

# The Mediating Role of Corporate Social Initiative on Organizational Culture and Employee Retention among Business Process Outsourcing

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**Abstract-** Business Process Outsourcing (BPO) has been one of the contributors in the Philippine economy since 1992. As it continuously flourishes, the problem on retaining employees has been a challenge since then. Many have employed understanding the role of organizational culture. An additional variable that the researcher finds to have an essential role in employee retention is corporate social initiative. In this study the researcher investigated the mechanistic role of corporate social initiative and its dimensions: economic, legal, ethical and philanthropic to organizational culture: hierarchy, market, clan and adhocracy, and employee retention: work life balance, career opportunities, appreciation and stimulation, and intention to stay. Through purposive sampling the researcher was able to gather 234 participants from BPO organizations in Metro Manila. The participants completed the Corporate Social Initiative Survey, Organizational Culture Assessment Inventory (OCAI) and Employee Retention Scale. With the use of multiple regression results suggest that hierarchy has a negative effect on legal and ethical, while all the dimensions in corporate social initiative has a positive effect on career opportunities, appreciation and stimulation, and intention to stay, and only ethical dimension has a positive effect on work life balance. Clan culture on the other hand gives a positive effect on career opportunities, and appreciation and stimulation. Hierarchy however, gives a negative effect on appreciation and stimulation. Mediation analysis further suggests that hierarchy has an inverse effect on employee appreciation and stimulation, and corporate social initiative have a positive effect on employee retention. With corporate social initiative as a mediator, the effect of hierarchy to appreciation and stimulation decreases. Employee retention programs were suggested at the end of this study.

**Index Terms-** Business Process Outsourcing, Corporate Social Initiative, Employee Retention, Organizational Culture

## I. INTRODUCTION

The Business Process Outsourcing (BPO) is bringing the Philippines economy to greater heights. According to Tuason (2016), outsourcing organizations have employed at least 900,000 employees in 2013 and were able to generate \$15.5 Billion within Metro Manila. The rise of Business Process Outsourcing has become one of the major contributors of economy since it started in the Philippines.

While the Business Process Outsourcing Industry flourishes, employee retention has become a challenge among these organizations. According to Bartolome (2014), employees find it challenging to stay in Business Process Outsourcing organizations because of various reasons like work schedules and coping with the standards of the organization. Since then employee turnover rates have been shaking through the years. According to Magkilat (2016), the employee turnover rate from 2011 to 2013 was 33%, 24%, and 26% and on 2016, and it went drastically up again to 70%.

With the continuous rise of employee turnover, human resources employee retention programs are challenged. According to Presbitero et al. (2015), Business Process Outsourcing-Human Resources Management has limited employee retention practices contributing to retention. Also, it should focus on organizational fit: values, norms and beliefs and its relation in retaining employees.

These factors contribute to retention as well. As cited by Gutterman (2016), culture can be briefly defined as the artifacts, values and the assumptions of an organization. Organizational culture plays a role in the interaction of employees in everyday functioning within the organization. According to Madueke et al. (2017), organizational culture influences the employee's perception, behavior and job performance. Certain culture can only retain employees.

Since employee retention holds firmly on the values of the organization. According to Meyer et al. (2000), the best culture

in retaining employees focuses on what the organization values. An organization that values people and innovation tends to retain employees more. In contrast, task and status quo focused organization tend to retain less. Culture that encourages invention and relationship has the most pleasing atmosphere in retaining employees.

While it is clear that culture has an influence on employee retention, the researcher also identified one of the most popular topic in the business process outsourcing that was less researched in the literature of industrial and organizational psychology – corporate social initiative.

The researcher identified corporate social initiative as one of the factors that contributes employee retention. According to Jun et al. (2016), Corporate Social Initiative increases awareness and encourages employees to take part or be active on the organizations social initiatives. Employees were able to find a sense of purpose and satisfaction by engaging to this kind of activities that leads to employee retention. According to Velasco (2013), Corporate Social Initiative is defined as an organization's responsibility to protect the welfare of the society by being moral, legal and profitable at the same time.

Further, corporate social initiatives are rooted on the culture of the organization. According to Ubius et al. (2009), organizations with heirarchy kind of culture and market reflects on organizations implementation on social issues while adhocracy focuses on external stakeholders like the global market, competitors and customers.

Corporate social initiatives and organizational culture shows good effects on employee retention. However, only a few literature examined the mechanistic role of corporate social initiative to organizational culture that leads to employee retention in the Philippine context.

Business Process Outsourcing as one of the contributors of the economy, service provider and biggest employers of the country is relevant for this study. In the opinion of the researcher, corporate social initiatives and organizational culture is vital in employee retention and needs to be examined.

## II. OBJECTIVES OF THE STUDY

This paper primarily aims to explain the mechanistic role of corporate social initiative to the culture of the organization and employee retention practices of Business Process Outsourcing employees in Metro Manila. This paper contends that corporate social initiatives play a vital role on the culture of the organization that will lead to employee retention

## III. LITERATURE REVIEW

### Corporate Social Initiative History and Definition

Corporate Social Initiative (CSI) has a numerous definition since 1950s to 21st century. According to Hamidu et al. (2015), corporate social initiative's definition has been developed through the years. In the early 19th century all upholding charitable deeds toward for the betterment of the society was a social initiative. In 1950's the scope of social initiative was broaden up to public responsibility: it should be something that be given freely and without conditions. According to Khoury et al. in 1999, social initiative implemented by organizations should not be limited it should benefit the majority including employees, external stakeholders like investors, customers, the government, and even competitors.

The definition and scope of corporate social initiative was further elaborated in late 19th century by some scholars as part of organization's responsibility to the society. As cited by Chmielecki (2014), social initiative acts an agreement between the organization and the society. An organization was granted by the society to function and to be profitable and as a debt of gratitude organizations should return to the society.

Corporate social initiative was further developed and had been the norm since then. According to Hamidu et al. (2015), social initiative has been functioning alongside with businesses while sustaining the financial health of the organization.

Though there are different ways to define and understand corporate social initiative, now it can be defined relative to good deeds and an act of good will. According to Wang et al. (2016), corporate social initiative is the corporation's obligation and duty to the society that is free from its profitable ideals.

To briefly explain the definition and concept of corporate social initiative, the researcher utilized the concept of Archie B. Carroll. According to Carroll (2016), Corporate Social Initiative is composed of levels that can skip stages depending on the needs and capability of an organization. Simply, it can be illustrated as a four level pyramid. Starting at the lower level is the economic responsibility, followed by legal responsibility, ethical responsibility, and at the top most part is the philanthropic responsibility.

### Employee Retention

There are many ways to define employee retention. To briefly describe it, the researcher made use of the definition of Mita et al. (2014) and Bidisha et al. (2013). According to Mita et al. (2014), employee retention is an ability of an organization to retain their employees for a long period of time. And Bidisha et al. (2013) defined it as a way to convince employees to remain in the organization.

As an ability of an organization to take hold of their employees there are many factors that affects employee retention. According to Kossivi et al. (2016), some of the factors affecting employee retention are career opportunities for employees, compensation, work-life balance, management or the leadership, environment, social support and training and development. In addition

according to Shonubi (2017), employee appreciation and stimulation are factors of employee retention as well.

### **Organizational Culture**

Culture defines the artifacts, values and assumptions of an organization. To better understand the mechanism among these culture layers Cameron and Quinn in 1999 used the Competing Values Framework. The researcher will better explain the phenomena behind different types of culture.

As cited by Gupta (2011), there are four types of culture dominating an organization: hierarchy, market, clan and adhocracy.

## **IV. METHODOLOGY**

### **Research Design**

The researcher used the quantitative research design to analyze the mediating role of corporate social initiative to and organizational culture. Mediating quantitative research design makes use of a mediator variable that further explains its mechanistic role between the relationship of the predictor and the outcome. The mediator variable explains the “how” and “why” the predictor variable caused and affected the outcome variable (Frazer, Tix, & Barron, 2004).

### **Respondent and Study Site**

The participants of this study were employees of Business Process Outsourcing (BPO) organizations in Metro Manila employing either formal or informal corporate social initiative. Purposive random sampling was used to get the sample respondents. Criteria for sampling were employees from Business Process Outsourcing employed in any of the following: contact/ call centers, software development, animation/ creative services, data transcription, back office processing and engineering design.

### **Research Instruments**

The researcher used the following instrument for data gathering:

#### **Personal Profile Questionnaire**

The researcher used a self-made questionnaire to gather information. The following questions were included in the questionnaire: location, gender, marital status, educational attainment, number of years in the organization, job title, and salary.

#### **Corporate Social Initiative Survey**

The researcher used a 16-item questionnaire to measure corporate social initiative from Maignan & Mulaessa. Initially, the survey was used to measure the perception of different employees and consumers on corporate social initiatives and how it impacts consumer support and purchase. Sample was taken from 200 apparel firms across China both from consumers and employees.

The 4 point Likert scale from 1 – strongly disagree to 4 – strongly agree measures the four dimension of corporate social

initiative namely: economy (ECO), legal (LEG), ethical (ETH) and philanthropic (PHI). Each dimension consisting of four items have a reliability of Cronbach Alpha of ECO = .89, LEG = .85, ETH = .83, PHI = .82 (Maignan, 2001). According to Mulaessa et al. (2017), the dimensions through factor analysis correlated each other having a Cronbach’s alpha of .82. As per Churchill et al. (1984), the cronbach alpha is above the recommended making it reliable.

The Model fit was confirmed through the use of goodness of fit: Comparative Fit Index (CFI) = .97, Tucker-Lewis (TLI) = .92 and Root means square error of approximation (RMSEA) = .06. The instrument was also used in France, Germany, and US.

### **Organizational Culture Assessment Inventory (OCAI)**

The researcher used the Organizational Culture Assessment Inventory (OCAI) to identify the existing and dominant culture in the organization and which culture affects employee retention and its relationship to the organization’s corporate social initiatives.

The survey was constructed by Cameron and Quinn. According to Heritage et al. (2014), the instrument was used to identify the current culture and the preferred culture of the organization. It is often used in diagnosis and organizational change. The instrument seeks to identify the artifacts, values and assumptions of the organization.

The instrument was constructed alongside to its model, The Competing Values Framework that shows that organizational culture may vary from four types of culture namely: hierarchy, market, clan and adhocracy. The instrument shows an excellent validity, good reliable estimates from norms. According to Choi et al (2010), the instrument was normed from 800 to 10,000 employees and has a validity of Cronbach alpha of .70 to .80 showing an excellent validity and .58 to .88 Cronbach alphas for reliability.

The OCAI consists of six questions having four alternatives each equivalent to 100 points.

### **Employee Retention Scale**

To measure employee retention the researcher used Employee Retention Scale that was developed by Sharma and Misra. The 18-item scale was initially administered to measure employee retention among IT employees in India. The instrument has a good measure of reliability from 410 employees from three multinational companies (MNC) having .90 Cronbach Alpha. Further, exploratory factor analysis was utilized to identify the four factors of the scale and to check validity. The factors are Appreciation and Stimulation (APPASTI) highest loading (APPASTI2=.89) and lowest loading (APPASTI3=.79), Career Opportunities (COPPORTU) highest loading (COPPORTU3=.92) and lowest loading (COPPORTU4=.88), work-life balance (WLBALANCE) highest loading (WLBALANCE4=.89) and lowest loading (WLBALANCE2=.86), and intention to stay (INTSTAY) highest

loading (INTSTAY2=.87) and lowest loading (INTSTAY3=.83). In a matrix the factor analysis showed a value greater than .7 which indicates a significant result in factor analysis that makes it valid.

The employees can respond in five point scale from 1 – strongly disagree, 2- disagree, 3-neutral, 4-agree, 5- strongly agree.

**Data Analysis**

The researcher used Multiple Regression Analysis to analyze the relationship between Corporate Social Initiative, Organizational Culture and Employee Retention. According to Frazer et al. (2004), multiple regression is best used to analyze three variables in mediating quantitative research. First, it will measure if the predictor variable shows a regression on outcome variable and the role of the mediating variable. In this research it will be the Organizational Culture to Employee Retention and Corporate Social Initiative. Second, to see if the mediator variable which is the Corporate Social Initiative regress on Organizational Culture to establish path A. Third, to see if there is a regression from the mediator variable Corporate Social Initiative on Employee retention for path B. And lastly, to establish the mechanistic role of Corporate Social Initiative between Organizational and Employee Retention for path C.

To statistically analyze the data. The researcher used SPSS Statistics 21.0 software to tally the mean scores and standard deviation for each variable. Further, multiple regression was used to analyze the three variables. Formulas for mean, standard deviation and multiple regressions were also used. The researcher used Inferential statistics to test the hypothesis and Pearson Product Moment Correlation (r).

**V. RESULTS AND DISCUSSION**

This part presents the results and discussion of the data based from the problem. Included in this chapter is the discussion of the mean scores and standard deviation, the significant relationship and the mediating relationship of the following variables: corporate social initiative, employee retention and organizational culture and its statistical implications.

**What are the mean scores and standard deviation of the respondents in terms of the following variables:**

**Corporate Social Initiatives and its dimensions: Economic, Legal, Ethical and Philanthropic as measured by Corporate Social Initiative Survey**

**Table 1** Mean Score and Standard Deviation of Corporate Social Initiative

	Mean	Std. Deviation	Variance	Verbal Interpretation
Economic	3.25	0.56	0.32	Average
Legal	3.23	0.55	0.31	Average
Ethical	3.18	0.51	0.26	Average
Phila	3.12	0.56	0.31	Average
CSI Totl	3.20	0.47	0.22	Average
N = 234				

Table 1 shows the mean scores and standard deviation of corporate social initiative as measured by corporate social initiative survey. It shows that all the dimensions fall under “average” among 234 participants from different BPO organizations. This indicates that most of the BPO organizations where the data were gathered implements an “average” on corporate social initiative on economic, legal, ethical and philanthropic.

Among the dimensions the economic is the highest with a mean score of 3.25 and SD of 0.56 followed by legal with a mean of 3.23 and SD of 0.55, ethical with a mean of 3.18 and SD of 0.51 and lastly philanthropic (phila) with a mean of 3.12 and SD of 0.56. The total corporate social initiative (CSI Totl) mean score is 3.20 and SD of 0.47. All dimensions and total corporate social initiative falls under “average”.

This suggests that the BPO organizations where the data were gathered were ranked respectively: economic, legal, ethical and philanthropic. This implies that the BPO organizations tend to provide the corporate social initiatives in an average level. Employees perceive that the organizations they belong in tend to focus on helping the economy by being profitable, providing good circulation of investments, increasing profit and increasing the organization’s market value. Next, organizations focus on adhering to the rules implemented by the government and comply with the legal duties and policies. Also, they focus on providing ethical practices to both internal and external stakeholders by ethical leadership like appropriate behavior towards others. This also includes good compensation and benefits to internal stakeholders. Lastly employees perceive their organizations focus on philanthropic which emphasizes on giving back to the society through free services. Though all the aspects in corporate social initiative were provided as perceived by employees it was practiced on an average level only.

**Organizational culture and its dimensions: Heirarchy, Market, Clan and Adhocracy as measured by Organizational Culture Assessment Inventory**

**Table 2** Mean Score and Standard Deviation of Organizational Culture

	Mean	Std. Deviation	Variance	Verbal Description
Clan	27.57	6.61	43.69	Low
Adhocracy	23.78	4.53	20.55	Low
Market	24.09	5.38	28.96	Low
Hierarchy	24.56	5.33	28.43	Low
N = 234				

Table 2 shows the mean scores and standard deviation of organizational culture as measured by Organizational Culture Assessment Instrument. It shows that all dimensions fall under “low” verbal interpretation among 234 participants from different BPO organizations.

Among the dimensions clan culture got the highest mean score of 27.57 and SD of 6.61 with a verbal description of “low” followed by hierarchy culture with a mean score of 24.56 and SD of 5.33 with a verbal description of “low”, market culture with a mean score of 24.09 and SD of 5.38 with a verbal description of “low” and adhocracy culture with a mean score of 23.78 and SD of 5.38 with a verbal description of “low”.

From the results this indicates that dominant culture of the BPO organizations observed by the participants are as follows: clan culture, hierarchy, market and adhocracy. This suggests that employees of this organization’s perceive that the dominant culture of their organization focuses on improving them, forming interpersonal and professional relationships with them and engaging them more. Next to clan is hierarchy where employees perceive that the organization tends to focus on regulation and order which focuses on rules, regulations, policy and proper communication. Employees also perceive that aside from clan and hierarchy the organization values competition and production. They give emphasis on customers and suppliers. And the least culture practiced by organization perceived by employees is the culture of encouragement where they are asked to innovate, adapt to the changing environment and research development. All of the culture type was present but was rated low that indicates that all of it was present but was perceived by employees as low, meaning it can be felt but in a low level only.

**Employee Retention and its dimensions: Appreciation and Stimulation, Career opportunities, Work life balance and Intention to stay as measured by Employee Retention Scale**

**Table 3** Mean Score and Standard Deviation of Employee Retention

	Mean	Std. Deviation	Variance	Verbal Interpretation
Worklife	3.16	0.65	0.42	Average
Career Op	3.60	0.72	0.52	High
Appre	3.73	0.70	0.49	High
Int to Stay	3.48	0.67	0.45	High
EmRS	3.49	0.54	0.29	High
N = 234				

Table 3 shows the mean scores and standard deviation of employee retention as measured by employee retention scale. It shows that all dimensions fall under “high” verbal interpretation except work life balance (Worklife) which is “average” among 234 participants from different BPO organizations. This indicates that most of the BPO organizations where the data were gathered implements “high” employee retention technique and strategies.

Among the dimensions appreciation and stimulation (Appre) got the highest mean score of 3.73 and SD of 0.70 with a verbal interpretation of “high” followed by career opportunities (Career Op) with a mean score of 3.60 and SD of 0.72 as “high”, intention to stay (Int to Stay) with a mean score of 3.48 and SD of 0.67 “high” and work life balance (Worklife) with a mean score of 3.16 and SD of 0.65 with a verbal interpretation of “average”.

From the results this implies that employees perceive that feeling appreciated and stimulated, open career opportunities for them, and their intent to stay influences them more to stay in the organization however work life balance contributes less compared to the first three.

**Is there a significant relationship between the following variables and its dimensions:**

**Organizational Culture: hierarchy, market, clan and adhocracy and Corporate Social Initiatives: economic, legal, ethical and philanthropic**

**Table 4** Correlation of Organizational Culture and Corporate Social Initiative

		Economic	Legal	Ethical	Phila	CSI Totl
Clan	Pearson Correlation	0	0.04	0.069	0.082	0.055
	Sig. (2-tailed)	0.997	0.539	0.294	0.212	0.401
	N	234	234	234	234	234
Adhocracy	Pearson Correlation	0.033	0.042	0.058	0.007	0.04
	Sig. (2-tailed)	0.614	0.525	0.377	0.917	0.542
	N	234	234	234	234	234
Market	Pearson Correlation	0.029	0.045	0.012	0.013	0.029
	Sig. (2-tailed)	0.66	0.489	0.851	0.846	0.656
	N	234	234	234	234	234
Hierarchy	Pearson Correlation	-0.058	-.131*	-.147*	-0.12	-.132*
	Sig. (2-tailed)	0.381	0.045	0.024	0.066	0.044
	N	234	234	234	234	234

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

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

Table 4 shows the correlation of Organizational Culture and Corporate Social Initiative. Organizational culture: hierarchy,

market, clan and adhocracy and corporate social initiatives: economic, legal, ethical and philanthropic. The numbers highlighted are the significant organizational culture predictors of corporate social initiative.

The results from multiple regression reveal that there is a negative correlation between organizational culture's hierarchy on legal which has a coefficient of -.131 at 0.05 level of significance, ethical -.147 at 0.05 level of significance and at the total of corporate social initiative -.132 at 0.05 level of significance. Other dimensions like clan, adhocracy and market shows no correlation on economic, legal, and ethical aspects. Only hierarchy culture type has a significant relationship with legal and ethical and the corporate social initiative total.

This suggests that if the hierarchy culture of an organization which focuses on proper implementation of order, rules, regulations, policy and direction of communication increases or vice versa, the legal and ethical aspect of the corporate social initiative decreases or vice versa. Legal and ethical includes adhering to the rules and regulations implemented by the government and any local legal bodies and what is moral for stakeholders. This also includes good corporate governance and adherence to the policies, processes, and maintaining accountability, objectivity and integrity.

**Corporate Social Initiatives: economic, legal, ethical and philanthropic and Employee Retention: appreciation and stimulation, career opportunities, work life balance and intention to stay**

**Table 5** Correlation of Corporate Social Initiative and Employee Retention

		Worklife	Career Op	Appre	Int to Stay	EmRS
Economic	Pearson Correlation	0.046	.302**	.336**	.158	.275**
	Sig. (2-tailed)	0.486	0	0	0.015	0
	N	234	234	234	234	234
Legal	Pearson Correlation	0.016	.335**	.373**	.239**	.314**
	Sig. (2-tailed)	0.808	0	0	0	0
	N	234	234	234	234	234
Ethical	Pearson Correlation	.129*	.370**	.463**	.248**	.393**
	Sig. (2-tailed)	0.048	0	0	0	0
	N	234	234	234	234	234
Phila	Pearson Correlation	0.066	.303**	.441**	.194**	.327**
	Sig. (2-tailed)	0.314	0	0	0.003	0
	N	234	234	234	234	234
CSI Totl	Pearson Correlation	0.073	.381**	.468**	.244**	.380**
	Sig. (2-tailed)	0.263	0	0	0	0
	N	234	234	234	234	234

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

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

Table 5 shows the relationship between corporate social initiatives: economic, legal, ethical and philanthropic, and employee retention: appreciation and stimulation, career opportunities, work life balance and intention to stay. The numbers highlighted are the significant corporate social initiative predictors of employee retention.

The results from multiple regressions reveal that there is a positive correlation between corporate social initiative and employee retention with a correlation coefficient of .380 at 0.01 level of significance. This suggests that the organization's obligation and duty to the society free from its profitable ideals has a positive impact on retaining employees. As the corporate social initiative of the organization increases employee retention also increases and vice versa.

The result of the study implies that employees perceive all corporate social initiative increases employee retention. Economic practices of the organization that includes contributing to the economy of the country positively affect their perception on how the organization open opportunities for them, appreciate and stimulate them and overall affect their intention to stay. This further affects the legal aspect where the organization tends to follow, comply and adhere to the regulations given by the government and philanthropic where it gives back to the society through free services. Ethical aspect which focuses on ethical leadership that encourages proper behavior among leaders and ethical practices that provides proper compensation and benefits to employees gives a more bigger impact on employee retention since it was able to affect all the aspect of employee retention including work life balance which were not included in the first three dimensions.

**Organizational Culture: hierarchy, market, clan and adhocracy and Employee Retention: appreciation and stimulation, career opportunities, work life balance and intention to stay**

**Table 6** Correlation of Organizational Culture and Employee Retention

	Worklife	Career Op	Appre	Int to Stay	EmRS	
Clan	Pearson Correlation	0.05	<b>.148*</b>	<b>.196**</b>	-0.036	0.118
	Sig. (2-tailed)	0.447	0.023	0.003	0.586	0.072
	N	234	234	234	234	234
Adhocracy	Pearson Correlation	0.012	0.016	-0.026	-0.007	-0.002
	Sig. (2-tailed)	0.851	0.811	0.693	0.914	0.98
	N	234	234	234	234	234
Market	Pearson Correlation	-0.024	-0.096	-0.043	0.087	-0.026
	Sig. (2-tailed)	0.721	0.142	0.508	0.183	0.688
	N	234	234	234	234	234
Hierarchy	Pearson Correlation	-0.049	-0.1	<b>-.176**</b>	-0.038	-0.118
	Sig. (2-tailed)	0.459	0.127	0.007	0.566	0.072
	N	234	234	234	234	234

\*\* . Correlation is significant at the 0.01 level (2-tailed).  
 \* . Correlation is significant at the 0.05 level (2-tailed).

Table 6 shows the correlation between organizational culture: hierarchy, market, clan and adhocracy and employee retention: appreciation and stimulation, career opportunities, work life balance and intention to stay. The numbers highlighted are the significant organizational culture predictors of employee retention.

The results from multiple regressions reveal that there is a positive correlation between organizational culture's clan on employee retention's career opportunities (Career Op) which has .148 at 0.05 level of significance, and appreciation and stimulation (Appre) .196 at 0.01 level of significance. Hierarchy culture on the other hand has a negative correlation on appreciation and stimulation (Appre) at -.176 at 0.01 level of significance. Other dimensions like adhocracy and market shows no correlation on work life balance (Worklife) and intention to stay (Int to Stay) aspects.

This implies that employees perceive clan culture that focuses on employee improvement, engagement and relationship and gives emphasis on employee morale, humane treatment and development was perceived by employees to help increase career opportunities for them and they feel more appreciated and stimulated because of it. A hierarchy culture on the other hand that focuses on bureaucratic management and gives emphasis on proper regulation and order, implementation of rules and policies and accurate flow of information makes the employees feel less appreciated and stimulated.

### Is Corporate Social Initiative: mediates between the Organizational Culture and Employee Retention?

**Table 7 Path A: Hierarchy and Corporate Social Initiative Total**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part
1 (Constant)	4.295	0.213		20.12	0	3.874	4.715			
	Hierarchy	-0.023	0.008	<b>-0.176</b>	-2.731	0.007	-0.04	-0.006	-0.176	-0.176

a. Dependent Variable: Appre

Table 7 shows the path A: hierarchy and corporate social initiative total. In here the predictor organizational culture: hierarchy shows that it gives a negative correlation to corporate social initiative total (CSI Totl).

**Table 8 Path B and C': Corporate Social Initiative Total mediator to Appreciation and Stimulation, Corporate Social Initiative Total as a mediator between Hierarchy and Appreciation and Stimulation**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part
1 (Constant)	1.94	0.357		5.431	0	1.236	2.644			
	Hierarchy	-0.015	0.008	<b>-0.117</b>	-2.006	0.046	-0.03	0	-0.176	-0.131
CSI Totl	0.676	0.087	<b>0.453</b>	7.792	0	0.505	0.847	0.468	0.456	0.449

a. Dependent Variable: Appre

Table 8 shows the path B and C': corporate social initiative total mediator to appreciation and stimulation and corporate social initiative total as a mediator between hierarchy and appreciation and stimulation.

The results showed that corporate social initiative total (CSI Totl) has a coefficient of 0.453 as a mediator to appreciation and stimulation. This suggests that corporate social initiative practices like economic, where the organization contributes to the development of the national economy through shares, profits, market value and the effectivity of the operations and good manpower. Legal where the organizations adhere to the rules and regulations implemented by the government, ethical where the organizations morally implement and give their services to both internal and external stakeholders through good ethical leadership and proper management and compensation to employees. And philanthropic where the organization helps the needy through free services and outreach program all impact how employees feel and perceive that they feel appreciated and stimulated.

However, the result showed a decrease on coefficient from its correlation between corporate social initiative total (CSI Totl) and employee retention: appreciation alone.

In a simple correlation between corporate social initiative: corporate social initiative total (CSI Totl) and employee retention: appreciation and stimulation. It gives a positive correlation of .468 at 0.01 level of significance while on mediation it gives a .453 at 0.01 level of significance. This suggests that due to the effect of organizational culture: hierarchy

it lessens the effect of corporate social initiative to employee retention. Though there is a slight difference it shows that corporate social initiative total lessen the effect on employee retention because of the existence of organizational culture: hierarchy.

In addition, organizational culture: hierarchy effect on employee retention also decreases because of the existence of corporate social initiative as a mediator. From the correlation analysis in Table 12 shows that organizational culture: hierarchy and employee retention has a coefficient of -.176 on employee retention: appreciation and stimulation while it decreases on mediation with corporate social initiative total with a coefficient of -.117.

This suggests that organizational culture: hierarchy gives a negative correlation on employee retention: appreciation and stimulation. The more that the organization focuses on leadership, management, proper implementation of order, and strict issuance of rules and regulations the employee feels unappreciated and unmotivated. However, with good corporate social initiatives through economic, legal, ethical and philanthropic practices it lessens the effect. Corporate social initiative serves as a shield that lessens the tendency of the employee to feel unappreciated and discouraged.

## VI. CONCLUSION

After determining the significant relationship between organizational culture and corporate social initiative, corporate social initiative and employee retention, and organizational culture to employee retention, and corporate social initiative as a mediator between the two variables, the following conclusions were attained:

1. Hierarchy or bureaucratic type of culture that focuses on implementing rules and regulations, policy, direction of communication and fair and orderly production negatively affects legal and ethical responsibility of corporate social initiative that includes good governance and ethical practices.
2. Corporate social initiative practices: economic, legal, and philanthropic as perceived by employees promote employee retention in terms of career opportunities, appreciation and stimulation, and intention to stay. Ethical responsibility on the other hand promotes all the factors to retain employees such as work life balance.
3. Clan culture as perceived by employees boosts career opportunities and appreciation and stimulation. Hierarchy culture on the other hand as perceived by employees makes them feel less appreciated and stimulated.
4. Hierarchy type culture affects employee retention negatively however, corporate social initiative as a mediator decreases its effect.

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