



# Effects of corporate social responsibility and internal marketing on organizational commitment and turnover intentions



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## ABSTRACT

This study examined the effects of four aspects of corporate social responsibility (CSR) (i.e., economic, legal, ethical, and philanthropic responsibility) and five aspects of internal marketing (IM) (i.e., welfare system, training, compensation, communication, and management support) on employees' organizational commitment (OC) and turnover intentions (TI) in the casino industry. Based on survey data collected from 310 employees working for a casino company, the relationships were examined using confirmatory factor analysis, second-order factor analysis, and structural equation modeling. The results indicate that both employees' perceptions of CSR and IM are positively related to their OC and negatively to their TI, suggesting that adding CSR programs to existing IM programs is likely to improve desirable employee work attitudes such as OC, which in turn contributes to decreasing TI. This study makes a contribution to the literature by conceptually and empirically evaluating CSR and IM dimensions simultaneously in the casino environment.

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## 1. Introduction

Corporate Social Responsibility (CSR) programs have spread throughout the hospitality industry including casino operators such as MGM Resorts International, Las Vegas Sands, and Caesars Entertainment. Although there are different definitions and dimensions of CSR in current use, Carroll's (1991, 1998) definition with four CSR dimensions has been commonly adopted: a company should (1) make goods or services for consumers to yield a satisfactory profit in the process (economic responsibility), (2) comply with laws and regulations stated by governments in its operations (legal), (3) meet expectations of stakeholders and protect them regardless if these activities are not codified into law (ethical), and (4) meet stakeholders' expectations on the company's engagement to enhance human welfare or good will (philanthropic).

For example, casino resorts and hotels in Las Vegas such as the Palazzo, Aria Hotel, Mandarin Oriental, and Vdara Condo Hotel were constructed following the Leadership in Energy and Environmental

Design (LEED) guidelines. LEED is an independent, non-profit, third-party rating system established by the U.S. Green Building Council (USGBC). LEED-certification provides benefits for the environment (ethical responsibility) and attracts a growing population of environmentally conscious customers (Johnston and Breech, 2010). Not only these well-known operators in a mature gaming market like the U.S., but also those in emerging gaming markets have been actively involved in CSR programs. For instance, in South Korea, there are 16 casinos for foreign customers and one casino where Korean citizens are permitted to gamble. The local casino was legalized in 2000 to revitalize the economy of the declining mining areas. As a result, approximately 3 million people visited this local casino in 2014 (Korea Casino Association, 2015a), and 3570 people were employed by this casino by 2015 (Korea Casino Association, 2015b). This casino company has redistributed its profits to the society by implementing various CSR programs such as environmental sustainability, responsible gambling, and scholarship for local students from low-income families (Lee, 2015).

In addition to the increasing number of hospitality companies implementing CSR programs, CSR has been considered a prominent concept in academia (Lockett et al., 2006; Walsh et al., 2003). However, the majority of CSR studies have focused on customers (external stakeholders), and less attention has been paid to employees (internal stakeholders). A survey of more than 1000 executives revealed that leaders believe their company can benefit from CSR

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by attracting both potential and existing employees (Economist, 2008). Especially, the turnover rate in the hospitality industry including casinos is expected to increase as the economy begins to recover (Deloitte, 2012), and previous studies support that employees with high turnover intentions are likely to have low organizational commitment (Meyer et al., 1993; Tett and Meyer, 1993). Thus, to reduce turnover rate, it is vital to understand the impact of employee perceptions of CSR on employee commitment levels in this industry.

Moreover, none of CSR studies in the contexts of hospitality and casino has empirically examined the effects of both CSR programs and internal marketing (IM) on employees' work attitudes. Furthermore, previous studies have been inconsistent about the relationship between CSR and organizational performance, finding both significant and insignificant relationships (Griffin and Mahon, 1997; Heinze et al., 1999). Therefore, the purpose of this paper is to explore the influence of CSR and IM on employees' work attitudes through the lens of social identity theory (Ashforth and Mael, 1989; Pratt, 1998; Tajfel and Turner, 1985) and Carroll's social performance model (1991, 1998). In particular, the objectives of this study are to examine whether (1) CSR is comprised of four dimensions (i.e., economic, legal, ethical, and philanthropic) and IM is comprised of five dimensions (i.e., welfare systems, training, compensation, communication, and management support), (2) these two higher-order factors (i.e., CSR and IM) positively influence employees' organizational commitment, and (3) employees with stronger organizational commitment have lower turnover intention in the casino context.

This study contributes to the literature by conceptually and empirically evaluating four CSR dimensions and five traditional IM dimensions simultaneously in the casino environment. It also provides a theoretical perspective through social identity theory for explaining why CSR programs impact casino employees' work attitudes and turnover intentions. Casino operators and others in the hospitality industry can benefit from the insights of this study's findings regarding how CSR activities can increase the commitment and retention of their employees. This study offers new avenues of exploration in the emerging field of CSR scholarship. While other studies have tested the impact of CSR activities on their customer and employee attitudes (Brammer et al., 2007; Lee et al., 2013; Turker, 2009), little research has investigated both the impact of CSR and traditional IM on these specific employees' work attitudes (i.e., commitment levels and turnover intentions) in casino or other hospitality settings.

## 2. Theoretical background and hypotheses development

### 2.1. Theoretical background

An important conceptual model adapted in this study is Carroll's social performance model (1991, 1998). He noted that CSR could be divided into four dimensions: economic, legal, ethical, and philanthropic CSR. Economic CSR refers to actions that make goods and services and creative lucrative outcomes throughout the process. The economic CSR should be achieved within legal boundaries that the society outlines. Therefore, obeying laws and regulations is considered as legal CSR, the second dimension. Ethical CSR, the third dimension, is beyond the scope of codified regulations and laws, and it is defined as a company's endeavors to fulfill expectations of the society and to be a moral company. Philanthropic CSR, the fourth dimension, is regarded as a company's voluntary activities such as endowing money to charitable organizations, promoting support programs for a low-income group, and having their employees involved in humanitarian programs (Carroll, 1991, 1998).

The underpinning theory of this study is social identity theory (SIT) which suggests that individuals reinforce their self-esteem and augment their self-image by identifying with groups and organizations known for their social responsibility (Ashforth and Mael, 1989; Pratt, 1998; Tajfel and Turner, 1985). SIT can explain why a company's CSR programs can influence both customer and employee attitudes towards the company (e.g., Bhattacharya and Sen, 2004; Maignan and Ferrell, 2001; Maignan et al., 1999). For example, hospitality employees are likely to identify with a company which implements CSR initiatives especially if their values are aligned with these initiatives. CSR initiatives unveil the company's character which is "not only fundamental and relatively enduring but also more distinctive" (Sen and Bhattacharya, 2001, p. 228) than other types of corporate initiatives. In addition, socially-responsible companies are more likely to have positive public reputations (Fombrun and Shanley, 1990) which can make employees feel proud of working for these companies. Consequently, CSR initiatives can play important roles in gaining competitive advantages and supporting employee recruitment and retention (Park et al., 2014).

Previous studies have empirically tested and supported the positive influence of CSR programs on employees' organizational commitment (Maignan et al., 1999; Maignan and Ferrell, 2003; Peterson, 2004). According to O'Reilly (1989), organizational commitment is "an individual's psychological bond to an organization, including a sense of job involvement, loyalty, and belief in the value or the organization" (p. 17), and it involves three phases: compliance, identification, and internalization. In the first phase, employees will accept the influence of others in the company for extrinsic rewards such as compensations. In the second phase, employees will accept the others' influence to keep a self-defining relationship with the company. In the final phase, employees will find the company's values are aligned with their personal values, which can be intrinsically rewarding to the employees.

Another important concept of this study is internal marketing which is useful in developing an organization's competitiveness and improving competencies through motivating employees (Rafiq and Ahmed, 2000). Abzari et al. (2011) stated that internal marketing has been identified as an effective strategy to equip organizations with capabilities and competencies while enjoying environmental opportunities. Other researchers explained that the main aim of internal marketing is fulfilling employees' needs or wants in order to retain employees and encourage them to deliver superior customer service (Berry, 1981; Kotler and Armstrong, 1991). Cooper and Cronin (2000) claimed that internal marketing should be considered for the organization's active efforts for education, reward, and as a way to better manage human resources, in general. Thus, casino companies should treat the concept of internal marketing seriously because employees will be more likely to deliver superior customer service when they are provided with appropriate internal marketing programs such as welfare systems, training, compensation, communication, and management support.

### 2.2. Hypotheses development

George (2009) asserted that internal marketing programs are important antecedents of business performance indicators (e.g., service quality, turnover rate, customer conscious employees, and organizational commitment). Tansuhaj et al. (1991) claimed that thriving internal marketing programs are closely related to enhanced employee attitudes including organizational commitment, job involvement, work motivation, and job satisfaction. Among these employee attitudes, organizational commitment refers to an individual's psychological affection to an organization that makes employees feel more attached to the organization

(Leong et al., 1996). Such psychological connection is especially important in maintaining a good relationship between employees and the company (Meyer and Allen, 1997). Implementing internal marketing programs can be an effective strategy to increase employees' organizational commitment even when traditional internal communication programs are not available (Hogg, 1996). Ajay and Sabir (2009) also stated that employees in an organization offering high-quality internal marketing service are likely to have a higher level of organizational commitment.

In the casino context, a study by Back et al. (2011) found internal service quality (measured by training, communication, and perceived benefit) can increase casino employees' job satisfaction which leads to higher organizational commitment. This previous study also recommended future studies should include other attributes such as reward systems. The current study adapted the IM components from Back et al. (2011) given the context similarity and included two additional constructs as antecedents of organizational commitment by reviewing other extant studies. For example, Back et al. (2011) proposed the perceived benefit, "indirect pay to the individual in the form of pay for time not worked, insurance, pensions, income maintenance, and miscellaneous services" (Heneman and Schwab, 1985, p. 131), as an influential antecedent and found it as the most significant antecedent. By considering the importance of perceived employee benefit, the current study selected a similar but more specific factor, welfare systems. Welfare systems are generally defined as employee benefits in addition to their wages, provided by a company to improve its employees' stability, health, and overall living standard (Kim et al., 2001). Since improving welfare systems such as welfare facilities and good vacation systems led to a higher level of organizational commitment in other service businesses (Kim et al., 2001), this study expects a similar positive effect of welfare systems in a casino setting.

As found by Back et al. (2011), training such as providing regular service training and training programs are likely to have a positive impact on casino employees' organizational commitment. Training generally indicates a company's systematic and organized process to offer opportunities to its employees to enhance their attitudes, adapt their work environments, and improve their technical knowledge and skills (Back et al., 2011; Kim et al., 2001; Lux et al., 1996). In Back et al.'s study (2011), communication was also suggested as an effective internal marketing program to positively affect casino employees' organizational commitment by allowing employees to express their opinions freely and presenting adequate information to them. Communication usually refers to a company's activities or efforts to share, deliver, and exchange information, ideas, feelings, and opinions among employees to achieve the company's goals (Back et al., 2011; Clampitt and Downs, 1993; Kim et al., 2001).

As recommended by Back et al. (2011), compensation like rewarding employee performance and establishing employee's pay linked to their performance can be another significant antecedent of casino employees' organizational commitment. Compensation refers to a company's strategy to motivate employees to adopt customer-oriented (or market-oriented) behaviors and reward employees' performances and efforts through incentives (Foreman and Money, 1995; Jaworski and Kohli, 1993; Lux et al., 1996; Poor et al., 2013). Lastly, management support such as providing guidance in solving job-related problems and maintaining two-way information-flow across management levels might be another influential antecedent of casino employees' organizational commitment. Management support is specifically associated with a senior management team's various endeavors or processes to help employees solve job-related problems and establish a climate for two-way information-flow (Cooper and Cronin, 2000; Jaworski and Kohli, 1993).

In summary, based on the aforementioned studies (e.g., Back et al., 2011; Clampitt and Downs, 1993; Conduit and Mavondo,

2001; Jaworski and Kohli, 1993; Kim et al., 2001; Lux et al., 1996), this study expects to find positive effects of internal marketing components (i.e., quality of welfare systems, training, compensation, communication, and management support) on organizational commitment in the hospitality industry, particularly in the casino context. Thus, we posit the following hypotheses:

**Hypothesis 1.** Casino employees' perception of internal marketing is composed of five distinct but related substantive dimensions (i.e., welfare systems, training, communication, compensation, and management support).

**Hypothesis 2.** Casino employees' perception of internal marketing is positively associated with their organizational commitment.

CSR programs have been seen as not only social requirements but also a way to satisfy employees' needs and wants to work for a more desirable organization (Lee et al., 2013). This phenomenon can be explained based on the perspective of social identity theory (SIT) that people are likely to reinforce their self-concept and attitude toward an organization depending on the organization's activity and identity (Peterson, 2004). Smidts et al. (2001) asserted that employees who think that they are employed by a socially responsible company compared to others are likely to have enhanced self-esteem, which in turn positively affect their attitudes toward the company. It is plausible that CSR is positively related to organization commitment because organizational commitment is reinforced when a company satisfies employees' needs and wants through its socially responsible activities (Vakola and Nikolaou, 2005). Brammer et al. (2007) and Turker (2009) also supported the significant relationship between employees' perceptions of CSR and organizational commitment.

The casino, hotel, and restaurant industry is known as a labor intensive service industry with low wages and long or inconsistent working hours (Deery and Shaw, 1999; Worcester, 1999). For example, according to Moody's Analytics, the average annual pay for all workers in the traveler accommodations industry was \$32,347 in 2013 which is 38% lower than the average of \$52,539 for all other industries (Langfield, 2014). Considering this notorious characteristic, Bowen (1953)'s assertion that CSR performs an important role in making a company more desirable should be intriguing information for casino operators. Similarly, one previous study indicates that casino employees' organizational trust can be enhanced through casino companies' CSR activities (Lee et al., 2013). Based on the previous studies, this study hypothesized that casino employees' perception of CSR is positively associated with their organizational commitment, and CSR is comprised of four related but distinctive dimensions (economic, legal, ethical, and philanthropic CSR) (Carroll, 1979).

**Hypothesis 3.** Casino employees' perception of CSR is composed of four distinct but related substantive dimensions (i.e., economic, legal, ethical, and philanthropic responsibilities).

**Hypothesis 4.** Casino employees' perception of CSR is positively associated with their organizational commitment.

Tansuhaj et al. (1991) stated that internal marketing programs can contribute to employees' organizational commitment which, in turn, significantly affects their job satisfaction, job performance, and turnover intentions. In particular, the concept of turnover intention has drawn academic attention as an important subject due to its negative results, such as additional hiring and training costs and negative impacts on customer service (Cotton and Tuttle, 1986). According to previous research, turnover intention is a significant consequence of organizational commitment (Mathieu and Zajac, 1990; Tett and Meyer, 1993). O'Reilly et al. (1991) claimed that when employees have high levels of organizational

commitment, their turnover intentions are likely to decrease. Kim et al. (2005) also supported this view by stating that organizational commitment is negatively associated with employees' turnover intentions and positively related to their job satisfaction levels. Given the high turnover rate in the hospitality industry, it is critical to empirically test potential antecedents of turnover intentions such as organizational commitment in diverse hospitality settings such as casinos, which leads to the following hypothesis.

**Hypothesis 5.** Casino employees' organizational commitment is negatively associated with their turnover intentions.

### 3. Method

A preliminary list of measurement items was generated after a review of the literature related to CSR (Carroll, 1979; Lee et al., 2013), internal marketing (Back et al., 2011; Clampitt and Downs, 1993; Conduit and Mavondo, 2001; Foreman and Money, 1995; Jaworski and Kohli, 1993; Kim et al., 2001; Lux et al., 1996), organizational commitment (Meyer et al., 1993; Jaworski and Kohli, 1993), and turnover intentions (Newman et al., 2011) (see Table 1). All items were measured using a five-point Likert scale (1 = strongly disagree and 5 = strongly agree). Three tourism academics and two practitioners with more than 7 years of career evaluated the list of

**Table 1**  
Confirmatory factor analysis: Items and loadings.

11 factors and scale items	Standardized loading <sup>a</sup>
<b>F1: Economic CSR (ECO) (adapted from Carroll, 1979; Lee et al., 2013)</b>	
This organization tries to save operating costs	.59
This organization strives to improve employees' productivity	.84
This organization establishes long-term strategy for economic growth	.68
<b>F2: Legal CSR (LEG) (adapted from Carroll, 1979; Lee et al., 2013)</b>	
This organization abides by business regulations	.74
This organization complies with employment-related laws (hiring and employee benefits)	.71
This organization is committed to a legal contract associated with business operation	.75
This organization regulates the correct rules and methods of operation for customers	.66
<b>F3: Ethical CSR (ETH) (adapted from Carroll, 1979; Lee et al., 2013)</b>	
This organization has ethics guidelines on business activities	.84
This organization tries to become an ethically trustworthy company	.79
<b>F4: Philanthropic CSR (PHIL) (adapted from Carroll, 1979; Lee et al., 2013)</b>	
This organization provides a variety of donations	.74
This organization participates in a variety of volunteer activities	.82
This organization performs many public services via its Cultural and Welfare Foundations	.76
This organization is committed to build a better community	.71
<b>F5: Welfare Systems (WEL) (adapted from Back et al., 2011; Kim et al., 2001)</b>	
This organization offers good employee benefits	.85
This organization has good welfare facilities	.82
This organization offers good vacation systems	.65
This organization has a good system for employees to take a leave of absence	.65
<b>F6: Training (TR) (adapted from Back et al., 2011; Lux et al., 1996)</b>	
This organization provides regular service training	.73
There are enough training programs in this organization	.83
Training sessions in this organization help me to understand customer needs	.71
<b>F7: Compensation (COMP) (adapted from Foreman and Money, 1995; Lux et al., 1996)</b>	
This organization fairly rewards employee performance	.74
This organization establishes my pay linked to my performance	.75
In this organization, those employees who develop a close relationship with customers are rewarded for their efforts	.64
<b>F8: Communication (COM) (adapted from Back et al., 2011; Clampitt and Downs, 1993)</b>	
In this organization, I can express my opinions freely in a liberal atmosphere	.83
The exchange of information in this organization is adequate	.89
This organization provides adequate information on the requirements of my job	.72
<b>F9: Management Supports (MS) (adapted from Jaworski and Kohli, 1993)</b>	
The management in this organization offers guidance in solving job-related problems	.81
Two-way information flow across management levels is encouraged by the management in this organization	.88
The management in this organization encourages open communication	.89
<b>F10: Organizational Commitment (OC) (adapted from Jaworski and Kohli, 1993; Meyer et al., 1993)</b>	
I talk up this organization to others as a great organization to work for	.81
I am proud that I am a part of this organization	.83
I would like to continue working at this organization by considering this organization as a workplace for life	.81
I am pleased to choose this organization as a workplace	.86
Even if the opportunity to choose work again is given to me, this organization will be considered a priority	.81
I accept this organization's future and fate as mine	.79
I think this organization is the best workplace to me	.88
<b>F11: Turnover Intentions (TI) (adapted from Newman et al., 2011)</b>	
I thought about quitting my present job	.68
I would like to leave this organization and work for another organization in the same industry	.72
Although the working condition is similar, I want to leave this organization and work for another organization	.78
I want to leave this organization and work for an organization in a different industry	.78
If I hear about job opportunity at another organization in the same industry, I will try to look into details	.76

<sup>a</sup> All factor loadings are significant at  $p < .05$ .

these measurement items for relevance to the constructs of interest. A pretest was also performed with 25 casino employees to further check the face validity of the survey.

To collect data, an on-site survey was conducted with employees working for one of the major casinos in South Korea on both weekdays and weekends in October 2012. The research team for this study asked this casino to allow the team to interact with their employees to complete this study. Specifically, the researchers explained the purpose of this study to the head of the human resources department of this casino and asked his permission to survey employees who finished shifts or had a break time in the employee lounge. To present an informed consent of this study, a cover letter was included on the first page of each questionnaire. The questionnaires were completed under the rigorous monitoring of the researchers. A total of 310 complete questionnaires were collected from this on-site survey and used for data analysis. These respondents represent casino employees from different departments including operations ( $n=190$ , 61.3%), sales ( $n=48$ , 15.5%), administration ( $n=40$ , 12.9%), food and beverage ( $n=8$ , 2.6%), security ( $n=7$ , 2.3%), and other ( $n=17$ , 5.5%).

**4. Results**

**4.1. Measurement model**

The measurement model was assessed using confirmatory factor analysis (CFA), and the hypothesized structural models were tested via EQS 6.1 statistical software. The comparative fit index (CFI), Tucker-Lewis index (TLI), and incremental fit index (IFI) values of .90 or higher, and a root mean square error of approximation (RMSEA) value of .08 or less were used as indicators of good model fit (Hair et al., 2006). The measurement model test demonstrated a good fit:  $\chi^2(724) = 1,224.976$ ,  $p < .05$ , CFI = .931, IFI = .932, TLI = .922, RMSEA = .047. Convergent validity was established since all indicators loaded on the proposed factors; those loadings were significant and higher than .5; and the average variance extracted (AVE) values were all above the recommended value of .5 (Bagozzi and Yi, 1988; Hair et al., 2006). The composite reliability of each factor exceeded the threshold (.7) recommended by Hair et al. (2006), indicating satisfactory construct reliability. Satisfactory discriminant validity was also demonstrated as the AVE for each construct was higher than all of the squared correlations between any pair of constructs (Fornell and Larcker, 1981) (see Tables 1 and 2).

**4.2. Second order factor analysis**

The primary reason for utilizing second-order factor models is to provide a more parsimonious and interpretable model with fewer parameters (Gustafsson and Balke, 1993; Rindskopf and

Rose, 1988). The second-order factor model of this study demonstrated a good fit:  $\chi^2(762) = 1370.5$ ,  $p < .05$ , CFI = .916, IFI = .917, TLI = .910, RMSEA = .051. In addition, statistically significant positive relationships between the four first-order (lower-order) factors and the second-order (higher-order) factor (i.e., corporate social responsibility, and CSR) exist as evidenced by the following high standardized factor loadings: .73 (economic), .88 (legal), .74 (ethical), and .57 (philanthropic) ( $p < .05$ ). A similar result was found for the five dimensions of internal marketing. Statistically significant positive relationships between the five first-order factors and the second-order factor (i.e., Internal Marketing, and IM) exist as evidenced by the following high standardized factor loadings: .69 (Welfare Systems), .69 (Training), .82 (Compensation), .80 (Communication) and .83 (Management Supports) ( $p < .05$ ). Consequently, the nine proposed first-order CSR and IM dimensions accurately represent the underlying concept of CSR and IM, supporting Hypothesis 1 (casino employees tend to view CSR as a combination of these four dimensions) and Hypothesis 3 (IM is a combination of these five dimensions).

**4.3. Structural model testing**

After evaluating the measurement model, the relationships among all observed and latent variables in the proposed model were tested using structural equation modeling (SEM). To test the assumption that the data are multivariate normally distributed, we used EQS output presenting extreme cases with respect to multivariate kurtosis. The program automatically printed out the five cases contributing to the normalized multivariate kurtosis estimates. The identification of an outlier was based on the estimate presented for one case relative to the estimates for four other cases (Byrne, 2006). The estimates of two cases (2221 and 1962) were distinctively higher than the estimates of the other cases (982, 1037, and 1053). After removing these two cases, no estimate was distinctively different from those representing the other cases (840, 958, 985, 1083, and 1125). The result of SEM showed a good fit to the data:  $\chi^2(723) = 1,335.48$ ,  $p < .05$ , CFI = .921, IFI = .921, TLI = .915, RMSEA = .05. As shown in Fig. 1, examinations of path estimates revealed that casino employees' perceptions of both IM and CSR had significant direct effects on their organizational commitment (OC) ( $\beta = .32$  and  $\beta = .36$ , respectively,  $p < .05$ ), supporting Hypotheses 2 and 4. Furthermore, OC had a significant negative direct effect on turnover intentions (TI) ( $\beta = -.55$ ;  $p < .05$ ), supporting Hypothesis 5. Lastly, both IM and CSR did not have significant direct effects on TI ( $p > .05$ ), but they had significant negative indirect effects on TI via OC ( $\beta = -.18$  and  $\beta = -.20$ , respectively,  $p < .05$ ), indicating OC fully mediates the relationships between IM and TI as well as between CSR and TI.

**Table 2**  
AVE, composite reliability, and correlation matrix.

Correlations squared	AVE	ECO	LEG	ETH	PHIL	WEL	TR	COMP	COM	MA	OC	TI
ECO	.51	.80 <sup>a</sup>	.45 <sup>c</sup>	.19	.11	.19	.22	.24	.12	.25	.23	.08
LEG	.51	.67 <sup>b</sup>	.81	.49	.19	.26	.19	.23	.1	.18	.26	.22
ETH	.66	.44	.7	.80	.27	.19	.21	.16	.1	.18	.12	.05
PHIL	.77	.33	.44	.52	.84	.11	.14	.13	.11	.19	.14	.04
WEL	.56	.44	.51	.44	.33	.83	.29	.35	.25	.22	.27	.08
TR	.58	.47	.44	.46	.38	.54	.80	.29	.24	.32	.08	.07
COMP	.51	.49	.48	.4	.36	.59	.54	.75	.49	.41	.19	.12
COM	.67	.35	.32	.32	.33	.5	.49	.7	.86	.58	.16	.07
MA	.74	.5	.43	.42	.44	.47	.57	.64	.76	.90	.17	.08
OC	.69	.48	.51	.34	.37	.52	.29	.44	.4	.41	.94	.38
TI	.56	-.29	-.47	-.23	-.19	-.29	-.27	-.34	-.27	-.29	-.62	.86

<sup>a</sup> Composite reliabilities are along the diagonal.  
<sup>b</sup> Correlations are below the diagonal.  
<sup>c</sup> Squared correlations are above the diagonal.

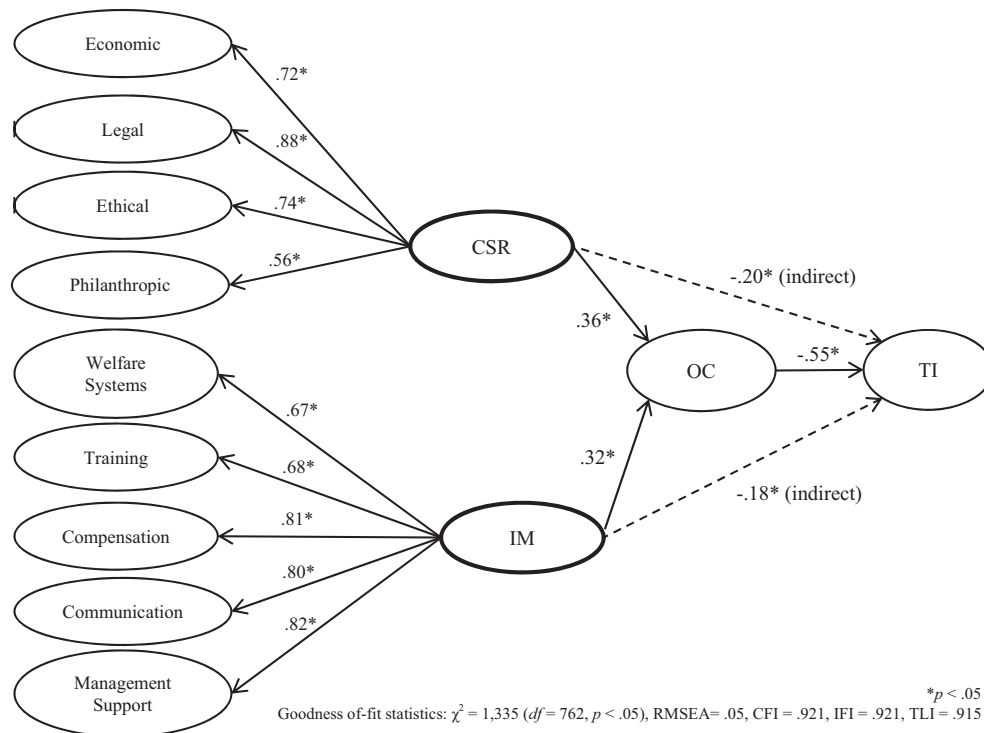


Fig. 1. Estimation of structural model.

## 5. Discussion and implications

Higher levels of organizational commitment and lower levels of turnover are key indicators of a company's organizational effectiveness (Steers, 1977). Thus, the current study investigated the effects of internal marketing (IM) and corporate social responsibility (CSR) programs on these vital indicators in a casino setting: casino employees' organizational commitment (OC) and their turnover intentions (TI). Based on social identity theory (SIT), CSR, and IM literature, this study developed a model and found employees' perception of CSR programs and IM programs positively influence employees' organizational commitment, which in turn reduces their turnover intentions in the casino context.

From a theoretical perspective, these findings support previous IM studies (e.g., Clappitt and Downs, 1993; Conduit and Mavondo, 2001; Jaworski and Kohli, 1993; Kim et al., 2001; Lux et al., 1996), contributing to the stream of research related to IM and employees' work attitudes. In particular, the proposed view of IM in the casino industry which is composed of five distinct but related substantive dimensions was supported in this study. This finding provides evidence that the proposed five dimensions in this study (i.e., welfare systems, training, compensation, communication, and management support) accurately represent the multidimensional concept of IM in the casino industry. In addition, the result indicates a positive effect of IM on organizational commitment, which corroborates findings of previous studies (e.g., Ajay and Sabir, 2009; George, 2009; Hogg, 1996; Tansuhaj et al., 1991). Since none of these previous studies empirically tested the linkage between IM and organizational commitment in casino environments, the current study offers the first empirical evidence of a positive relationship between IM and organizational commitment in a casino setting.

The current study also confirms that CSR in the casino industry is composed of four distinct but related substantive CSR dimensions (i.e., economic, legal, ethical, and philanthropic responsibilities). This finding is consistent with Carroll's social performance model

(1991, 1998) that CSR could be divided into these four dimensions. Furthermore, the finding supporting the fourth hypothesis indicates that a positive relationship exists between CSR and organizational commitment in the casino industry, confirming previous CSR studies conducted in other contexts (Maignan et al., 1999; Maignan and Ferrell, 2003; Peterson, 2004). The positive effect of CSR can be explained by SIT which suggests employees reinforce their self-esteem and augment their self-image by identifying themselves with their company when it is known for its social responsibility (Ashforth and Mael, 1989; Pratt, 1998; Tajfel and Turner, 1985).

Lastly, this study supports that a higher level of casino employees' organizational commitment reduces their turnover intentions. Furthermore, organizational commitment played a significant mediating role between CSR and turnover intentions as well as between IM and turnover intentions. Although several studies have examined and supported the significant role of employees' organizational commitment in reducing their turnover intentions (e.g., Kim et al., 2005; Mathieu and Zajac, 1990; Tett and Meyer, 1993; O'Reilly et al., 1991), none of them empirically tested such relationships by including both CSR and IM as antecedents of organizational commitment. Thus, this finding that the effects of CSR on organizational commitment (direct) and turnover intentions (indirect) were stronger than the effects of IM contributes to the literature in this domain. That is, this research extends the previous literature in this area by illustrating that CSR initiatives can play more vital roles than traditional IM programs in enhancing employees' commitment toward the company and supporting employee retention.

Of practical significance, this study suggests casino operators can improve their employees' organizational commitment via well-executed internal marketing and CSR programs, which can lead to lower turnover rates. The findings also suggest some issues that deserve further discussion. First of all, casino employees who participated in this study perceived CSR as comprising all four dimensions (i.e., economic, legal, ethical, and philanthropic responsibilities). That is, casino operators should evaluate and implement

various CSR initiatives in all four areas to meet their employees' expectations.

Second, it is worth noting that casino employees' perception of CSR programs had a stronger direct effect on organizational commitment and an indirect effect on turnover intentions than their perception of internal marketing programs did. From a practical perspective, since improving existing IM or introducing new IM programs such as offering welfare facilities can require long-term effort and high costs, initiating achievable CSR programs can be relatively effective strategies for a casino company to promote employee commitment. For example, initiating and publicizing a company's volunteer activities can make employees feel proud of working for a socially responsible company. Casino companies, in particular, tend to be criticized because of perceived negative impacts of casino operation such as a higher rate of crime and problem gambling (Chhabra, 2007; Eadington, 1999; Grinols and Mustard, 2006). It is possible that casino employees feel shame to work for a company causing such negative impacts. The strong effect of CSR found in this study, together with social identity theory, suggests that CSR programs can help casino employees enhance their self-esteem by being identified with companies that are socially responsible and valuable.

Third, this study suggests casino companies need to find ways to execute CSR and IM programs simultaneously and incorporate them in daily business, so that they can be part of the company's culture. For example, this study revealed that satisfactory communication and management support are important IM dimensions for employee retention as are ethical and philanthropic CSR dimensions. To meet these employee expectations, a casino company can use pre-shift meetings for employees to share their impressive experiences or ideas related to ethical and philanthropic CSR activities with other employees and supervisors. Then managers and executives can support this story-telling approach by recognizing those who shared the most extraordinary stories as role models and rewarding them (e.g., volunteer king/queen of the month and ethical employee of the year).

In addition, the legal and ethical CSR activities, such as promoting responsible gambling, enhancing capacity in unveiling of corruption cases, and complying with regulations related to workplace safety and environment, should be executed with proper employee training and management support. Caesars Entertainment is a good exemplary which has actively trained employees about responsible gambling and empowered employees to help their customers. Although employees cannot be expected to decide whether or not their customers have serious gambling problems, they can be expected to listen to a customer's comments and recognize if those comments make them worry about the customer's ability to gamble in a responsible way. As a result, employees can gain a sense of being a critical part of the company's effort to encourage responsible gambling and be proud of their company (BASIC, 2014).

Furthermore, it seems that welfare systems, one of dimensions of IM, can be combined with economic and ethical CSR initiatives. For instance, when a company develops a welfare facility for employees (e.g., a fitness or wellness center), it can be built as a green-certified facility with lower energy and water costs as the company's economic and ethical CSR initiatives. The finding of this study also suggests there is need for a company to involve employees in developing philanthropic CSR initiatives. In fact, this approach can help employees express their opinions freely in a liberal environment, facilitating improved communication within the company. For instance, the MGM Resorts Foundation enables MGM's employees to assist their communities by donating to non-profit organizations and programs of the employees' choice. The employees were allowed to reach out to their community through the multiple causes they identified and host diverse fundraising

events and activities such as employee talent shows. As a result, not only 42% of MGM employees contributed \$4.7 million disbursed to 1074 nonprofits and 89 grants in 2013, but also MGM management viewed this foundation as an effective vehicle for employee engagement and team collaboration (MGM Resorts International, 2014).

It should be noted that this study has some limitations. First, CSR and IM were measured based on the perceptions of employees who may not be well-informed about the CSR and IM programs of their company. Future studies may attempt to provide workshops about CSR and IM programs of subject companies before surveying their employees. Second, the study sample was collected from employees working for one of the major casino companies located in South Korea. That is, common method variance is one of the limitations of this study. Since the data to measure variables was collected from the same source, it could potentially inflate the statistical relationships (Podsakoff and Organ, 1986). Thus, the findings of this study may not be generalizable to casino or hospitality employees in other jurisdictions. We recommend other researchers collect data from more than one casino and reexamine the model proposed in this study, which will increase the generalizability of findings and the applicability of this CSR/IM-OC-TI model. Other researchers can also extend this model by conducting cross-cultural studies with employees working for a casino or hospitality company located in other countries and including culture as a moderator. Lastly, other dimensions of CSR and IM which were not considered in the current study can be included in future studies. For example, responsible gambling strategies can be added as a casino company's unique CSR dimension. If a future study is conducted using data collected from a mature and competitive market, benchmarking (i.e., investigating and analyzing what competitors offer for their employees) could be considered as one of IM components (Jou et al., 2008).

In conclusion, it is clear that there are different components to IM as well as to CSR, and that these are influential factors that hospitality managers need to consider in the pursuit of objectives related to employee organizational commitment and retention. Since this study was conducted in a specific hospitality context, casinos, these findings raise an interesting question: Are both IM and CSR effective in all hospitality organizations? To answer this question and delineate clearly where there is relevance and not, we encourage researchers to examine IM and CSR simultaneously in various hospitality settings.

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