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Corporate Social Responsibility and Employee Engagement in Commercial Banks

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Abstract

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Purpose: This study evaluates how corporate social responsibility (CSR) practices impact employee engagement in Nepalese commercial banks.

Methods: The study used a descriptive and casual comparative research design. Data were gathered using a structured questionnaire with a seven-point rating scale to ensure reliable responses. It focused on a group of 300 bank employees, selected using a convenience random sampling method.

Results: The results of the study depict that training and development positively impact employee engagement, followed by workforce diversity and human rights. Work-life balance also increases engagement, but health and safety did not significantly influence engagement. It finds that CSR activities help improve employee involvement and motivation. This highlights the importance of including CSR in a bank's plans to build a more engaged workforce.

Conclusion: The study concludes that internal CSR policies, primarily those that emphasize training and building enabling work environments, are critical to enhancing employee engagement in Nepalese banks. Organizations that focus on these areas are more likely to have greater employee engagement, productivity, and long-term sustainability. Future studies should look into specific internal CSR activities, their effects, and ways to retain young employees to improve engagement and productivity.

Keywords: Corporate social responsibility, employees, banks, job performance

I. Introduction

In today's fast-evolving business landscape, company leaders recognize the importance of a skilled and effective workforce for growth and sustainability (Forbes Tech Council, 2021). So, companies really need to keep their workers involved these days. Internal corporate social responsibility focuses on aspects related to employees, including providing them with training, encouraging employee participation, fostering high commitment, ensuring health and safety, and supporting disabled employees, all of which contribute to enhancing employee

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engagement and loyalty (De Vos & Meganck, 2018). In Nepal, most CSR efforts are focused on helping marginalized communities through social projects, which has created a common misunderstanding that CSR is only about charity and requires significant financial resources (Kandel, 2018). While CSR has gained attention, especially after natural disasters (Khanal, 2019), the understanding of CSR's broader impact, especially in areas like internal CSR, remains limited.

Employee engagement refers to the positive emotions of enthusiasm, commitment, and focus towards work, providing a sense of satisfaction and fulfillment (Diotaiuti et al., 2021). Kahn was one of the first researchers to study employee engagement, and his definition from 1990 has influenced much of the research conducted in schools and universities on this topic. According to him engagement is when people fully use themselves in their work, both physically and mentally, showing it through what they do and how they feel about it. Commitment and enthusiasm to one's job have been defined as work engagement (Coetsee et al., 2014). Howard R. and Bowen says organizations affect everyone, not just stakeholders. Everyone involved with an organization is a stakeholder. The research supports the perspective that employees are motivated to put in additional effort when they perceive their work as meaningful to the community (Glavas & Piderit, 2009). Corporate social responsibility means that companies promise to behave ethically and improve the economy while also making life better for their employees, families, local communities, and society overall (Turcsanyi & Sisaye, 2013; Dahiyat et al., 2012; Obeidat et al., 2012). Corporate social responsibility has two main aspects: one related to internal practices within the company, and the other concerning its external actions (Chatzopoulou et al., 2022). External CSR focuses on helping society, like protecting the environment. Internal CSR is about how a company treats its employees, offering things like training and chances to be involved in the company. Both types help make the company more successful, but they do it in different ways (Van Prooijen et al., 2020). Bhaduri and Selarka (2016) observed that organizations are recognizing the importance of CSR, not only from a societal aspect, but also from the perspectives of stakeholders and organizations.

Some employees may not engage with CSR initiatives because they don't match their values (Bhattacharya et al., 2008). Many companies haven't recognized CSR as a way to effectively engage and retain employees (Anita, 2014; Chaudhary, 2017; Millar, 2012). Understanding how CSR affects employees' attitudes and behavior is crucial for drawing accurate conclusions about its impact. To assess employee engagement, five facets of internal CSR—work-life balance, training and development, health and safety, workforce diversity, and human rights—are taken into account (Smith et al., 2019). Chaudhary (2017) stresses the need for studies in varied contexts due to potential differences in CSR outcomes between developed and developing countries. Previous studies have mostly examined three dimensions of internal CSR—work-life balance, training and development, and health and safety. This study extends the research by adding workforce diversity and human rights dimensions to analyze employee engagement. However, previous research by Chapagain (2013), Gautam (2016), and Gaurav (2015) has focused on different sectors such as manufacturing and producing companies. The existing literature on CSR and employee engagement is focused in Nepal's commercial banking. Furthermore, existing research mainly originates from developed countries, leaving a gap in understanding CSR practices in Nepal. The specific objectives of the study are as follows:

- To examine the differences among gender, qualification of respondents with regard to workforce diversity, training & development, human rights, health & safety, work life balance on employee engagement.
- To measure the relationship between workforce diversity, training & development, human rights, health & safety, work life balance on employee engagement.
- To evaluate the effect of workforce diversity, training & development, human rights, health & safety, work life balance on employee engagement.

II. Reviews

Employee Engagement

Leiter and Bakker (2010) stated "The energy and focus inherent in work engagement allow employees to bring their full potential to the job." This demonstrates the dynamic nature of engagement, in which people are significantly invested in their work, providing energy and a willingness to take charge. The current study uses Kahn's (1990) definition of employee engagement, which describes it as "harnessing of the organization members' selves to their work roles; in engagement, people employ and express themselves physically, mentally, and emotionally during role performances. Engagement is influenced by both personal motivations and the organizational environment, with individuals ultimately deciding how much effort to put into their work (Rich et al., 2010). Castellano (2012) expands this by viewing engagement as a connection to the organization's goals and values. Additionally, Moideenkutty (2006) emphasizes that social exchanges in the workplace, based on mutual support and recognition, strengthen employee engagement. Finally, CSR activities enhance engagement by aligning employees with the organization's values, leading to a greater sense of pride and purpose (Eisenberger et al., 2001).

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is generally described as corporations engaged in decisions that benefit both society and the company, integrating social and economic benefits (Davis, 1973). CSR has grown in importance over time, with firms expected to maximize profits while conforming to ethical norms and benefiting society (Carroll, 1999; Lee, 2013). CSR has an impact on employees' attitudes, such as dedication to the organization, job satisfaction, and engagement in other activities (Jones et al., 2014; Rupp et al., 2013). External CSR focuses on society and the environment, whereas internal CSR focuses on employee well-being, including health, safety, and growth (Tamm et al., 2012; Kim et al., 2018). Employees who feel safe and valued at work are more likely to perform well (Friend & Kohn, 2007), and CSR policies that address health and safety, human rights, and work-life balance contribute to a positive workplace (Canon & Cooper, 2000; Heathfield, 2022). Overall, CSR enhances society by increasing employee engagement and satisfaction (Vlachos et al., 2014).

Social Exchange Theory

The social exchange theory presented by Blau (1964) is based on the "reciprocity" concept, considering that if an organization is fair, caring, and kind with its employees, then employees, in turn, will reciprocate the same generous behavior towards firm (Cropanzano & Mitchell, 2005). Over time, this relationship shapes itself into trust, loyalty, and commitment (Farooq et al., 2013). Studies suggest that CSR initiatives can foster a social exchange relationship between organizations and employees. When organizations engage in responsible practices, employees perceive this as a benefit and are more likely to reciprocate through increased engagement, loyalty, and organizational citizenship behaviors (Moideenkutty, 2006).

Stakeholder Theory

Stakeholder perspective is one of the most widely used theoretical frameworks in the literature to explain the concept of CSR. The present study adopts the conceptualization of CSR proposed by Turker (2009). A study found that organizations that engage in CSR activities tend to have more satisfied and committed employees. By fulfilling their responsibilities towards employees as stakeholders through CSR initiatives such as fair labor practices, employee development programs, and community involvement, organizations can enhance employee engagement. Stakeholders trust will impact on company's profitability and success. Therefore, it is concluded that corporate social responsibility has positive impact on the financial performance of a firm (Brine et al., 2007).

Empirical Review

Peter Drucker (1946) highlighted that businesses achieve success when their objectives are aligned with community demands and government expectations. He further highlighted the significance of treating employees as important resources, prioritizing their rights and development. Fichman and Levinthal (1991) agreed, arguing that corporate social responsibility (CSR) programs should prioritize employees. These core ideas established a solid correlation between business success and employee treatment within CSR frameworks.

Building on these ideas, Donaldson and Preston (1995) concluded that CSR improves employee relations. When firms prioritize social and ethical duties, employees feel appreciated and respected, which promotes trust, teamwork, and organizational commitment. This beneficial regard leads to improved overall performance and financial success, demonstrating the broader influence of CSR on employee well-being and business success.

Further research confirmed the concept that CSR benefits employees in a variety of ways. For example, Turker (2009) found that internal CSR enhances both physical and psychological work conditions by addressing health, training, equality, and work-life balance. Vives (2006) supported this idea by stating that internal CSR activities should focus on employee health, possibilities, and balancing work and family life, highlighting the importance of workplace well-being.

In line with these opinions, Castka et al. (2004) observed that organizations that practice both internal and external CSR establish more dedication and reliability. They highlighted that employees, as valuable assets, deserve to be prioritized through efforts that address their health and improve workplace structures, confirming the link between CSR practices and employee satisfaction.

Similarly, Al-Bdour et al. (2010) studied how internal CSR in areas such as health, safety, and work-life balance promotes organizational commitment. Carroll and Shabana (2010) observed that internal CSR promotes shared goals between employers and employees, resulting in competitive advantages for the firm. Shah and Bhaskar (2010), using a case study of Bharat Petroleum Corporation Ltd., highlighted CSR as a bridge connecting corporate contributions to public welfare, illustrating the mutual benefits of CSR to both firms and communities.

While internal CSR has immediate benefits, the financial impact of social responsibility efforts is questionable. Soana (2011) discovered that, while CSR investments in Italian banks did not negatively impact financial performance, they did not provide immediately apparent financial advantages. In contrast, Bibhu (2012) noticed that many corporations focus on profit-driven CSR initiatives, addressing issues such as child labor and food scarcity but frequently overlooking the poor's basic needs, indicating a gap in CSR efforts focused at those most in need.

The importance of CSR's internal influence has increased. Mory et al. (2015) discovered that, while external CSR frequently overshadows internal CSR, the latter still offers significant benefits, such as increasing employee morale, attracting talent, and improving reputation. This is consistent with the findings of Poudel (2015), who identified a favorable relationship between corporate governance and CSR transparency in Nepalese banks, emphasizing the importance of CSR policies. Tariq (2015) shown that employee satisfaction with CSR activities can reduce turnover and improve work performance, emphasizing CSR's positive impact on employee retention.

Internal CSR's function in improving employee engagement has also gained acknowledgment. Gupta and Sharma (2021) discovered an increasing interest in how internal CSR influences employee engagement, notably in the banking sector. Ali et al. (2021) demonstrated that internal CSR considerably increases employee engagement in this industry, whereas Georgios and Ioanna (2018) discovered that CSR practices improve employee engagement even during problems, indirectly enhancing organizational efficiency.

In a broader context, Chapagain (2021) analyzed CSR in Nepal and concluded that both internal and external CSR have a positive effect on companies' reputation and profitability, especially in emerging economies. H.M. et al. (2022) stated that employees are more engaged when they view their firm actively caring about people, the environment, and future generations, highlighting the relevance of comprehensive CSR policies in developing a devoted workforce.

Ali et al. (2010) stressed that internal CSR activities are largely concerned with employees, particularly in terms of human capital investment. Martinuzzi et al. (2010) stated that effective internal CSR involves fair and efficient HR policies such as ensuring health and safety, respecting employee rights, and stimulating diversity. These activities are essential for building a positive work atmosphere. Zulfiqar et al. (2019) found that when employees consider their employer to be socially responsible, they are more likely to identify with the corporation, emphasizing the importance of internal CSR policies in creating healthy employee-company relationships.

Hypothesis

H₁; There is significant effect of training and development on employee engagement.

H₂; There is significant effect of health and safety on employee engagement.

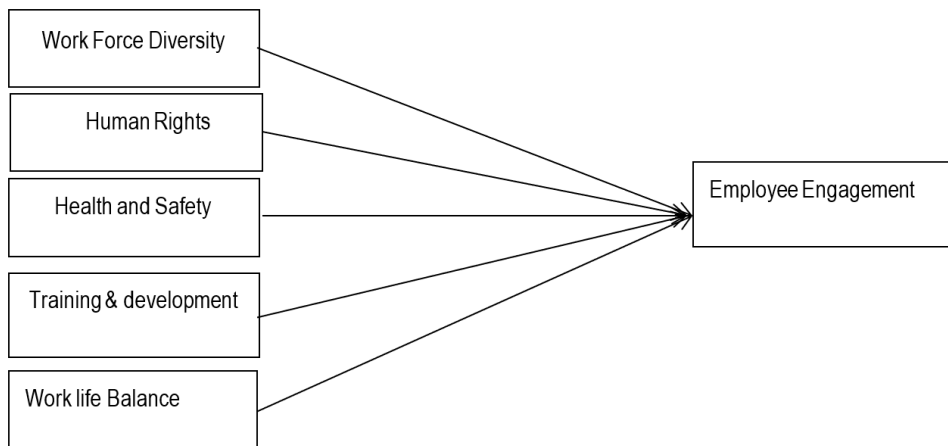
H₃; There is significant effect of work life balance on employee engagement.

H₄; There is significant effect of workforce diversity on employee engagement.

H₅; There is significant effect of human rights and employee engagement.

Figure 1

Research Framework



Note. Adapted from Saks, 2006

III. Methodology

The research techniques used by the researcher to carry out the investigation are covered in this chapter.

This study examines CSR practices in Nepalese commercial banks and their impact on employee engagement. A survey method was used, employing a descriptive and causal-

comparative research design.

The study examines the impact of CSR on employee engagement in commercial banks in Butwal. Using simple random sampling, banks with multiple branches were selected. The sample size, calculated using Cochran's formula, is 241 employees which is mentioned below;

$$n = N/1 + Ne_2$$

Where,

N= Total employee of the organization (600), d= permissible error (5%=0.05)

P= 0.5 (Proportion of satisfaction or dissatisfaction at 0.05 significance)

t= (1.96, from Normal area of table)

The calculated sample size is 241 methods for data analysis.

The study employed primary information collected through a structured questionnaire. Employees of commercial banks were provided with printed questionnaires with closed-ended questions regarding their opinions on CSR and engagement.

The study utilized a structured questionnaire which included closed-ended questions about CSR and employee engagement. To assess the impact of CSR on employee engagement, responses were ranked on a 7-point Likert scale from 1 (least) to 7 (high).

IV. Results and Discussion

Table 1

Measurement Items Assessment

Construct	Items	VIF	Loadings	Mean	Std. Deviation	Mean	SD
Employee Engagement	EE1	3.039	0.893	5.704	1.393	5.331	1.626
	EE2	3.449	0.896	5.192	1.692		
	EE3	2.281	0.758	4.996	1.755		
	EE4	2.543	0.852	5.146	1.853		
	EE5	2.120	0.814	5.617	1.439		
Human Rights	HR1	2.484	0.769	4.612	1.762	4.895	1.647
	HR2	2.828	0.852	5.229	1.501		
	HR3	2.078	0.759	4.796	1.764		
	HR4	2.443	0.844	5.188	1.478		
	HR5	2.599	0.801	4.654	1.730		
Health and Safety	HS1	2.054	0.822	5.192	1.635	5.395	1.599
	HS2	1.950	0.763	5.208	1.814		
	HS3	2.252	0.843	5.500	1.508		
	HS4	1.787	0.771	5.850	1.484		
	HS5	1.700	0.798	5.225	1.554		

Training and Development	TD1	2.806	0.857	5.987	1.380	5.872	1.499
	TD2	3.811	0.904	5.833	1.491		
	TD3	3.251	0.870	5.729	1.622		
	TD4	1.740	0.774	6.246	1.352		
	TD5	1.734	0.780	5.567	1.652		
Workforce Diversity	WFD1	3.550	0.894	4.746	1.886	4.459	1.916
	WFD2	3.731	0.869	4.308	1.959		
	WFD3	2.322	0.783	4.346	2.068		
	WFD4	2.175	0.765	3.871	1.963		
	WFD5	4.207	0.892	4.225	1.964		
	WFD6	1.427	0.716	5.263	1.656		
Work Life Balance	WLB1	2.795	0.760	4.467	1.958	4.034	1.9295
	WLB2	2.748	0.740	4.925	1.842		
	WLB3	3.772	0.871	4.242	1.873		
	WLB4	3.156	0.844	4.225	1.970		
	WLB5	3.052	0.865	3.254	1.886		
	WLB6	2.547	0.796	3.096	2.048		

Table 1 highlights the model's measurements and validity. The standardized outer loading, Variance Inflation Factor (VIF), mean, and standard deviation (SD) of the outer model are indicated. The six latent variables are assessed using thirty-two scale items. All of the items' outer loading values are greater than 0.70, indicating that each item makes a complete contribution to assessing the respective variable (Sarstedt et al., 2017). Similarly, all of the items' VIF values are less than 5, showing no multicollinearity among the scale items (Hair et al., 2019). On a 7-point Likert scale, the mean and standard deviation (SD) values for all measurement items fall within an acceptable range. As a result, the measuring items meet the criteria for reliability and validity, and can be evaluated further.

Table 2

Reliability Measures and Validity Indicators

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Employee Engagement	0.899	0.913	0.925	0.713
Health and Safety	0.861	0.874	0.899	0.640
Human Rights	0.864	0.867	0.902	0.650
Training and Development	0.893	0.894	0.922	0.703
Work Life Balance	0.902	0.946	0.922	0.663
Workforce Diversity	0.905	0.928	0.926	0.677

Table 2 illustrates the internal reliability and validity of the constructs employed in this study. The Cronbach's Alpha values for all constructs are more than the threshold value of 0.705 (Bland & Altman, 1997), indicating that the internal consistency of all constructs is valid and that the scale employed to measure each construct is reliable. Furthermore, the Composite Reliability (CR) rho_a and rho_c values above 0.70, reveals construct reliability and validity (Saari et al., 2021; Hair et al., 2022). The Average Variance Extracted (AVE) values exceed the 0.50 threshold, indicating that all constructs have convergent validity (Hair et al., 2022). As a result, the mentioned table's results qualify all quality criteria measures.

Table 3

One-Sample Kolmogorov Smirnov Test

	Employee engagement	Work life balance	Training and Development	Work Force Diversity	Health and Safety	Human Rights
Kolmogorov-Smirnov Z	3.007	1.514	1.762	2.668	2.348	3.007
Asymp. Sig. (2-tailed)	.000	0.020	0.004	0.000	0.000	0.000

Table 3 illustrates that the Z values for employee engagement, workforce diversity, health and safety, and human rights do not range from -1.96 to +1.96, indicating that these variables do not have a normal distribution. However, the p-values for work-life balance and training and development follow a normal distribution, with Z values ranging from -1.96 to +1.96. We use parametric tests on a normal distribution and non-parametric tests on non-normal distributions.

Table 4

Independent Sample Test for Gender

Variables	Gender	N	Mean	T- value	P-value
Work life balance	Male	94	4.35	.877	.381
	Female	146	4.53		
Training and Development	Male	94	4.28	.448	.655
	Female	146	4.18		

Table 4 shows that there is no major difference between men and women in terms of work-life balance and training and development because the P-value is greater than 0.05. This means we accept the null hypothesis at a 5% significance level. Factors like company policies, social norms, and the characteristics of the study sample may explain why no significant difference was found.

Table 5

One WAY ANNOVA for Academic Qualification

Variables	Academic Qualification	N	Mean	F-value	P-value
Work life balance	+2 and below	14	3.85	1.181	.309
	Bachelor	141	4.53		
	masters and above	85	4.45		
	Total	240	4.46		
Training and Development	+2 and below	14	4.54	.530	.589
	Bachelor	141	4.14		
	masters and above	85	4.30		
	Total	240	4.22		

Table 5 reveals that there is no significant difference between different academic qualifications and the respective variable, since the P value is bigger than 0.05. Hence, we do not reject the null hypothesis. In short, the lack of significant differences in work-life balance and training possibilities among people with varying academic levels could be due to factors such as job requirements, business practices, individual values, and so on.

Table 6*Mann-Whitney U Test for Gender*

Variables	Gender	N	Mean Rank	Z-value	p-value
Employee engagement	Male	94	110.77	1.749	.080
	Female	146	126.77		
	Total	240			
Work Force Diversity	Male	94	115.69	.865	.387
	Female	146	123.60		
	Total	240			
Health and Safety	Male	94	116.65	.690	.490
	Female	146	122.98		
	Total	240			
Human Rights	Male	94	110.77	1.749	.080
	Female	146	126.77		
	Total	240			

Table 6 shows that there is no significant difference between mean rank of male and female with regard to employee engagement, workforce diversity, health and safety and human rights as their p-values are greater than 0.05. The similar mean ranks between males and females in employee engagement, diversity, safety, and human rights suggest that gender might not influence how these aspects of the workplace are perceived.

Table 7*Kruskal Wallis test for academic qualification*

	Academic Qualification	N	Mean Rank	Chi=quare value	p-value
Employee engagement	+2 and below	14	110.96	.305	.859
	Bachelor	141	121.62		
	masters and above	85	120.21		
	Total	240			
Work Force Diversity	+2 and below	14	118.64	.393	.822
	Bachelor	141	118.41		
	masters and above	85	124.28		
	Total	240			
Health and Safety	+2 and below	14	89.79	2.973	.226
	Bachelor	141	123.20		
	masters and above	85	121.08		
	Total	240			
Human Rights	+2 and below	14	110.96	.305	.859
	Bachelor	141	121.62		
	masters and above	85	120.21		
	Total	240			

Table 7 shows that since the P-value is greater than 0.05, the null hypothesis is not rejected at a 5% significance level for employee engagement, workforce diversity, health and safety, and human rights. This means that academic qualification does not significantly impact these factors. The likely reasons for this include shared values among employees, uniform workplace policies, legal regulations, similar training programs, and the possibility that the studied group had similar characteristics.

Table 8*Correlation*

	Work life balance	Training and Development	Work Force Diversity	Health and Safety	Human Rights	Employee engagement
Work life balance	1	.812**	.335**	.527**	.446**	.446**
Training and Development		1	.217**	.476**	.292**	.292**
Work Force Diversity			1	.656**	.688**	.688**
Health and Safety				1	.592**	.592**
Human Rights					1	1.000**
Employee engagement						1

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

Table 8 exposes that there's a correlation coefficient (r) of 0.446 between Work life balance and Employee engagement, suggesting a moderate positive relationship. Training and Development also positively correlates with Employee engagement, but to a lesser extent, with a coefficient of 0.292. This indicates a weaker relationship compared to work life balance. Work Force Diversity has a strong positive relationship with Employee engagement, with a correlation coefficient of 0.688. Health and Safety also has a strong positive relationship, with a coefficient of 0.592. Human Rights show a perfect positive relationship with Employee engagement, with a correlation coefficient of 1.000.

Figure 2

Structural Equation Model (SEM) Diagram

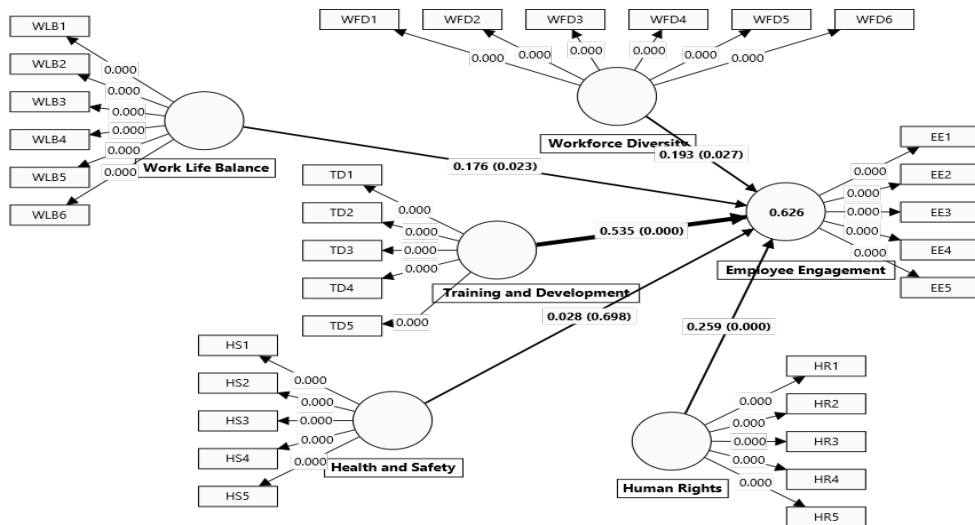


Table 9

Hypothesis Testing (Direct Effect)

Hypothesis	β	mean (M)	Standard deviation (STDEV)	T stat	P values	decision
Health and Safety -> Employee Engagement	0.028	0.027	0.072	0.388	0.698	rejected
Human Rights -> Employee Engagement	0.259	0.260	0.074	3.486	0.000	accepted
Training and Development -> Employee Engagement	0.535	0.540	0.073	7.323	0.000	accepted
Work Life Balance -> Employee Engagement	0.176	0.173	0.077	2.271	0.023	accepted
Workforce Diversity -> Employee Engagement	0.193	0.188	0.087	2.219	0.027	accepted

Figure 2 and Table 9 show the bootstrapping results for 5,000 subsamples and hypotheses. The hypotheses H_2 , H_3 , H_4 , and H_5 are accepted at a 5% significance level. Human rights, training and development, work-life balance, and workforce diversity all have a positive impact on employee engagement. However, health and safety do not have a significant effect on employee engagement.

Discussion

The study highlights the importance of Corporate Social Responsibility (CSR) in increasing employee engagement in commercial banks, which confirms previous studies associating CSR to business performance and competitiveness (Weber, 2008; Darik, 2021). Employees are more engaged when they believe their firm is socially responsible (Glavas & Piderit, 2009; Lin, 2009). Among many CSR initiatives, training and development have the most beneficial influence on engagement since career advancement boosts employees' confidence, morale, and productivity (Gupta & Sharma, 2021; Ali et al., 2021). The study also reveals that workforce diversity promotes engagement by increasing creativity, collaboration, and drive, while fair treatment and ethical standards help to strengthen employee engagement (Georgios & Ioanna, 2018). Similarly, observing human rights within an organization promotes engagement by providing fairness and equal opportunity. Unexpectedly, the study showed that health and safety measures had no impact on employee engagement, as commercial bank workers value diversity and professional development over workplace safety (Georgios & Ioanna, 2018; Zulfikar et al., 2019). Furthermore, work-life balance showed a positive but moderate affect on engagement, which supports Turker (2009), who discovered that while work-life balance enhances job satisfaction, career growth and fairness have a greater impact. The study further discovered that perceptions of engagement, work-life balance, and training opportunities are similar across populations, implying equitable policy implementation. Overall, creating an equitable, ethical, and development-focused work environment improves both employee engagement and business effectiveness.

V. Conclusion and Implication

The study focused at how internal corporate social responsibility (CSR) influences employee engagement in Nepalese commercial banks. The findings suggest that health and safety, together with training and development, are essential components of internal CSR that have a significant impact on employee engagement in commercial banks. Organizations can effectively improve employee engagement, satisfaction, and active participation by creating a safe and friendly workplace environment and providing chances for carried on development and learning. Prioritizing these internal CSR practices not only boosts employee morale, but it also helps to establish a motivated, productive, and engaged staff, which drives corporate success and sustainability. Future research can investigate how these elements specifically influence employee engagement, delivering significant insights to help improve organizational initiatives.

This study highlights the impact of corporate social responsibility (CSR) on employee engagement in Nepalese banks, showing that CSR can enhance employee satisfaction, customer loyalty, and the bank's reputation. To improve overall performance, bank managers should develop CSR strategies that keep employees motivated, especially younger workers (aged 30-40), by involving them in CSR activities and offering rewards for their participation.

Future research should explore the long-term effects of CSR on employee engagement and retention, including employees from development banks and cooperatives for a broader perspective. Expanding the study to examine CSR's environmental aspects and its impact on innovation, employee retention, and financial performance would provide a more comprehensive understanding. Larger sample sizes and the inclusion of more banks can also make the findings more reliable.

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