská, 2021).

However, not many studies have been conducted on how all five factors – environment-related CSR, human rights & labor-related CSR, product responsibility-related CSR, community retention-related CSR, and corporate governance-related CSR – affect employee retention in the workplace. Few studies examined the differences of such impacts of the five factors among three generations – gen X, Y, and Z employees. There's limited literature exploring generational differences in relation to these five CSR dimensions and employee retention. This lack in literature has motivated this study.

Accordingly, this study aimed to address specific research questions, focusing on generational differences in the effects of the five CSR factors on employee retention during the Covid-19 pandemic. In doing so, it seeks to bridge the aforementioned gap in literature. We developed theoretically driven hypotheses and designed a survey instrument that aligns with them. Sample data was collected from Amazon Mechanical Turk in August 2020. To validate the hypotheses, we performed a statistical analysis of the survey data using regression analysis.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Environment-related CSR and Employee Retention

Businesses adopting a green approach can attract and retain employees (Holly, 2019). Such efforts, aimed at creating a more sustainable world, can foster increased loyalty among workers. Shetty and Gujarathi (2013) explored the relationship between hospital environmental practices and employee retention among doctors and found that green practices can be used to reinforce the commitment to the hospitals through positive attitudes and drive retention. Sheopuri and Sheopuri (2015) examined how green human resources impact using employee education to promote sustainable practices and increase employee awareness and commitment to sustainability. Their study indicated that environment-friendly HR initiatives result in greater energy efficiencies, cost savings, and enhanced employee engagement and retention. Sharma and Mishra (2019) investigated the perceptions of employees within luxury chain hotels in India in relation to corporate social responsibility practices, their impact on the environment, corporate performance, and their potential in the context of the skill India initiative. Their results revealed that effective CSR practices significantly boost employee motivation, job retention, and overall corporate performance. In summary, the adoption of environment-friendly HR initiatives benefits the firm, such as increased energy efficiencies, reduced costs, and improved employee engagement and retention. In light of these findings, the following hypothesis is proposed:

Hypothesis 1a: environment-related CSR is positively related to higher employee retention.

2.2. Employee Generations, Environment-related CSR, Employee Retention

A company aligning with an employee's personal CSR aspirations tends to foster greater loyalty, leading to initiatives like offering paid volunteer hours (Holly, 2019). For instance, McDonald (2017) suggested that millennials, with their strong value-centric perspectives, tend to depart from organizations when values misalign; therefore, to ensure retention, it becomes crucial for companies to align their values with those valued by millennials through effective CSR policies. Large firms view generation Y as the most crucial generation, given this generation's role in shaping the future (Zainee & Puteh, 2020). Gen Y employees demonstrate a keen awareness of socially conscious brands that contribute positively to society, showing their attraction and loyalty to responsible corporations (Zainee & Puteh, 2020). This underscores the vital role of CSR in bolstering the ability of businesses to sustain their operations, indicating the profound impact CSR has on employee retention and the fierce competition among organizations to attract top talent (Zainee & Puteh, 2020). The rise in the use of management solutions supporting industry 4.0 in the aftermath of the Covid-19 crisis will heighten the importance of the economic, social, and environmental dimensions of corporate social responsibility (Cyfert et al., 2021). In light of these findings, the following hypothesis is formulated:

Hypothesis 1b: generations moderate the effect of environment-related CSR on employees' retention in the workplace, such that environment-related CSR is more positively related to the retention of younger generations.

2.3. Human Rights and Labor-related CSR and Employee Retention

The critical aspect of human capital management, specifically employee retention, underscores the importance of Human rights and labor-related CSR as tools for strategic human capital management (Bode et al., 2015). For instance, Cheruiyot and Maru (2014) assessed the impact of retention on employees concerning human rights and labor, and CSR. Their conclusion underscored a notable relationship in the export sector between employee retention, CSR, human rights, and labor. Palazzi and Starcher (1998) elucidated the meaning of social responsibility, advocating for its integration into business strategies and practices. They highlighted research trends impacting corporations and emphasized the six central dimensions of corporate social responsibility. Furthermore, they contended that while a business transitions from a purely economic entity to a social system, it can still generate wealth. However, this happens within the framework of a social organization where employee engagement and retention necessitate ongoing education on topics such as human enterprise and diversity. Overall, human rights and labor-related CSR elements, including organizational career planning and employee training, significantly influence the effectiveness of career development programs, which in turn impact employee retention. The following hypothesis is formulated based on the above arguments.

Hypothesis 2a: human rights and labor-related CSR is positively related to higher employee retention.

2.4. Employee Generations, Human Rights and Labor-related CSR, and Employee Retention

Many corporations have incorporated CSR practices, especially those related to human rights and labor, into their strategic plans (Ohlrich, 2011). However, despite these efforts, several companies still grapple with a talent deficit, particularly when trying to appeal to younger generations (Ohlrich, 2011). Past studies underscore the importance of human rights and labor-related CSR in influencing employee retention, with a pronounced impact among millennials (Ohlrich, 2011; Saeed et al., 2018). Saeed et al. (2018) investigated the relationship between millennial retention and various motivational factors. Their findings reveal a significant connection between labor rights, working conditions, and millennial employee retention. In light of these findings, the following hypothesis is formulated:

Hypothesis 2b: generations moderate the effect of human rights and labor-related CSR on employees' retention in the workplace, such that human rights and labor-related CSR is more positively related to the retention of younger generations.

2.5. Product Responsibility Related CSR and Employee Retention

The research underscores the interplay between a company's green initiatives, especially in product responsibility, and its impact on employee retention. For instance, Grolleau et al. (2012) found that the company's green initiatives, which encompass both its environmental standards and the nature of its products, significantly influence employee retention. Their findings suggest that companies that prioritize green product practices and initiatives are more likely to retain their employees. Halpern and Snider (2012) discussed the evolving societal expectations that businesses go beyond mere compliance with laws and norms and proactively contribute in socially beneficial ways, including product responsibility. The commitment of brands such as Ben and Jerry's and cafe´ direct to "fair trade practices" shows this evolution (Halpern & Snider, 2012). Such commitments underline the importance of honest product labeling and responsibility (Halpern & Snider, 2012). Employees see CSR not just as a corporate initiative, but as an incorporation of both economic and ethical responsibilities (O'Connor et al., 2016). These workers interpret CSR as a reflection of their company's values, influencing both organizational culture and the products they offer (O'Connor et al., 2016). Based on these insights, the following hypothesis is proposed:

Hypothesis 3a: product responsibility-related CSR is positively related to employee retention.

2.6. Employee Generations, Product Responsibility-related CSR, Employee Retention

Recent studies suggest that up to 70% of millennials are inclined to spend more on brands that champion causes they prioritize (Valantina & Niranjini, 2019). Such CSR-related choices are not limited to purchase decisions but extend to employment as well. Millennials demonstrate a tendency for associating with companies that visibly embrace corporate social responsibility, both in their products and broader corporate initiatives (Valantina & Niranjini, 2019). For instance, Williams (2018) conducted a study examining millennial preferences in the context of wine labels. The study found that various factors, such as bottle weight, label texture, and sealing foil color, significantly influence their purchase decisions. In sum, there's an important link between generational preferences and retention patterns, especially when it comes to product responsibility-related CSR. Younger generations, particularly millennials, show a stronger affinity for organizations that prioritize responsible product practices. Given these arguments, the following hypothesis is formulated:

Hypothesis 3b: generations moderates the effect of product responsibility-related CSR impact on employees' retention in the workplace, such that product responsibility-related CSR is more positively related to retention of younger generations.

2.7. Community Engagement-related CSR, Employee Retention

Building strong ties with the community is not only a hallmark of good corporate citizenship but also a catalyst for fostering employee retention. For instance, Cochran (2007) found that corporate investments in community initiatives such as affordable housing and community amenities not only bolster the local community but also positively influence employee retention. Drawing from the data gathered across various industries within small US firms, Panwar et al. (2016) demonstrated that a firm's emphasis on a differentiation strategy directly correlates with its commitment to community engagement. Hoang (2020) investigated how teachers' perceptions of policy responses and community engagement during the Covid-19 pandemic affected their commitment to their homeland. The study demonstrated that favorable policy responses and enhanced community engagement made teachers more inclined to stay. Based on these arguments, we propose the following hypothesis:

Hypothesis 4a: community engagement-related CSR is positively related to employee retention.

2.8. Employee Generations, Community Engagement-related CSR, Employee Retention

The relationship between community engagement and employee retention, especially among younger employees, is evident in numerous real-world applications. Sprinkle and Maines (2010) highlighted the notable efforts of Whirlpool, which donated refrigerators and ranges to every Habitat for Humanity across North America. This had a substantial influence on retaining their younger workforce. Similarly, Lewing and York (2017) underscored the importance of service-learning and community engagement in the academic realm, emphasizing its role in retaining millennial faculty during tenure evaluations. Interestingly, in Pakistan's telecommunication sector, CSR's influence was more evident in retaining employees than customers, particularly among the younger generations (Moisescu, 2015). In essence, generational attitudes towards community engagement-related CSR are divergent. Younger generations, in particular, place a higher premium on companies with pronounced community engagement. Based on these insights, we propose the following hypothesis.

Hypothesis 4b: generations moderate the effect of community engagement-related CSR on employees' retention in the workplace, such that community engagement-related CSR is more positively related to the retention of younger generations.

2.9. Corporate Governance-Related CSR and Employee Retention

Corporate governance, beyond its impact on financial metrics, plays a pivotal role in shaping employee retention and fostering organizational commitment. Wulf and Singh (2011) explored the relationship between corporate governance and employee retention, focusing on C-level executives. Their findings suggest that acquiring organizations with governance provisions that prioritize managerial support, coupled with acquiring firms where CEOs hold substantial equity, are more inclined to retain top-performing employees. Moreover, Vukic et al. (2018) examined the relationship between CSR and stakeholder orientation. Their examination of diverse stakeholder groups—ranging from shareholders and employees to the local community—revealed a positive relationship between a company's stakeholder orientation and the quality of its CSR reports. This underscores the importance of corporate transparency and its positive impact on stakeholder trust and employee retention. Meanwhile, corporate governance measures, such as board independence, CEO duality, and the presence of a sustainability committee, can substantially enhance the quality of CSR disclosures and ultimate impact on firm outcomes (Fahad & Rahman, 2020). Based on these arguments, we propose the following hypothesis:

Hypothesis 5a: corporate governance-related CSR is positively related to higher employee retention.

2.10. Employee Generations, Corporate Governance-related CSR, Employee Retention

The nuances in generational perspectives on corporate governance can influence employees' affinity towards their organization. Gale (2018) sought insights from HR professionals to understand generation Z's employment preferences, emphasizing their inclination for companies that excel in CSR and corporate governance. Their study concluded that generation Z places a higher emphasis on corporate governance issues such as diversity than other generations. To secure and retain their loyalty, it becomes crucial for organizations to address these inclinations. Baumgartner (2019) found that corporate governance, which encompasses ethical business conduct, audit and compliance, and shareholder relations, was the second most crucial aspect of CSR. This was surpassed only by workplace practices, which include peer relations, health & safety measures, and policies against discrimination. In light of these findings, the following hypothesis is formulated:

Hypothesis 5b: generations moderate the effect of corporate governance-related CSR on employees' retention in the workplace, such that corporate governance-related CSR is more positively related to the retention of younger generations.

III. RESEARCH METHODOLOGY

Based on the hypotheses developed in the previous section, we present a research framework in Figure 1 below.

Insert Figure 1 here.

This study aims to construct an employee retention model utilizing regression analysis. Employee retention was used as the dependent variable in the proposed regression model, while the five CSR factors— environment, human rights & labor, product responsibility, community engagement, and corporate governance— served as independent variables.

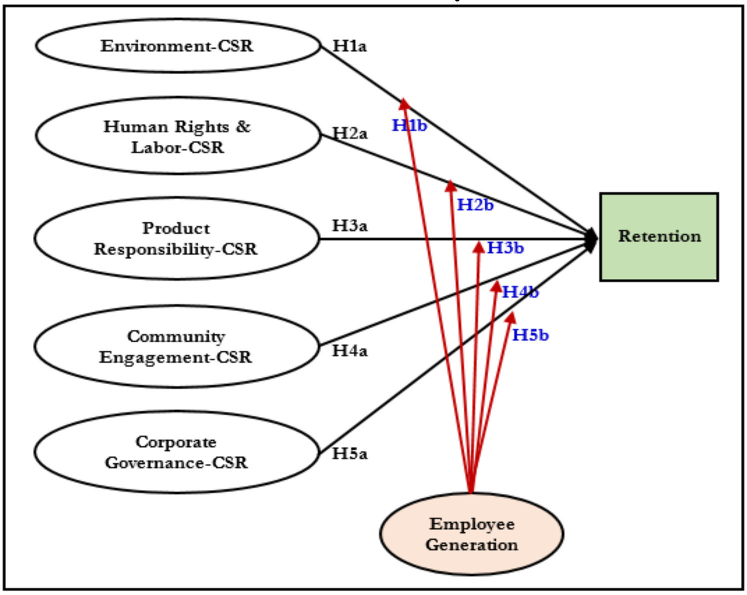
The multiple regression model is expressed as follows:

$$\mathbf{Y= \beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5} \quad \ldots\ldots \quad \mathbf{1}$$

Where,

Y= retention.	X_3= product responsibility-related CSR.
X_1= environment-related CSR.	X_4= community engagement-related CSR.
X_2= human rights and labor-related CSR.	X_5= corporate governance-related CSR.

Figure 1
Research Framework for Retention Study



3.1. Sample Data and Questionnaire

We developed a survey questionnaire based on items derived from literature. The questionnaire was made available via Google Form. For data collection, we utilized Amazon Mechanical Turk, setting three specific criteria for participants: they had to be employed, aged between 18 to 55, and equally sampled among three generations—gen Z, Y, and X. The initial survey was conducted during the third week of April 2020, garnering 220 responses. We conducted a second survey in the fourth week of August 2020, which yielded 350 responses. Furthermore, we collected 39 surveys from senior students and MBA students in a public university located in the New England region. In total, we collected 609 valid responses. We deleted 9 duplicate responses and 24 responses with multiple missing values, which resulted in a final total of 576 responses. To ensure data quality, we further removed 42 responses deemed poor quality. We used the items with reverse codes to identify the bad responses. Accordingly, our final sample includes 534 responses for this study.

IV. RESULTS AND DISCUSSIONS

4.1. Results

4.1.1. Descriptive statistics and correlation analysis results

The sample data included 546 responses from the online survey via Amazon Mechanical Turk, and various other sources mentioned earlier. In the sample data, there are 136 responses from gen Z employees (18-24;24.9%), 307 from gen Y (25-39;56.2%), 87 from gen X (40-55;15.9%), and 16 from Boomers (>= 56; 2.9%). Descriptive statistics showed the mean averages of all the variables were above 4.5 on a 1 to 7 Likert scale data (1 being strongly disagree and 7 being strongly agree). The human rights and labor-related CSR variable (5.334±1.324), product responsibility-related CSR variable (5.664±1.139), and corporate governance variable (5.082±1.358) were above 5 on average. The averages of the retention variable (4.728±1.842), environment-related CSR variable (4.535±1.584), and community engagement variable (4.807±1.538) were close to 5. Data showed that correlations between prosocial motivation variables and each of the five CSR variables were statistically significant ($p<0.001$). The retention variable was highly correlated with the environment-related variable (R= 0.439), followed by human rights related CSR (R= 0.434), community engagement CSR (R= 0.390), corporate governance (R= 0.332), and product responsibility-related CSR (R= 0.303). Table 1 reported the descriptive statistics and correlations.

Table 1
Descriptive Statistics and Correlation Analysis for All Data (N= 546)

	Mean	SD	N	(1)	(2)	(3)	(4)	(5)	(6)
(1) RET	4.7283	1.84277	546	1					
(2) X1_ENV	4.5354	1.58499	546	.439***	1				
(3) X2_HRL	5.3346	1.32474	546	.434***	.540**	1			
(4) X3_PR	5.6648	1.13950	546	.303***	.263*	.533**	1		
(5) X4_CE	4.8077	1.53838	546	.390***	.644**	.665***	.366***	1	
(6) X5_CG	5.0824	1.35815	546	.332***	.487*	.623***	.449**	.666**	1

Notes: #p<0.10, *p<0.05, **p<0.01, ***p<0.001.

4.1.2. Regression analysis results for all generations

The first regression model tested all data (N= 546) and included five independent variables – environment-related CSR (X_1), human rights and labor-related CSR (X_2), product responsibility-related CSR (X_3), community engagement (X_4), corporate governance (X_5) to estimate the dependent variable, that is, prosocial motivation in the workplace. The model was statistically significant [R^2= 0.257, $R^2_{adj.}$= 0.250, F(5,540)= 28.559, $p<0.001$; Condition Index (CI)= 18.646]. Environment-related CSR and community engagement were significantly related to prosocial motivation ($p<0.001$), while other independent variables showed no statistical significance. According to the standardized regression coefficient (BETA), environment-related CSR impacted the most on employee retention (0.321), followed by human rights and labor-related CSR (0.282), product responsibility-related CSR (0.178), community engagement (0.049), and corporate governance-related CSR (-0.007). Model 1 in Table 2 reported the results of all the employee data.

For further analysis, this study developed the best-fit regression model, using the stepwise method. The results showed the best-fit model was a regression model with only three independent variables – environment-related CSR, human rights and labor-related CSR, and product responsibility-related CSR because it had the highest adjusted R^2 (0.252). The best-fit model was statistically significant [R^2= 0.256, $R^2_{adj.}$= 0.252, F(3,542)= 62.239, $p<0.001$; CI= 13.473]. Retention was positively and significantly related to environment-related CSR ($p<0.001$), and human rights and labor-related CSR ($p<0.001$), while product responsibility-related CSR was still significant (p= 0.012). According to BETA, environment-related CSR impacted the most on the employee's retention motivation (0.339), followed by human rights and labor-related CSR (0.303), and product responsibility CSR (0.178). Model 2 in Table 2 showed the best-fit model results.

4.1.3. Regression analysis results for gen X employees

The second regression model tested data for gen X employees only N= 87 and included five independent variables – environment-related CSR (X_1), human rights and labor-related CSR (X_2), product responsibility-related CSR (X_3), community engagement (X_4), corporate governance (X_5) to estimate the dependent variable, that is, retention in the workplace. The model was statistically significant [R^2= 0.329, R^2_{adj}= 0.287, F(5, 81) = 7.934, $p<0.001$; CI= 22.361]. Environment-related CSR and human rights and labor-related CSR were significantly related to retention, while other independent variables showed no statistical significance. According to BETA, human rights and labor-related

CSR impacted the most on employee retention (0.378), followed by product responsibility-related CSR (0.346), environment-related CSR (0.208), community engagement (0.190), and corporate governance (-0.146). Model 3 in Table 2 reported the results on all the gen X employee data.

For subsequent analysis, the stepwise method was used to derive the best-fit regression model. The results showed the best-fit model was a regression model with only two independent variables – human rights and labor-related CSR, and environment-related CSR because it had the highest adjusted R^2 (0.277). The best-fit model was statistically significant [R^2= 0.294, $R^2_{adj.}$= 0.277, F(2,84)= 17.456, p<0.001; CI= 9.825]. Retention was significantly related to human rights and labor-related CSR (p= 0.001), and human rights and labor-related CSR (p= 0.050). According to BETA, human rights and labor-related CSR impacted the most on employee retention (0.490), followed by environment-related CSR (0.250). Model 4 in Table 2 showed the best-fit model for gen X employees' results.

Table 2
Summary of Regression Model Results

Model #	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Data	**All Data**	**All Data Best-Fit**	**Gen X**	**Gen X Best-Fit**	**Gen Y**	**Gen Y Best-Fit**	**Gen Z**	**Gen Z Best-Fit**
DV	------------	------------	------------	**Retention**	------------	------------	------------	------------
Constant	1.817	.561	.007	1.385	.830	.835	-.062	.122
	(.359)	(.369)	(1.104)	(.665)	(.477)	(.466)	(.727)	(.591)
X1_ENV	.201***	.339***	.208	.250#	.219**	.220**	.546***	.486***
	(.055)	(.051)	(.137)	(.126)	(.077)	(.076)	(.116)	(.107)
X2_HRL	.282***	.303***	.378#	.490**	.191#	.191#	.482**	.394**
	(.076)	(.070)	(.204)	(.146)	(.100)	(.099)	(.170)	(.124)
X3_PR	.069*	.178*	.346		.197*	.198*	.037	
	(.069)	(.071)	(.209)		(.092)	(.089)	(.142)	
X4_CE	.253		.190		.163#	.165#	-.231	
	(.069)		(.177)		(.097)	(.090)	(.140)	
X5_CG	-.009		-.146		.004		.071	
	(.070)		(.186)		(.090)		(.166)	
R^2	.209	.256	.329	.294	.245	.245	.325	.310
R^2_{adj}	.202	.252	.287	.277	.232	.235	.299	.300
F	28.559	62.239	7.934	17.456	19.514	24.473	12.524	29.889
N	546	546	87	87	307	307	136	136

Notes: #p<0.10, *p<0.05, **p<0.01, ***p<0.001, standard errors of the regression coefficient estimates are reported in parentheses.

4.1.4. Regression analysis results for gen Y employees

The third regression model tested all data for gen Y employees only (N= 307) and included five independent variables – environment-related CSR (X_1), human rights and labor-related CSR (X_2), product responsibility-related CSR (X_3), community engagement (X_4), corporate governance (X_5) to estimate the dependent variable, that is, retention in the workplace. The model was statistically significant [R^2= 0.245, $R^2_{adj.}$= 0.232, F(5,301)= 19.514, p<0.001; CI= 19.310]. Environment-related CSR was significantly related to retention (p= 0.004), while other independent variables showed statistical significance except for corporate governance (p= 0.963). According to BETA, environment-related CSR impacted the most on employee retention (0.219), followed by product responsibility-related CSR (0.197), human rights and labor-related CSR (0.191), community engagement (0.163), and corporate governance-related CSR (0.004). Model 5 in Table 2 reported the results on all the gen Y employee data.

For further analysis, the stepwise method was employed to derive the best-fit regression model. The results showed the best-fit model was a regression model with four independent variables – community engagement, human rights, labor-related CSR, environment-related CSR, and product responsibility-related CSR because it had the highest adjusted R^2 (0.235). The best-fit model was statistically significant [R^2= 0.245, $R^2_{adj.}$= 0.235, F(4,302)= 24.473, p<0.001; CI= 17.384]. Retention was significantly related to environment-related CSR (p= 0.004). According to BETA, environment-related CSR impacted the most on employee retention (0.220), followed by product responsibility-related CSR (0.220), human rights and labor-related CSR (0.191), and lastly, community engagement-related CSR (0.165). Model 6 in Table 2 showed the best-fit model results for gen Y employees.

4.1.5. Regression analysis results for gen Z employees

The last regression model tested all data for gen Z employees only (N= 137) and included five independent variables – environment-related CSR (X_1), human rights and labor-related CSR (X_2), product responsibility-related CSR (X_3), community engagement (X_4), corporate governance (X_5) to estimate the dependent variable, that is, retention in the workplace. The model was statistically significant [R^2= 0.325, $R^2_{adj.}$= 0.299, F(5,130)= 12.524, p<0.001; CI= 17.409]. Environment-related CSR was significantly related to retention (p<0.001). According to BETA, environment-related CSR impacted the most on employee retention (0.546), followed by human rights and labor-related CSR (0.482), corporate governance (0.071), and product responsibility-related CSR (0.037) and community engagement (-0.231). Model 7 in Table 2 reported the results on all the gen Z employee data.

For subsequent analysis, the stepwise method was used to derive the best-fit regression model. The results showed the best-fit model was a regression model with two independent variables – human rights and labor-related CSR, and environment-related CSR because it had the highest $R^2_{adj.}$ (0.300). The best-fit model was statistically significant [R^2= 0.310, $R^2_{adj.}$= 0.300, F(2,133)= 29.889, p<0.001; CI= 17.384]. Retention was significantly related to environment-related CSR (p<0.001). According to the standardized regression coefficient BETA, environment-related CSR impacted the most on employee retention (0.486), followed by human rights and labor-related CSR (0.394). Model 8 in Table 2 showed the best-fit model for gen Z Employee results. There was no multicollinearity in all the regression models because VIFs were less than 10 (Vittinghoff et al., 2012), and the condition indices were less than 30 (Kennedy, 2003).

4.2. Discussions

Evidence supported hypothesis 1a, which posited that environment-related CSR is positively related to employee retention. The regression results of model 1 showed statistical significance between environment-related CSR and employee retention (p<0.001). The results were consistent with the literature which supported the claim that environment-related CSR, such as green practices, had a positive impact on employee retention (Shetty & Gujarathi, 2013). Employees want to be proud of the company they work for. However, when a company disregards environmental issues or commits environmental violations, it can leave its workforce feeling unsettled and less driven (Abebe et al., 2020; Abebe & Acharya, 2022). Over the years, more green initiatives have been implemented in organizations as a means of retaining and attracting top talent. The exploration of environment-related CSR effects on employee retention among the different generations illustrates the growing need for green initiatives.

Evidence supported hypothesis 1b, which proposed that environment-related CSR is more positively related to younger generations. The full regression model results illustrated a higher significance for younger generations, gen Z ($p<0.001$) and Y ($p<0.01$) than X (NS). Our results were consistent with the prior studies that reported that environmental-related CSR had a positive impact on the younger generation (McDonald, 2017; Zainee & Puteh, 2020). The climate crisis has gotten much worse over time, with more frequent and severe storms, droughts, and wildfires becoming the norm. It appears that climate concerns are prompting younger employees to scrutinize a company's environmental footprint more closely.

The research strongly supported hypothesis 2a, suggesting human rights and labor-related CSR are positively related to higher employee retention. Model 1 had statistical significance ($p<0.001$). The results were consistent with the literature (Palazzi & Starcher, 1998; Cheruiyot & Maru, 2014; and Bode et al., 2015). Past research underscores the significance at the employee level of an organization's engagement in human rights and labor-related CSR. It is no surprise that individuals are inclined to affiliate with companies that prioritize their working conditions and rights. This sentiment has been further amplified by the Covid-19 pandemic, which reshaped employers' mindsets. Making human rights and labor-related CSR (e.g., work-life balance, sick leave, and vacation time) a top priority for a company will in turn result in higher employee retention.

Hypothesis 2b, which posited generations have a direct impact on the human rights and labor-related CSR impact on employees' retention in the workplace, was strongly supported. Younger generations were expected to be more related to the impacts of human- rights and labor-related CSR. However, the results were inconclusive as to the human rights and labor-related CSR factors being the most impactful. This is due to the marginal difference between the generations' p-values. Nevertheless, this study indicated the importance of human rights and labor-related CSR for the younger generation's employee retention.

The research supported hypothesis 3a, suggesting product responsibility-related CSR is positively related to employee retention. The overall data p-value stood at 0.014. Our findings align with previous studies by Grolleau et al. (2012), Halpern and Snider (2012), and O'Connor et al. (2016). These studies have highlighted the ways businesses cultivate a culture that goes beyond traditional CSR. Notably, the focus isn't just on generic 'green' initiatives but extends to aspects like product design, manufacturing processes, workforce ethics, and the conditions employees work under. Empirical evidence suggests that companies actively participating in product responsibility-related CSR achieve higher employee retention rates. While the Covid-19 pandemic has reshaped numerous facets of business operations, product responsibility remains a critical concern. The pandemic has indeed catalyzed a surge in single-use plastics aimed at ensuring hygiene. This, however, has led to a corresponding increase in waste and enlarged landfill footprints, thereby undermining the principles of product responsibility. It's notable that during the pandemic, companies witnessed significant employee turnover. Yet, our findings indicate a consistent employee preference for employers who champion product responsibility. As the global climate initiative intensifies its focus on reducing emissions, the emphasis on product responsibility will likely gain even more traction.

Our research was inconclusive for hypothesis 3b, which posited that the generations moderate the effect of product responsibility-related CSR impact on employees' retention in the workplace. The data was inconclusive since it is marginally different among CSR factors between generations. Gen X had a p-value equal to 0.10, gen Y equal to 0.034, and gen Z equal to 0.795. Past studies have shown that green product initiatives resonate with millennials, promoting greater market share and boosting retention. Numerous studies have affirmed the importance of product responsibility to younger demographics (Laivaite, 2011; Williams, 2018; Valantina & Niranjini, 2019; and Moisescu & Gică, 2020). Our findings highlighted its particular significance to gen Y. With initiatives such as Amazon's global climate pledge targeting carbon footprint reduction and emphasizing sustainable products, it's anticipated that this commitment might extend to even younger generations. It's noteworthy that the relationship was not significant for gen X and Z according to the best-fit model. This might stem from their varied life stages and concerns. Given that gen Y, aged between 25 to 39, is acutely aware of the planet's future for their children, their inclination towards sustainable practices is not surprising.

Our findings indicated no significant relationship between community engagement CSR and employee retention ($p= 0.497$), contradicting hypothesis 4a. This hypothesis postulated that higher involvement in community engagement-related CSR would lead to increased employee retention. This inconsistency with prior literature is noteworthy. Previous studies (Cochran, 2007; Panwar et al., 2016; and Hoang, 2020) have shown that companies with greater investment in community engagement have higher employee retention. However, our study found no statistical significance to support this.

Evidence provided marginal support to hypothesis 4b that generations moderate the effect of community engagement-related CSR on employees' retention within the workplace, such that community-related CSR is more positively related to the retention of employees from younger generations. Our results indicated that the best fit model for gen Y has the p-value of 0.068 which indicated a marginal significance. Our findings align with previous studies indicating younger generations highly value community-focused CSR (Moisescu, 2015; Lewing & York, 2017; and Ikram et al., 2021). Younger generations aim for better communities and seek employers with similar values. The rise of remote work during Covid-19 has empowered them to prioritize roles that align with their values, even leaving companies that don't resonate with their aspirations.

The evidence did not support hypothesis 5a, indicating that corporate governance-related CSR is not positively related to higher employee retention. A Pearson correlation coefficient between corporate governance-related CSR and employee retention was statistically significant ($p<0.01$), but the regression model 1 results showed no statistical significance. Among the five CSR variables, this was the least related to retention. The results are not consistent with the literature that found a positive relationship between corporate governance and employee retention (Wulf & Singh, 2011; Vukic et al., 2018; Fahad & Rahman, 2020; and Jarkovská & Jarkovská, 2021).

Our results did not provide support for hypothesis 5b. There was no statistically significant link between corporate governance-related CSR and increased employee retention for younger generations. In fact, all age groups displayed no significant connection. This is inconsistent with prior studies that suggested younger generations tend to stay with companies valuing corporate governance-related CSR (Gale, 2018; Baumgartner, 2019; and Bolourian et al., 2021).

4.2.1. Managerial implications

The results of our study present key managerial implications. We've found that three distinct CSR factors significantly impact employee retention. Understanding the influence of these CSR elements - specifically, environment, human rights and labor-related CSR, and product responsibility – on employee retention among gen X, Y, and Z can lead to significant financial savings in terms of reduced rehiring costs for businesses. Organizations should emphasize these CSR areas as they have been demonstrated to enhance workplace motivation. High retention indicates greater employee satisfaction, which doesn't just mean happier employees; it translates to harder-working ones, pushing for better outcomes and thus driving increased productivity and revenue. From these insights, a theory emerges suggesting that long-term employee retention, when tied to these CSR aspects, could potentially elevate a company's performance.

The best-fit model for gen X identified human rights and labor-related CSR as top retention factors, followed closely by environment-related CSR. From this, it's evident that companies emphasizing these CSR aspects are more likely to retain gen X employees. Retention of gen X, individuals aged 40 to 55, is crucial for businesses since this generation bridges the gap between the digital and non-digital eras. Having witnessed significant shifts over the decades, gen X places high importance on human rights and labor practices. These shifts align with gen X's values and impact their retention; they resonate with companies that mirror their principles. Thus, to attract and retain gen X talent, businesses must prioritize this specific CSR dimension.

According to the gen Y best-fit model, environment-related CSR emerged as the primary retention factor, followed by product-related CSR, human rights and labor-related CSR, and community engagement-related CSR. Gen Y, driven by a passion to effect change globally and locally, is particularly concerned about environmental issues. Many from this generation began their careers during an economic downturn, fostering a deeper empathy for struggling community members. Recognizing what satisfies gen Y is vital for retention, as they're more likely to switch jobs compared to their predecessors. Many saw their parents remain in unsatisfactory long-term jobs, leading them to value job satisfaction over loyalty. A failure to prioritize these CSR aspects will likely result in a company's inability to retain gen Y talents.

Based on the gen Z best-fit model, environment-related CSR was the most important retention factor, followed by human rights and labor-related CSRs. Given that gen Z falls within the age range of 18 to 24 and their exposure to influential figures such as Greta Thunberg and other environmental activists, their concern for the environment is expected. Their emphasis on environmental matters continues to grow, reflected in large corporations' commitments. Companies such as Amazon and IBM have pledged to The global climate pledge, aiming for net-zero carbon by 2040. Amazon, in particular, has heavily marketed this commitment, targeting gen Z to highlight the urgency of addressing impending environmental challenges. To retain gen Z talents, employers should focus on addressing environmental issues. Concurrently, a company's stance on human rights and labor remains significant, playing a decisive role in employment duration in the organization.

4.2.2. Limitations of the study

This study has several limitations that also offer potential avenues for future research. Data for this study was collected from Amazon mechanical Turk and was confined to participants who are currently residing in the United States, are currently employed, and are below the age of 56. The representation varied across generations, with a more considerable number of participants from gen Z and Y in comparison to gen X and boomers. Future research should strive for a more balanced representation across all generations. Including participants over the age of 56 could provide a broader perspective, especially concerning the Boomer generation. The moderating factor in this study was generational classification. However, upcoming studies might consider other potential moderators such as gender, job type, and job location. Furthermore, our study examined five specific independent variables: environment-related CSR, human rights and labor, product responsibility, community engagement, and corporate governance. Future studies could explore different independent variables, such as sustainability and business ethics, alongside the current ones to provide a more comprehensive understanding of CSR's impact on retention across generations.

V. CONCLUSION

When employees feel valued and believe they are making a significant impact in their organization, it motivates them to work diligently and boosts their productivity. Our study indicates a notable correlation between enhanced employee retention and organizational CSR initiatives, particularly in areas related to the environment, human rights and labor, and product responsibility. Across all generational categories, the environment, and human rights and labor initiatives have emerged as top priorities. Given the societal emphasis on these issues over the past few decades, their importance in influencing employee retention is unsurprising. Higher retention rates prove beneficial for companies, reducing the costs linked to the rehiring process. Moreover, organizations that emphasize CSR are likely to attract the best talent, propelling them toward further success. Our findings provide valuable insight for employers aiming to foster a mutually beneficial environment for the organization and its employees.

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