

Research Article

Employee Engagement as a Mediator Between Corporate Social Responsibility Practices and Turnover Intention: Evidence from Cooperative Employees in Mati City

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Abstract

This study was to assess the mediating effect of employee engagement in the relationship between corporate social responsibility practices and turnover intention among cooperative employees in the City, Philippines. The research key indicators, such as corporate social responsibility practices, turnover intention, and employee engagement, are always implemented by cooperative employees. The research design used in the study was a quantitative research design, specifically the descriptive correlation, to determine the relationship between the two variables and that there is a similarity in the pattern of scores between the variables. A survey questionnaire was administered to 384 cooperative employees in the City of Mati. Random sampling was employed to get the required number of respondents. An adapted and modified research instrument from different researchers was used and underwent a reliability test with an overall Cronbach alpha score of .957, which confirms the high level of consistency, exceeding the commonly accepted threshold. Moreover, frequency count and percentage, mean, Pearson's r, and ANOVA were used to treat the data. The findings revealed that the overall levels of corporate social responsibility practices and employee engagement are very high, while turnover intention is low. Finally, the corporate social responsibility practices and turnover intention were partially mediated by employee engagement.

Keywords

Corporate Social Responsibility Practices, Turnover Intention, Employee Engagement, Cooperative, Mati City, Philippines

1. Introduction

Cooperative employees in the Philippines continue to have a high turnover rate, indicative of larger patterns in issues with employee retention in various businesses [9]. Also, cooperatives play a crucial role in economic growth as they generate jobs, collect and invest funds, and offer a wide range of public services, but they have been struggling with high turnover [7]. Furthermore, due to the higher attrition rate, attracting and retaining top talent has become a challenge for human re-

source professionals [13]. Moreover, workers see CSR initiatives being implemented internally; they are more committed to their jobs and less inclined to intend to leave the organization. However, the reverse may occur if workers become aware of corporate duplicity and become more likely to consider leaving their positions [2].

The cooperative's commitment to retain its employees is evidenced by the deliberate efforts described in employee

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policy, legal framework, guidelines, regulations, and seculars [11]. Despite these cooperative initiatives, employee retention efforts have been ineffective. Retaining employees should always be a business priority, regardless of how low the existing employees' pay or training is, and it is much more cost-effective than replacing them [3].

Additionally, in today's rapidly evolving business landscape, organizations are increasingly recognizing the pivotal role that employee engagement plays in driving sustainable success and achieving competitive advantage. Employees' emotional commitment and active involvement towards their work, organization, and goals result in increased loyalty towards the organization. In Taiwan, when workers see Corporate Social Responsibility initiatives being implemented in the organization, they are more engaged in their jobs and less inclined to go elsewhere for employment [5].

With this, the researcher found out that there are insufficient empirical studies or data on the bivariate relationship between Corporate Social Responsibility, employee engagement, and turnover intention in the Philippines, particularly in the cooperatives; thus, this urges the researcher to conduct the study.

1.1. Conceptual Framework

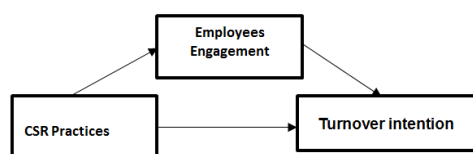


Figure 1. Conceptual Paradigm of the Study.

1.2. Statement of the Problem

This study aimed to assess the mediating effect of employee engagement in the relationship between Corporate Social Responsibility and turnover intention among cooperative employees in the City of Mati. Moreover, this study sought to answer the following questions:

1. Is there a significant relationship between:
 - (1) CSR practices and turnover intention
 - (2) CSR practices and employee engagement
 - (3) Employee engagement and turnover intention
2. Is there a significant mediating effect of employee engagement on the relationship between CSR practices and turnover intention?

2. Methodology

2.1. Design

This study utilized quantitative research design. Quantita-

tive research methods focus on planning, creating, and applying data collection and analysis procedures. Careful consideration of the methodology and the dependability of the data collection instruments are hallmarks of excellent quantitative research [12]. The quantitative–correlational design mainly describes the statistical association between two or more variables [6]. A correlational study is a quantitative method of research in which the researcher can have two or more quantitative variables from the same group of participants, which is trying to determine if there is a relationship between the two variables and if there is a similarity in the pattern of scores between the two variables.

2.2. Instrumentation

The researcher adapted and modified the questionnaire from the different authors and was pre-tested to ensure the data's reliability, consistency, and validity. For turnover intention [10], corporate social responsibility practices [9], and Employee engagement [8] with Cronbach's alpha of .975, .952, and .879, respectively. The test of reliability indicates strong internal consistency across all variables and indicators, as evidenced by the Cronbach's Alpha values. Each variable demonstrates good to excellent reliability, exceeding the commonly accepted threshold of 0.70 degree of consistency. Moreover, to get the result, the researcher randomly distributed the questionnaire to 384 cooperative employees in the City of Mati.

2.3. Statistical Treatment

Pearson-r. Pearson Product-Moment Correlation will also be employed to determine the Level of significance of the relationship between the 3 variables, as stressed in Objective 4.

Mediation Analysis. This was used to determine the mediating effect as stressed in objective number 5 using the Sobel z-test.

3. Results

Presented in the table is the test of the correlation of corporate social responsibility practices, employee engagement, and turnover intention. For Corporate social responsibility dimensions and turnover intention across various factors. Results show that Economic, Legal, Ethical, and Discretionary Responsibilities exhibit mostly negative and statistically significant correlations with facets of turnover intention, particularly Organizational Culture, Personal Orientation, Expectation, and Career Growth ($p < .001$). Discretionary Responsibility displayed the strongest negative associations, notably with Expectation ($r = -0.432$) and Overall Turnover Intention ($r = -0.364$). While some relationships, such as Economic Responsibility and Subjective Social Status ($r = -0.05$, $p = 0.331$), and Ethical Responsibility with Organiza-

tional Culture ($r = -0.036$, $p = 0.482$), were weak and not statistically significant, the overall trend suggests that stronger perceptions of CSR are generally associated with lower turnover intentions. The Overall Corporate Social Responsibility measure also showed a significant but modest negative correlation with Overall Turnover Intention ($r = -0.136$, $p = 0.007$), underscoring the potential role of CSR initiatives in employee retention.

The findings above are congruent with the study's finding that CSR had a significant negative relationship with turnover intention. This study indicated that employees who perceive their organization as socially responsible are less likely to intend to leave the organization. This relationship was mediated by organizational identification and commitment, highlighting the importance of employees' connection to the organization in reducing turnover intention [2].

Similarly, a study in Egypt's fast-food industry found that CSR activities positively influenced job satisfaction and organizational commitment, which in turn negatively affected turnover intention. However, the direct impact of CSR on turnover intention was not statistically significant, suggesting that the effects of CSR on turnover intention are indirect and mediated through other factors such as job satisfaction and organizational commitment [1].

Moreover, there is a positive and significant relationship between corporate social Responsibility and employee engagement ($r=0.546$; $p>0.001$). This entails that as the Level of corporate social Responsibility among cooperative employees increases, the Level of their engagement also increases. The findings are consistent in the study by [14], which found a positive relationship between CSR and EE, indicating that as CSR activities increase, employee engagement also tends to increase.

Table 1. Correlation Measures between the variables (CSR Practices, Turnover intention and Employees Engagement).

Paired Variables	R	p-value	Interpretation
CSR Practices and Turnover intention	-0.136	0.007	Significant
CSR Practices and Employee Engagement	0.546	0.001	Significant
Employee Engagement and Turnover intention	-0.152	0.003	Significant

Another study [13] examined the influence of CSR on employee engagement in the Islamic banking sector in Malaysia. The findings revealed a significant positive relationship between CSR and employee engagement, suggesting that CSR initiatives can enhance employee engagement in the banking sector.

Lastly, there is a negatively significant relationship be-

tween employee engagement and turnover intention among cooperative employees ($r=-0.152$; $p=0.003$). This entails that as the Level of the employees' engagement increases, their turnover intention decreases. And as their engagement decreases, their turnover intention increases. The study [14] found that when employee engagement increases, turnover intention decreases, and thus it suggests that higher employee engagement is associated with lower turnover intention.

Another study [12] investigated the effects of physical, cognitive, and emotional engagement on turnover intention among academic staff in public sector universities in Pakistan. The study found a significant negative association between turnover intention and employees' cognitive and emotional engagement, suggesting that higher engagement levels are linked to lower turnover intention.

Additionally, a study [14] analyzed the effect of employee engagement on turnover intention at the Golden Tulip Jineng Resort Hotel in Bali. The study found that employee engagement had a negative and significant effect on turnover intention, indicating that increased engagement leads to decreased turnover intention.

Mediation Analysis

Presented in the table is the mediating effect of Employee Engagement on the relationship between Corporate Social Responsibility (CSR) and Turnover Intention. The direct effect of CSR on Turnover Intention was negative but not statistically significant (Estimate = - 0.276, $p = 0.205$). However, the indirect effect, where CSR influences Turnover Intention through Employee Engagement, was negative and statistically significant (Estimate = - 0.218, $p = 0.049$). The total effect of CSR on Turnover Intention, combining both direct and indirect effects, was also negative and statistically significant (Estimate = -0.495, $p = 0.007$). These results indicate that Employee Engagement partially mediates the relationship between CSR and Turnover Intention, suggesting that higher perceptions of CSR reduce turnover intentions, particularly through enhanced employee engagement.

This study aligns with your findings, indicating that employee engagement partially mediates the relationship between CSR and turnover intention. The negative and statistically significant indirect effect underscores the importance of CSR in fostering employee engagement and reducing turnover intention [4].

The study found that CSR had a significant negative relationship with turnover intention, indicating that employees who perceive their organization as socially responsible are less likely to intend to leave the organization. This relationship was mediated by organizational identification and commitment, highlighting the importance of employees' connection to the organization in reducing turnover intention [2].

In the context of Sri Lanka's hotel industry, research indicated that internal CSR practices enhanced job satisfaction, which fully mediated the relationship between CSR and turnover intention. This suggests that when employees per-

ceive their organization as socially responsible, their job satisfaction increases, leading to a decrease in turnover intention.

Table 2. Mediation Analysis.

Effect	Estimate	SE	z	P
Direct Effect (Corporate Social Responsibility → Turnover Intention)	-0.276	0.218	1.268	0.205
Indirect Effect (Corporate Social Responsibility → Employee Engagement → Turn-over Intention)	-0.218	0.120	2.146	0.049
Total Effect (Corporate Social Responsibility → Turnover Intention)	-0.495	0.183	2.699	0.007

Collectively, these studies support the notion that CSR initiatives can play a significant role in reducing turnover intention. The impact of CSR on turnover intention is often indirect, mediated through factors such as organizational commitment, job satisfaction, and organizational identification. These findings underscore the importance of CSR in fostering a positive work environment and enhancing employee retention.

4. Conclusions

Additionally, the significant correlations among corporate social responsibility (CSR), employee engagement, and turnover intention indicate meaningful relationships between these variables. This implies that employees are more likely to be committed, motivated, and aligned with organizational values when they perceive their organization as socially responsible. On the other hand, the negative correlation coefficients for turnover intention suggest that increased CSR practices are associated with lower intentions to leave the organization. This means that employees are more likely to remain with the organization when they see it as ethical, responsible, and community oriented. Thus, findings imply that strong CSR initiatives not only enhance employee engagement but also contribute to workforce stability by reducing turnover intention. Organizations, therefore, stand to benefit from investing in CSR as a strategic approach to foster a committed and loyal workforce.

Also, the result of the Medgraph analysis, supported by the Sobel z-test, indicates that employee engagement partially mediates the relationship between corporate social responsibility (CSR) and turnover intention. This implies that while CSR initiatives alone can reduce turnover intention, their effect is significantly enhanced when they lead to higher levels of employee engagement. In other words, CSR practices contribute to lowering employees' desire to leave not only because they reflect a responsible organization but also because they foster a more engaged, motivated, and connected workforce.

5. Recommendations

Given the strong presence of CSR practices and their significant positive impact on employee engagement and negative association with turnover intention, it is recommended that cooperatives in the City of Mati continue to strengthen and institutionalize their CSR initiatives. Doing so not only enhances the organization's public image but also fosters a more engaged and committed workforce.

Additionally, since employee engagement partially mediates the effect of CSR on turnover intention, cooperatives should invest in targeted employee engagement strategies, such as recognition programs, professional development opportunities, and open communication channels, to further amplify the positive outcomes of CSR. These efforts will help sustain low turnover rates and support long-term organizational stability and employee satisfaction.

Finally, regular assessment and feedback mechanisms should be established to monitor the effectiveness of CSR and engagement programs, ensuring they remain relevant, inclusive, and aligned with both organizational goals and employee expectations.

Abbreviations

CSR Corporate Social Responsibility

Conflicts of Interest

The authors declare no conflicts of interest.

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