How does internal social responsibility affect organizational commitment? Empirical evidence from Serbian service companies

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Abstract

Purpose: Despite the increasing importance of internal social responsibility (ISR), there has been limited research on employees’ perceptions regarding social responsibility (SR) and its influence on employees’ behavior within service companies. Employees play a crucial role in service delivery in these companies. The present study specifically concentrates on the effects of ISR on organizational commitment with a special emphasis on service companies. The primary goal of this study is to investigate the impact of ISR on organizational commitment components, i.e. affective, continuance and normative commitment in service companies. Methodology: Data were collected using an adapted questionnaire. Descriptive, correlation and regression analysis were applied to examine the hypotheses. Findings: The findings indicate a meaningful positive influence of ISR on affective, continuance and normative commitment among employees. Implications: 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.

Keywords: internal social responsibility, commitment, service companies

JEL classification: J28, M14

Kako interna društvena odgovornost utiče na posvećenost zaposlenih? Istraživanje u uslužnom sektoru u Srbiji

Sažetak

Svrha: Istraživanja o percepcijama zaposlenih o društvenoj odgovornosti (DO) i njenom uticaju na ponašanje zaposlenih u uslužnim kompanijama su retka iako se može uočiti porast značaja interne društvene odgovornosti (IDO). Zaposleni imaju ključnu ulogu u pružanju usluga u ovim kompanijama. Realizovano istraživanje se fokusira na uticaj IDO na organizacionu posvećenost, sa posebnim akcentom na uslužne kompanije. Primarni cilj istraživanja je utvrditi kako IDO utiče na tri glavne komponente organizacione posvećenosti,

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afektivnu, normativnu i kontinualnu posvećenost, u uslužnim kompanijama. **Metodologija:** Podaci su prikupljeni pomoću adaptiranog upitnika. Deskriptivna, korelaciona i regresiona analiza su primijenjene kako bi se testirale hipoteze. **Rezultati:** Rezultati ukazuju da IDO ima pozitivan uticaj na afektivnu, normativnu i kontinualnu posvećenost zaposlenih. **Implikacije:** Naglašen je značaj integriranja IDO u poslovne strategije kompanija, naročito u one koje su usmerene prema zaposlenima. Posvećenost, motivacija i zadržavanje zaposlenih mogu se povećati primenom IDO, a time se konačno utiče na uspeh kompanija.

**Ključne reči:** interna društvena odgovornost, posvećenost, uslužni sektor

**JEL klasifikacija:** J28, M14

1. **Introduction**

Many studies have been conducted in order to explore the influence of social responsibility (SR) on consumers, performance and the environment. Research from the standpoint of employees on SR has received limited attention, particularly regarding the impacts of SR on employees. This oversight is surprising, especially considering the significant influence of attitudes and behavior of employees on companies’ success. Moreover, there is still a shortage of research on perceptions of employees about SR and its behavioral implication within the service sector (e.g. Bogan & Dedeoglu, 2020; Damnjanović, 2023; Damnjanović et al., 2022; Kim et al., 2021; Wang et al., 2020), particularly in developing countries (e.g. Bogan & Dedeoglu, 2020; Chan & Hasan, 2019; Wang et al., 2020). Analysis of SR literature within the hospitality industry revealed that out of 158 articles published between 2007 and 2018, only 19 addressed the impact of SR on employees, with just 10 focusing on research in developing countries (Guzzo et al., 2019). Given the paramount importance of employees to a companies’ success, particularly in hospitality, the lack of research on the influence of SR on employees is indeed surprising. A comprehensive review of articles on SR in hotel industry published from 2006 to 2015 concluded that research in this area was relatively scarce and mainly focused on environmental issues (Serra-Cantallops et al., 2017).

Hence, the objective of this research is to fill this notable gap in literature.

There are three major reasons why SR practices are highly significant in the hotel industry (Madanaguli et al., 2023). Firstly, SR practices provide intangible services, reputational benefits and increased financial performance to the hotel industry, so more and more hotels are adopting SR business practices. Secondly, the hotel industry, known for being labor-intensive, faces significant turnover of staff and offers jobs that are often characterized by low pay, insecurity, and stress, with minimal opportunities for advancement and insufficient support for work–life balance (Serra-Cantallops et al., 2017). SR has the potential to alleviate the negative facets of work in hospitality by reducing turnover intentions, increasing commitment, and enhancing well-being (Guzzo et al., 2019). Moreover, hotels’ responsibility to the natural, economic, social and cultural environment is crucial, as they are integral to tourist arrangement and significantly influence the quality and customer satisfaction of tourist service (Ettinger et al., 2018). Being representatives of the service sector, hotels can achieve meaningful benefits in terms of SR through investment in employee development, relationships with suppliers, and the preservation and improvement of location’s attractiveness (Milovanović, 2014). Hotels also possess the capacity to affect substantial changes within tourism host communities. They can strengthen their relationships with government by engaging in SR programs (Kucukusta et al., 2013). Good relations with local government and residents are essential aspects of hotels’ business operations and need to be part of their SR strategy (Serra-Cantallops et al., 2017). Many research studies have demonstrated that SR exerts a positive influence on employees’ attitudes and behavior. This has underscored the strategic significance of SR for companies in the tourism and hospitality...
sector, prompting them to intensify communication about their commitment to SR (Camilleri, 2020; Ettinger et al., 2018; Fu et al., 2014). Furthermore, the impact of the perceptions of employees about SR in the hospitality industry is considered an area of study lacking sufficient research (Bogan & Dedeoglu, 2020; Fu et al., 2014).

Organizational commitment is a central topic in human resources, organizational psychology, and organizational behavior research. It “represents the psychological condition of employees, with respect to their relationship with the organization and their decision to remain employed by it” (Kim et al., 2021, p. 1). It is “a bond or link between an individual and the organization” (Kim et al., 2017, p. 28). Meyer and Allen’s (1997) model of organizational commitment, used in this research, explained commitment through three components: affective, normative and continuance commitment. Employees’ commitment to their company reflects a “combination of desire (affective commitment), cost (continuance commitment) and obligation (normative commitment)” (Thang & Fassin, 2017, p. 8). Each component of organizational commitment explains how employees behave and react in different circumstances. Organizations that provide socially responsible activities perceived as valuable by employees are likely to increase positive attitudes, including organizational commitment (Oh et al., 2021). Therefore, internal social responsibility (ISR) activities could positively influence organizational commitment.

Research on the association between ISR and organizational commitment has been prevalent in manufacturing companies (George et al., 2020; Low & Ramayah, 2018) compared to service companies in developing countries. Some research in developing countries, primarily from the Asian region, has shown a positive association between SR and the affective commitment of employees in the service industry, particularly in the hotel and casino industry (Fu et al., 2014; Kim et al., 2021; Kim et al., 2017; Kim et al., 2016; Wang et al., 2020). Several studies in developing countries have also identified positive relation between ISR and organizational commitment (Ekawati & Prasetyo, 2016; Oh et al., 2021; Radwan, 2015; Shibeika & Abdalla, 2016; Thang & Fassin, 2017), as well as between ISR and affective commitment (Al-bdour et al., 2010; Low et al., 2017; Nguyen & Tu, 2020; Shibeika & Abdalla, 2016; Story & Castanheira, 2019; Turker, 2009) in service sector. However, similar research has not been conducted in Serbia within the service sector, particularly in hospitality. Hence, the objective of this research is to bridge this gap and improve understanding of the relationship between ISR and organizational commitment in service companies in Serbia.

Employees’ perceptions of SR activities of a company significantly influence their attitudes toward the company. When a company’s goals and values align with those of its employees, it can significantly strengthen and improve the relationship between employees and the company. In service companies, the serving process itself demands direct contact of employees with customers, making employees’ attitudes and behavior critical in achieving business goals. This underscores the increasing importance of ISR for service companies. Therefore, our research focuses on ISR and its influence on the organizational commitment of employees in service companies, particularly those in hotels and restaurants. The goal is to assess the effect of ISR on affective, continuance and normative commitment.

The paper is structured in such a way as to begin with a literature review focusing on SR in service companies, with particular emphasis on ISR and organizational commitment. The literature review serves as the foundation for developing hypotheses. The methodology, i.e. the sample and measures, is then explained. Following this, the results and their discussion are presented. Finally, the main conclusions, practical and theoretical implications are presented, followed by the limitations of the study and suggestions for future research.
2. Literature review and hypothesis development

2.1. Social responsibility in service companies

There has been an increasing focus on the concept of SR within the service sector, especially in hospitality, over the past two decades (Radwan, 2015). The service sector holds increasing significance in the global economy, contributing substantially to revenue generation, GDP growth and employment rates. The development of the service sector has been the primary driver of economic growth in many developing countries over the past thirty years. Currently, the service sector accounts for two-thirds of GDP growth in developing economies, while employing approximately 50% of the workforce (Statistical Office of the Republic of Serbia, 2023). In Serbia, the service sector has consistently contributed over 50% to GDP creation, with contributions of 52% in 2022, 51.4% in 2021, and 51.9% in 2020, a trend that has been evident since 2009 (Chamber of Commerce and Industry of Serbia, 2023). According to data for the third quarter of 2023, the service sector employs the highest number of individuals (57%), followed by the industry sector (23.3%), and agriculture (13.5%), reflecting similar trends observed in previous years (Statistical Office of the Republic of Serbia, 2023).

In the hospitality sector, adopting a strategic approach to SR can significantly enhance work conditions for employees. It ensures decent work standards for both local labor and migrants, provides health and safety at work, offers appropriate wages and recognitions for all employees, facilitates training and opportunities for personal development, promotes good work-life balance, among other initiatives (Camilleri, 2020). Research within hotel industry has demonstrated that ISR activities encompass hiring local individuals and members of ethnic minorities, offering internship and scholarship for students, supporting career development, demonstrating concern for retired employees (Kucukusta et al., 2013). Hotel employees are important stakeholders who directly influence customers’ experiences, and their behavior, ultimately, impacts financial success (Su & Swanson, 2019). Implementing socially responsible practices in hotels can boost loyalty, morale, and retention rates of employees, which can finally result in higher productivity (Kucukusta et al., 2013). Moreover, prioritizing SR practices in hotels can improve reputation and boost revenues (Madanaguli et al., 2023). Research has indicated that the impact of a service company’s SR initiatives on company performance can surpass that of manufacturing companies (Jeon et al., 2020).

2.2. Internal social responsibility

Numerous scholars have clearly differentiated between internal and external SR in their research (Al-bdour et al., 2010; Chan & Hasan, 2019; Damnjanović, 2023; Damnjanović, 2019; Damnjanović et al., 2022; George et al., 2020; Low & Ramayah, 2018; Mory et al., 2016; Shibeika & Abdalla, 2016; Stojanović-Aleksić et al., 2016; Story & Castanheira, 2019). The Green Paper ‘Promoting European Framework for Corporate Social Responsibility’, issued by European Commission in 2001, also emphasized the importance of distinguishing between internal and external dimensions of SR. External SR deals with issues concerning external stakeholders, while ISR focuses on employees.

Socially responsible activities that target external stakeholders (business partners and suppliers, customers, public authorities and NGOs representing local communities, environment) are categorized as part of external SR (European Commission, 2001). These initiatives often involve various aspects of corporate engagement with external entities and communities. On the other hand, ISR activities encompass issues directly related to
employees, like investing in employees’ development, healthy and safe work environment, managing change (European Commission, 2001).

ISR represents a company’s orientation where employees are viewed as internal customers. Turker (2009) defines ISR as encompassing all socially responsible activities directed to employees that directly impact their physical and psychological working environment. These activities encompass aspects such as “health and well-being of employees, their training and participation in the business, equality of opportunities, work-family relationship” (Low & Ong, 2015, p. 263). Turker’s (2009) explanation is widely accepted in recent research on ISR, including the present study. ISR initiatives encompass training and development, constant educational programs, ensuring workplace safety, managing diversity, providing daycare for children and ensuring compliance with ethical employment practices (Chan & Hasan, 2019; Story & Castanheira, 2019). Implementing ISR in the company shows that managers do responsible work in managing employees. That is crucial for attracting and retaining talented individuals, as it increases employees’ job satisfaction and organizational commitment through improved working environment and positive internal relations. Sometimes companies may prioritize external socially responsible activities at the expense of internal initiatives. Employees, on the other hand, expect and demand to be treated equally to external stakeholders. When employees recognize a company’s commitment to ISR, they tend to exhibit positive attitudes and behaviors towards the company. Establishing a strong relationship between employees and the company could be a key outcome of strategic use of ISR (Chan & Hasan, 2019; Damnjanović, 2019).

2.3. Organizational commitment

Since the 1970s, there has been an observed evolution in the definition of organizational commitment, but a simple definition would be “the individual’s attachment to his or her company, which may affect personal intention to leave or stay” (Bouraoui et al., 2020, p. 3). Another definition states that “organizational commitment is the psychological attachment individuals feel for the company” (Low & Ong, 2015, p. 263). Meyer and Allen (1997) pointed out what was in common among most definitions, explaining organizational commitment as a psychological state that reflects the relationship between employees and the company. This state influences employees’ decision to remain with the company. They explained organizational commitment through a three-component model, which includes affective, continuance and normative commitment (Meyer & Allen, 1997).

Affective commitment explains how an employee is emotionally attached to the company, how they identify with the company and how they are involved in the company (Meyer & Allen, 1997). An affectively committed employee desires to remain within the company because they see achieving the company’s goals as the best possible way for achieving their own goals. When employees are emotionally committed to the company, it can foster employees’ loyalty and motivate them to work harder in order to meet the company’s goals (Nguyen & Tu, 2020). Affective commitment is the topic in the majority of research studies on SR (Im et al., 2016; Low & Ramayah, 2018; Mory et al., 2016). Empirical evidence suggests that affective commitment tends to be higher in socially responsible companies (Im et al., 2016).

The second component of organizational commitment, continuance commitment, reflects the employee’s awareness that leaving the company would cause some costs (Meyer & Allen, 1997). Hence, the employee needs to remain in the company. Over time, employees invest significant time and efforts in building relationships with colleagues and achieving their position within the company. These are assets they would lose if they were to leave the
company. Consequently, continuance commitment often arises from the acknowledgment of the personal expenses incurred when leaving the company.

The third component of organizational commitment, normative commitment, explains that the employee feels obligated to stay in the company because of the feelings of obligation towards the company (Meyer & Allen, 1997). They believe it is the right thing to do because they owe a debt of gratitude to the company. If employees benefit from the company, an obligation to demonstrate commitment arises, so that employee can repay for those benefits (Oh et al., 2021). Employees often develop normative commitment as a form of reciprocation for the support, opportunities and rewards provided by the company. Research suggests that affective commitment can influence normative commitment, because employees, who experience positive feelings towards the company, may also have a feeling that they are obligated to stay in the company (Mory et al., 2016).

Recent research indicates that the most powerful dimension of employees’ commitment is affective commitment (Bouraoui et al., 2020). It has been identified as “the best predictor of performance compared to normative and continuance commitment” (George et al., 2020, p.4).

2.4. Hypotheses development

When employees acknowledge the company’s engagement in socially responsible activities beyond profit maximization, they are more likely to exhibit higher levels of commitment to the company. It is expected that the stronger their belief in the relevance of SR is, the more pronounced the association between SR and organizational commitment will be (Turker, 2009). In the hospitality industry, organizational commitment significantly influences service quality (Youn et al., 2018). SR is often associated with ethical principles and organizational values such as warmth, community, morality. These values foster employees’ affective commitment toward their company, leading to higher levels of affective commitment in socially responsible companies (Im et al., 2016). “Employees in socially responsible firms are more likely to be happy and proud of being a members of the reputable company, so they will identify themselves with the goals of the company and that is affective commitment to the company” (Kim et al., 2017, p. 28): Committed employees are more likely to invest additional effort in improving the company’s performance, prompting companies to seek methods for strengthening organizational commitment.

There is insufficient research regarding the influence of SR on employees in the hotel industry. Studies conducted in hotels in China and South Korea revealed a positive relationship between perceptions about SR and organizational commitment (Wang et al., 2020; Youn et al., 2018). Similarly, research in hotels in the USA demonstrated a positive relationship between employees’ perceptions of SR and affective commitment (Kim et al., 2021). Several studies in hotels in Asian countries also identified a positive relationship between employees’ perceptions of SR and affective commitment (Fu et al., 2014; Kim et al., 2021; Kim et al., 2017; Kim et al., 2016; Wang et al., 2020).

Research in the service sector in developing countries has identified a positive relationship between ISR and organizational commitment (Ekawati & Prasetyo, 2016; Oh et al., 2021; Radwan, 2015; Shibeika & Abdalla, 2016; Thang & Fassin, 2017), and positive relationship between ISR and affective commitment (Al-bdour et al., 2010; Low et al., 2017; Nguyen & Tu, 2020; Shibeika & Abdalla, 2016; Story & Castanheira, 2019; Turker, 2009).

Employee-related SR had positive impact on organizational commitment in Korean hotels (Oh et al., 2021). ISR has positively influenced organizational commitment within Indonesia’s hospitality industry (Ekawati & Prasetyo, 2016). Research in hotel industry in
Egypt showed that ISR is significantly associated with organizational commitment (Radwan, 2015). Low et al. (2017) found a positive relationship between ISR and affective commitment of the service sector employees in Malaysia. The relationship between ISR and normative and continueance commitment has been researched in only a few papers (Al-bdour et al., 2010; Mory et al., 2016; Shibeika & Abdalla, 2016; Thang & Fassin, 2017). Nguyen and Tu (2020) found a positive correlation between SR to employees and affective commitment, as well as normative commitment, among employees in food processing enterprises in Vietnam. Similarly, Thang and Fassin (2017) conducted research in Vietnam’s service sector, demonstrating a positive relationship between ISR and all components of organizational commitment. In Germany, Mory et al. (2016) conducted research which revealed that ISR strongly influences affective commitment, but has a lesser impact on normative commitment. Analyzing the banking sector in Sudan, Shibeika and Abdalla (2016) found that ISR has a significant and positive relationship with all components of organizational commitment. Furthermore, a study in the banking sector in Jordan showed that ISR has a positive influence on normative commitment, but it does not have a significant impact on continueance commitment (Al-bdour et al., 2010). As such, these results indicate the relevance of employees’ behavior and attitudes in the service sector. Service companies ought to allocate considerable resources towards SR initiatives to elicit favorable responses from their employees. Companies in the service sector could improve organizational commitment through conducting socially responsible activities which result in long-term strategic competitive advantage and improving the quality of life in the local community. While literature generally supports the existence of a positive relationship between SR and affective commitment, research in this area is scarce, particularly in developing countries.

Accordingly, we formulated three hypotheses.

H₁: ISR has a significant and positive influence on affective commitment in service companies.

H₂: ISR has a significant and positive influence on continueance commitment in service companies.

H₃: ISR has a significant and positive influence on normative commitment in service companies.

3. Methodology

An adapted questionnaire comprising three sections was used in order to collect the data. The first section of the questionnaire included questions about respondents’ gender, age, working experience, education, position within the company and the size of the company. The next section featured the ISR scale, which was adapted from the works of Turker (2009), Akremi et al. (2018), and Stojanović-Aleksić et al. (2016) and comprised 8 items. Following this, organizational commitment was evaluated using an adapted questionnaire from Meyer and Allen’s (1997) Organizational Commitment Scale, widely utilized in similar research contexts. This section consisted of 24 items, with 8 items each assessing affective, normative and continueance commitment. The items are given in Appendix 1. The survey utilized a five-point Likert-type scale, with response options in range from ‘strongly agree’ to ‘strongly disagree’ for all items. The data analysis was conducted using the SPSS program. Descriptive, correlation and regression analysis were performed. The reliability analysis was conducted using Cronbach’s alpha coefficient.

The data were collected during October and November 2023. The questionnaires were distributed online via email, with one thousand questionnaires sent out, resulting in 100 responses. The respondents were employees from Serbian hotels and restaurants. Male
employees accounted for 30% of the sample, while women comprised 70%. The majority of employees were 20-40 years old (62%). In terms of educational attainment, 31% held a bachelor’s degree while 33% held a master’s degree. Regarding work experience, one-third of employees reported working less than five years, while 50% worked more than ten years in hotels and restaurants. Managers accounted for 55% of the respondents. In terms of company size, 88% of employees worked in SMEs, while 22% of employees worked in larger companies.

4. Results and discussion

The Cronbach’s alpha coefficient was used to assess the reliability of the ISR scale and Organizational commitment scale. The Cronbach’s alpha coefficient for the ISR scale was 0.907, indicating high internal consistency (exceeding the recommended limit of 0.7). Similarly, Cronbach’s alpha coefficient for the Affective commitment sub-scale was 0.878. However, the initial Cronbach’s alpha coefficients for the Normative and Continuance commitment sub-scale were 0.658 and 0.635, respectively. To improve the reliability of these sub-scales, certain items were removed based on corrected item-total correlations below 0.3. When two items were removed, the Cronbach’s alpha coefficients for the Normative commitment sub-scale increased to 0.777. Similarly, after removing three items, the Cronbach’s alpha coefficient for the Continuance commitment sub-scale was 0.7. This analysis has established the satisfactory reliability and internal consistency of the scales utilized within the sample for this study.

The assumption of normal distribution for affective commitment was not met, as indicated by Kolmogorov-Smirnov test, 0.114, p=0.003. The distribution of values skewed right from the mean (-0.721) and exhibited higher kurtosis than normal (0.047). However, upon visual inspection of histograms and Normal Q-Q plots, the distribution appeared relatively normal with no apparent outliers. For continuance commitment, the Kolmogorov-Smirnov test yielded a statistic of 0.08, with p=0.11>0.05, indicating a normal distribution. Similarly, the Kolmogorov-Smirnov test for normative commitment resulted in a statistic of 0.07, with a p=0.2>0.05, confirming the assumption of normal distribution for these variables.

Descriptive analysis was conducted for all variables, including ISR and affective, normative and continuance commitment. These findings are showcased in Table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISR</td>
<td>3.821</td>
<td>0.956</td>
<td>0.913</td>
</tr>
<tr>
<td>Affective commitment</td>
<td>3.661</td>
<td>0.971</td>
<td>0.943</td>
</tr>
<tr>
<td>Normative commitment</td>
<td>3.002</td>
<td>0.822</td>
<td>0.675</td>
</tr>
<tr>
<td>Continuance commitment</td>
<td>3.414</td>
<td>0.823</td>
<td>0.675</td>
</tr>
</tbody>
</table>

Source: Authors’ research

The findings of the descriptive analysis indicate that companies are perceived to have high ISR by their employees, as evidenced by the mean value of 3.821. In terms of organizational commitment, affective commitment exhibited the highest mean value (M=3.661) compared to normative (M=3.002) and continuance commitment (M=3.414).

The relationship between the perceptions about ISR and affective, continuance and normative commitment was assessed using Pearson correlation coefficient. The preliminary
analysis confirmed that the assumptions concerning normality, linearity and homogeneity of variance were fulfilled. In Table 2, the correlation analysis findings are showcased.

Table 2: The findings of correlation analysis between employees’ perceptions about ISR and affective, continuance and normative commitment

<table>
<thead>
<tr>
<th>Variable</th>
<th>Affective commitment</th>
<th>Continuance commitment</th>
<th>Normative commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISR</td>
<td>0.702**</td>
<td>0.426**</td>
<td>0.303**</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).

Source: Authors’ research

A strong positive correlation, with a coefficient of 0.702 and a significance level of 0.01 based on a sample size of 100, was observed between employees’ perceptions of ISR and affective commitment. This suggests that higher levels of perceived SR within the company are associated with increased levels of affective commitment among employees. Additionally, a moderate correlation, with coefficients of 0.426 and 0.303 respectively, based on a sample size of 100 and a significance level of 0.01, was found between ISR and continuance commitment, as well as between ISR and normative commitment.

The simple linear regression analysis was conducted to explore the influence of ISR variability in predicting affective, normative and continuance commitment among employees, respectively.

The simple linear regression analysis was conducted to explore the influence of ISR variability in predicting affective commitment. The regression analysis fulfilled the assumptions of linearity, normality, and homoscedasticity. Additionally, the absence of extreme outliers and a Durbin-Watson statistic of 1.733 suggest that the indication of the independence of observations was satisfied. In Table 3, the findings of the simple regression analysis for the impact of ISR and affective commitment are displayed.

Table 3: Impact of ISR on affective commitment – Results of simple regression analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>95% confidence interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Standard Error Beta</td>
<td></td>
<td></td>
<td></td>
<td>Lower bound</td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.937 0.288 0.702</td>
<td>3.253 0.002 0.365 1.508</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISR</td>
<td>0.713 0.073 0.702 9.748 0.000 0.568 0.858</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors’ research

The coefficient of determination, R², was determined to be 0.492, suggesting that ISR explains 49.2% of the variability in affective commitment (AC). Adjusted R² was 0.487, giving a similar result as R². The statistical significance of the model was confirmed by an F-statistic, F (1, 98)=95.024, p=0.000. The regression model is expressed as: AC=0.937+0.713*ISR. This shows that the affective commitment is expected to increase by 0.713 units for every one-unit increase in perceptions about ISR. The 95% confidence interval for the coefficient of ISR is from 0.568 to 0.858, indicating the range within which we are 95% confident the true population coefficient lies.

The simple linear regression analysis was conducted to explore the influence of ISR variability in predicting continuance commitment. The regression analysis fulfilled the assumptions of linearity, normality, and homoscedasticity. Additionally, the absence of extreme outliers and a Durbin-Watson statistic of 1.808 suggest that the indication of the
independence of observations was satisfied. The results of the simple linear regression analysis for ISR and continuance commitment are presented in Table 4.

### Table 4: Impact of ISR on continuance commitment – Results of simple regression analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>95% confidence interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.014</td>
<td>0.309</td>
<td>6.510</td>
<td>0.000</td>
<td>1.400 to 2.628</td>
</tr>
<tr>
<td>ISR</td>
<td>0.366</td>
<td>0.079</td>
<td>0.426</td>
<td>4.664</td>
<td>0.210 to 0.522</td>
</tr>
</tbody>
</table>

Source: Authors’ research

The $R^2$ value was calculated as 0.182, which suggests that 18.2% of the total variance in continuance commitment (CC) can be explained by ISR. Adjusted $R^2$ was 0.173, which is quite similar to $R^2$. The statistical significance of the model was confirmed by an F-statistic, $F(1, 98)=21.749$, $p=0.000$. The regression model is given as: $CC=2.014+0.366*ISR$. This means that for each one-unit increase in perceptions about ISR, continuance commitment is expected to increase by 0.366 units. The 95% confidence interval for the coefficient of ISR is 0.210 to 0.522, which implies that we are 95% confident that the true effect of ISR on continuance commitment falls between 0.210 and 0.522.

The simple linear regression analysis was conducted to explore the influence of ISR variability in predicting normative commitment. The regression analysis fulfilled the assumptions of linearity, normality, and homoscedasticity. Additionally, the absence of extreme outliers and a Durbin-Watson statistic of 1.663 suggest that the indication of the independence of observations was satisfied. The results of the simple linear regression analysis for ISR and normative commitment are presented in Table 5.

### Table 5: Impact of ISR on normative commitment – Results of simple regression analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>95% confidence interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.007</td>
<td>0.326</td>
<td>6.157</td>
<td>0.000</td>
<td>1.360 to 2.654</td>
</tr>
<tr>
<td>ISR</td>
<td>0.260</td>
<td>0.083</td>
<td>0.303</td>
<td>3.143</td>
<td>0.096 to 0.425</td>
</tr>
</tbody>
</table>

Source: Authors’ research

The $R^2$ value was calculated as 0.092, which suggests that ISR accounts for 9.2% of the total variance in normative commitment (NC). Adjusted $R^2$ was 0.082, giving a similar result as $R^2$. The statistical significance of the model was confirmed by an F-statistic, $F(1, 98)=9.88$, $p=0.002$. The regression model is given as: $NC=2.007+0.26*ISR$. This means that for each one-unit increase in perceptions about ISR, normative commitment is expected to increase by 0.26 units. The 95% confidence interval for the coefficient of ISR is 0.096 to 0.425, implying that we are 95% confident that the true effect of ISR on normative commitment falls between 0.096 and 0.425.

The results of the analysis support our first hypothesis, indicating a meaningful and positive effect of ISR on employees’ affective commitment. Overall, the findings indicate a strong and statistically meaningful association between the perceptions of ISR and affective commitment, with ISR explaining almost half (49.2%) of the variance in affective commitment in the given model. These findings underscore the relevance of promoting an environment of ISR within the organization, as it enhances affective commitment. While
research in the service sector has been limited, findings from various studies align with the results of our research. Nguyen and Tu (2020) found that ISR positively correlates with affective commitment of employees in food processing enterprises in Vietnam. Low et al. (2017) found a positive relationship between ISR and affective commitment in the service sector in Malaysia. Thang and Fassin (2017) found that ISR positively affects affective commitment in the service companies in Vietnam. Turker (2009) found a positive relationship between ISR and affective commitment (62% of the respondents were from the service sector) in Turkey. Shibeika and Abdalla (2016) conducted research in the banking sector in Sudan and found that ISR positively impacts affective commitment. The research in the banking sector in Jordan of Al-bdour et al. (2010) demonstrated a positive relationship between ISR and affective commitment. A positive relationship between ISR and affective commitment was also found in several research studies in other industry sectors (George et al., 2020; Low & Ong, 2015; Mory et al., 2016; Story & Castanheira, 2019). These findings underscore the significance of ISR initiatives in enhancing affective commitment. By prioritizing employees’ well-being and providing fair treatment, organizations can foster stronger emotional attachment and commitment among their workforce.

The findings from our research confirm the second hypothesis, indicating a meaningful and positive effect of ISR on the employee’s continuance commitment. It is important to acknowledge that the findings from other studies have been mixed. While research such as those conducted by Thang and Fassin (2017) in Vietnamese service companies and Shibeika and Abdalla (2016) in Sudan’s banking sector, has revealed substantial and positive associations between ISR and continuance commitment, others, like the study by Al-bdour et al. (2010), have reported contrasting results. Therefore, further research is necessary to enhance our comprehension of the association between ISR and continuance commitment.

Our research findings support the third hypothesis, indicating a meaningful and positive effect of ISR on normative commitment among employees. As a reminder, normative commitment results from a feeling of obligation towards the company. These results emphasize the importance of cultivating ISR within company, in order to enhance normative commitment and loyalty among employees. Similar studies have found supportive results to our study. Nguyen and Tu (2020) found a positive correlation between SR towards employees and normative commitment among employees in food processing enterprises in Vietnam. Thang and Fassin (2017) found substantial and positive associations between ISR and normative commitment in Vietnamese service firms. Shibeika and Abdalla (2016) conducted research within Sudan’s banking sector and identified substantial and positive associations between ISR and normative commitment. The research of Al-bdour et al. (2010) showed a significant and positive relationship between ISR and normative commitment. In general, our research findings across the three parts of organizational commitment, demonstrate a positive and meaningful association between ISR and organizational commitment. These findings align with similar research conducted in the service sector of developing countries (Ekawati & Prasetyo, 2016; Oh et al., 2021; Radwan, 2015; Shibeika & Abdalla, 2016; Thang & Fassin, 2017).

5. Conclusion

The research findings demonstrate a positive effect of ISR on affective commitment, normative commitment, and continuance commitment. These results carry significant practical and theoretical implications.

First, the results indicate that companies in the service sector should prioritize ISR, focusing on areas such as career development, promotion opportunities, training and work-life
balance. These needs correspond to higher-order needs in Maslow’s hierarchy and contribute to increased employee commitment. Employees bring certain needs, skills and expectations to a company. They seek environments where they can effectively apply their skills and fulfill their needs. Thus, companies offering fair wages, safe working conditions, family support, and flexible working hours tend to foster higher levels of commitment among employees. Therefore, companies and managers should pay special attention to formulating SR strategy, especially those related to ISR, to enhance employee commitment and organizational performance.

Moreover, these findings underscore the relevance of incorporating the concept of ISR into companies’ employment and human resources management strategies, especially for those aiming to invest in socially responsible activities directed to employees. The significance of ISR is emphasized in the service sector, especially in hospitality, where positive perceptions of SR can enhance the attractiveness of companies for both existing and potential employees. Seeking feedback from employees regarding the implementation and effectiveness of socially responsible activities can be useful in refining and improving those initiatives. ISR activities can serve as powerful tools for employees’ retention within the company when they are well conducted and effectively communicated.

As for the theoretical implications of this study, in the light of the fact that the research explores the association between ISR and employee commitment in hotels and restaurants within the context of developing countries, the results contribute new insights to the existing literature. Furthermore, the study’s emphasis on employees represents a significant contribution, as much of the existing research in the hospitality industry tends to focus on environment, customers, or financial performance.

Despite the contributions outlined above, several limitations of this research should be acknowledged. Firstly, the sample size represents a significant constraint. More reliable results would be attained with a larger sample size. Additionally, because the study solely concentrated on the employees within the hospitality sector, comparisons with some other sectors were not possible.

Future research should aim to include other industry sectors and a larger pool of respondents to increase the generalizability of the results. Moreover, the influence of external SR on employees’ behavior could be investigated, and some other dimensions of employees’ attitudes or behaviors could be included in the analysis, beside organizational commitment.

Conflict of interest

The authors declare no conflict of interest.

References


Appendix 1: Items for variable measurement

**Internal social responsibility scale**
1. Employees are encouraged to enhance their skills and manage their careers.
2. The company prioritizes maintaining a healthy and safe working environment.
3. Employees are encouraged to engage in volunteer activities.
4. Employees’ needs and desires are the primary concern of our management.
5. A good work-life balance is provided through the flexible policies of our company.
6. Management usually makes fair decisions regarding employees.
7. Employees are supported when they seek to improve their education.
8. All kinds of discrimination (based on age, gender, disability, ethnicity, or religion) during recruitment and promotion are avoided in our company.

**Affective commitment scale**
1. Choosing to remain with this company until the end of my career would always be my first preference.
2. I consider every problem the company faces as my own.
3. I willingly engage in discussions about my company with people who do not work in it.
4. I do not have strong emotions toward my company.
5. I would not say that “family” is the right word for my relationship with my company.
6. Working in my company is very meaningful for me personally.
7. A strong sense of belonging is not something that I experience with my company.
8. It could be easy for me to form an attachment to some other company, similar to the one I have here.

**Normative commitment scale**
1. I believe it wouldn't be fair to leave the company even if I received a better offer from another company.
2. I believe that people change jobs too frequently.
3. Employee loyalty should not always be mandatory.
4. Changing companies too often is not unethical in my opinion.
5. The importance of loyalty is the main reason why I remain in this company; I feel morally obligated to stay.
6. Even with a better job offer in some other company, I could not leave because it would not be the right thing to do.
7. Loyalty to the company is very important in my personal value system.
8. Being a “company man” or “company women” is no longer considered a valued characteristic.

**Continuance commitment scale**
1. If I were to quit now, it would significantly disrupt my life.
2. Despite any desire to do so, it would prove quite challenging for me to depart from my company at this time.
3. I do not fear the consequences if I leave my job, even if I do not have a new job waiting for me.
4. It would incur too many expenses if I quit my job soon.
5. At the moment, I feel that staying at the company is a mix of desire and need.
6. I think that there are not too many options for me if I leave my company.
7. The downside is that there are not many options for me if I quit my job.
8. I am staying with this company because I have a pretty good compensation package. Leaving would mean losing a lot and I do not think another company could offer conditions like here.