INTERNAL CORPORATE SOCIAL RESPONSIBILITY (ICSR): SCALE ADAPTATION AND VALIDATION IN THE BANKING INDUSTRY

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ABSTRACT

The present study intends to adapt and validate a scale to measure internal CSR practices in the banking industry. A Four-step procedure was followed for scale validation. Initially, a preliminary test was conducted to test common method bias followed by EFA (n= 217), CFA (n=345), and lastly, reliability and validity analysis was done. The quantitative research method covered 850 bank employees in 3 stages, of which 612 responses were gathered and analyzed using standardized statistical tools. A tool of 20 items was adapted and validated for measuring internal CSR. Results revealed that the scale is valid and reliable for bank employees. The study develops a short yet comprehensive scale to measure internal CSR, especially for the banking industry, contributing to the literature and practice.

Keywords: Internal Corporate Social Responsibility; Scale Validation; Banking Industry, Human resources; Employee focused CSR.

JEL Classification: M

INTRODUCTION

Corporate Social Responsibility (CSR) has gained much attention and limelight from practitioners and academicians. This results from CSR's practical implications for the business landscape and societal pressure. Since its inception in the 1980s, it has evolved gracefully as a tool to achieve a competitive advantage and wide acceptance from business stakeholders. It addresses consumers' issues by producing quality goods that do not harm the environment and caters to their awareness regarding green products, packaging, etc. Nevertheless, it serves the society and community through its philanthropic initiatives, conscious manufacturing, etc.,

while generating profit for the shareholders. Vision limited to profit-making may be favorable in the short run however; to survive in the long run, organizations must withdraw from this narrow mindset and cater to the needs of stakeholders as a whole (Cavazotte & Chang, 2016). Corporate Social Responsibility is a term associated with the obligation of an organization towards society and its stakeholders (Jones, 1980) to maintain its conduct responsibly and indirectly pay for the adverse effect they have caused to the community and nature through philanthropic, social, and environmental practices (Frederick et al., 1992). Based on the paradigm of stakeholder theory, stakeholders are categorised into external and internal within the concept of CSR. Where, external CSR revolves around the customers, community, suppliers, government, competitors, media and financial institutions; Internal CSR is focused towards employees, directors and board members (Barkay, 2024; Jaaron et al., 2023; De silva & De silva, 2019; Wang et al., 2018; Shen & Zhang, 2017). Internal CSR considers employees' psychological and physiological well-being (Hameed et al.,2016; Brammer et al., 2007; Turker, 2009b). Researchers advocate that internal CSR or the employees are the most underestimated stakeholder among others (Shen & Zhang, 2017; Brammer et al., 2007). Previously, many researchers have tried to measure internal CSR but could not comprehend the concept to any fixed dimensions.

In this paper we have attempted to adapt (develop) and validate a new scale on internal CSR relevant to Indian banking industry. The banking industry has a vital role in maintaining the flow of monetary resources in any economy while establishing a close connection due to significant physical interaction among employees and customers. Indian Fintech industry is said to be the third largest in the world which currently amounts to US$111 billion and is estimated to be US$421 billion by the year 2029. The Indian banking industry shows an upward trend aided by strong economic growth, increasing disposable income, consumerism and easier access to credit (IBEF). A huge emphasis is being laid on improving the infrastructure, client service and overall customer experience providing competitive advantage to the banks. This robust growth within the industry has thrown up challenges for the employees of the industry creating a need for well- defined internal CSR practices. Therefore, it is reliable sector to develop a clear understanding while validating a new and comprehensive scale for internal CSR. Additionally, majority of the research concerning internal CSR is done on the developed economies thus, our study aims to overcome this gap and targets a developing country like India.

Mory et al. (2016) highlights the need to grasp and exhaust the potential of internal CSR as a befitting reply to the rivals' campaigns through comprehensive initiatives for stakeholders. Researchers such as Low (2015); ALshbiel and AL-Awawdeh (2011); Al-bdour et al. (2010) and Brammer et al. (2007) call for more in-depth analysis on the concept of internal CSR. The study

contributes to the literature in the following ways: firstly, this study enriches the literature on internal CSR, highlighting the inconsistency in external and internal CSR, it. Secondly it deepens the understanding of the dimensions which has a significant influence on the internal stakeholders providing a theoretical analysis on how internal CSR may be used as a strategic and managerial tool to address employment issues. Due to the lack of knowledge-based orientation, internal CSR is a concept, people only have a vague idea about. Therefore, there is scope for conceptualizing and empirically testing the concept (Mory et al., 2016; Low, 2016). Numerous researchers have developed scales and dimensions for the measurement of internal CSR. However, there are many overlaps in the dimensions used by these researchers which usually leads to issues like high correlation and multicollinearity resulting in a shared variance of independent variables (Low, 2016; Than Soo Oo, 2018). Therefore, this study proposes a new, valid and reliable scale for measuring internal CSR or employee-focused CSR.

The research article is structured as follows: The following section briefly describes the previous literature, followed by the research methodology used in the study in section three. Subsequently, data analysis is presented in section four. Finally, a discussion with future research implications and conclusion are presented.

2. LITERATURE REVIEW

Barkay (2024) advocates that initiatives focused towards the well-being of employees have become an integral part of CSR. Needs, expectations and interests of internal stakeholders i.e., employees are being fostered under such initiatives. Literature regarding the same could be traced under the umbrella term 'Internal CSR'. Operationalizing internal CSR into the workspace can harness an organization's ability to perform at its best (Akbari et al., 2020). Inconsistent allocation of resources between internal and external CSR has created discrepancies resulting in neglection of employees' physical and psychological work environment (Scheidler et al., 2019; Lindgreen and Swaen, 2010). Such corporate hypocrisy may lead to intra-organizational challenges like negative employer branding, employee turnover, low commitment and performance (Lu et al., 2020; Scheidler et al., 2019). Macassa et al., (2021) explored that internal CSR acts as a tool to motivate and satisfy the existing workforce while attracting and retaining the prospective ones also, glorifying the brand image. Internal CSR exercises social exchange theory which creates a sense of reciprocity among employees and the organization (Hu et al., 2020).

Internal CSR in the real-time business scenario includes directing adaptive performance (Ramdhan et al., 2022), improving employee commitment (Dhanesh, 2012; Mory et al., 2016; Nguyen et al., 2019; Ramdhan et al., 2022), fostering organizational creativity (Nguyen et al.,

2019), improving social performance (Adu-Gyamfi et al., 2021), encouraging organizational citizenship behavior (Rashid et al., 2018; Jamali et al., 2020), increase employee engagement (Duthler & Dhanesh, 2018), promote harmonious employee relations (Glavas & Piderit, 2009), increase organizational identification among employees (Chang et al., 2021). Social Exchange Theory, Stakeholder Theory, and Social Identity Theory are a few theories that provide the foundation/ basis of employee-focused CSR or internal CSR (Low, 2016). Dimensions used by previous researchers of internal CSR are presented in Table 1.

Table I: Previous studies/ dimensions of Internal CSR

AUTHOR	DIMENSIONS
Longo et al., 2005	Health & safety, skill development through training, employee well-being & quality of work, social equity and work safety and equal opportunity.
Welford, 2005	Non-discrimination, equal opportunities, fair wages, vocational education, association and human rights
Basil & Erlandson, 2008	code of ethics and health & safety policies
Turker, 2009b; Jaaron et al., 2023	Employee needs & wants, training & development, health & safety, fair decisions, work-life balance & employee autonomy
Lindgreen, Swaen & Johnston, 2009	Promote education, health & safety, fair treatment, work-life balance, incorporation of employees in business decisions, fair remuneration
Al-bdour et al. 2010	labor relations, occupational health and safety, diversity and equal opportunity, training and education
Kimeli Cheruiyot & Maru, 2012	employer CSR orientation, fair wage, perceived level of discrimination, work-related benefits, work environment relations, sense of information, and remuneration
Muwazir, Hadi, & Yusof, 2013	employee involvement, workplace diversity, gender issues, human capital development, quality of life, labor rights, human rights, health and safety
Keraita, Oloko & Elijah, 2013	Occupational safety, training & development, workplace diversity, work-life balance
Zia Anam, 2015	Employee empowerment, health & safety, work-life balance, training & development, compensation & benefit

Mory et al., 2016	employment stability, working environment, skills development, workforce diversity, work-life balance, tangible employee involvement and empowerment
Thang & Fassin, 2017	Labor relations, WLB, social dialogue, health & safety, training & development
Albasu & Nyameh, 2017	Health & safety, employee engagement programs, work-life balance programs, remuneration, employee development policy, employee welfare scheme
Farooq et al., 2017	good training opportunities, respect for human rights, work-life balance, treated well in the workplace in the form of health and well-being of employees
Trivellas et al., 2019	employment conditions, health and safety, training and education, diversity and equal opportunities, and human rights
Osita-Njoku et al., 2020	Employee rights, health & safety, work-life balance, employee training, equal opportunity
Adu-Gyamfi et al., 2021	Health & safety, human rights, training & development, workplace diversity and work-life balance
Tang et al., 2023	Legal employment, training, internal dissemination, compensation, health & safety
Vives, 2006; Hameed et al., 2016	well-being of workers, equality of opportunities, and work-family relationship

Compiled by Researcher

2.1 Objectives of the Study

The objectives of the study are as follows:

1. To explore the past literature and identify dimensions for development of new scale of internal CSR relevant to banking professionals.

2. To examine the composite, convergent, and discriminant validity of the Internal CSR scale.

2.2 Rationale of the study

The paper proposes a comprehensive scale to measure internal CSR practices reliable in the Indian banking sector.

3. RESEARCH METHODOLOGY

3.1 Item Generation and Measure

The paper employs both inductive and deductive approach to generate dimensions and items (Shrivastava & Shukla, 2021). These variables were already discussed in the literature therefore, we conducted an in-depth interview of the human resource managers and academicians from the same field for construct conceptualization. Initial list was prepared using the insights from the literature review and interviews. The methodology followed for scale development (adaptation) and validation was adapted from Sharma et al., 2017 (Fig1.).
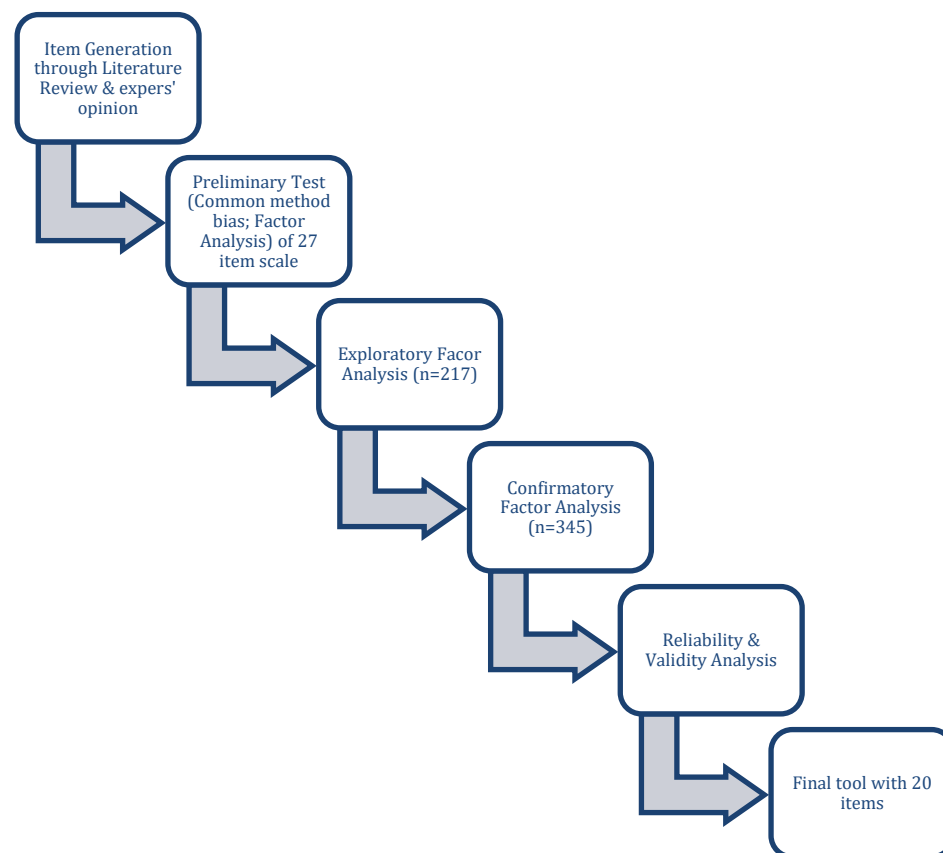
Figure 1: Scale adaptation & validation process by Sharma et al., 2015

In current study, five-dimensional construct for internal CSR is conceptualized that are aligned with the ones used in previous researches to achieve the corresponding objectives and rationale of the study. Table II provides operationalisation of ICSR construct/ items generation based on the past literature.

Table 2: Internal CSR variables

Variables	References
Compensation & Benefits	Vuontisjarvis, 2006, Lindgreen et al., 2009, European SMEs' Good Practice, 2005,
Training & Development	Vives, 2006, Longo et al., 2005, Vuontisjarvis, 2006, Brammer et al., 2007, European SMEs' Good Practice, 2005
Health & Safety	Vives, 2006, Longo et al., 2005, Vuontisjarvis, 2006, Lindgreen et al., 2009, Turker, 2009, European SMEs' Good Practice, 2005,
Work-life Balance	Vives, 2006, Longo et al., 2005, Vuontisjarvis, 2006, Turker, 2009, European SMEs' Good Practice, 2005,
Employee Autonomy	Vuontisjarvis, 2006, Lindgreen et al., 2009, European SMEs' Good Practice, 2005

Source: Literature Review

Five dimensions identified are namely, compensation and benefits, training and development, health and safety, work-life balance and employee autonomy. Compensation & benefits strives of monetary and non-monetary rewards one receives for their services (Diaz-Carrion et al., 2019); training and development consists of skill building activities to enhance their careers (Diaz-Carrion et al., 2019); health and safety refers to the physical and psychological well-being of an individual (Diaz-Carrion et al., 2019); work-life balance refers to striking a balance between the private and work life (Foa & Foa, 1980) and employee autonomy as "an opportunity to determine their operating context in a self-actualizing way" (Mory et al., 2016).

In present study, a detailed 27-question survey was put together, drawing from insights gained in five key areas previously explored. Each item within the scale was meticulously rated on a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). To mitigate

potential respondent bias, certain items were tactfully reverse coded. For construct-item wise details, see table III.

Table 3: Items of ICSR Scale

Variables	Items	Source
Compensation & Benefits	CB 1- My organization provides a higher pay rate. CB 2- My organization provides support depending on requirements. CB 3- My organization assists in cash and kinds. CB 4- My organization allows annual increments. CB 5- I satisfy the benefit programs of my organization. CB 6- My organization pays bonus according to the performance of individual workers. CB 7- My organization allows the loan according to individual requirements.	Oo, 2017
Training & Development	TD 1- I can use knowledge and behaviors learned in training at work. TD 2- The Firm I work for invests in my development and education promoting my personal and professional growth. TD 3- The organization I work for stimulates learning and application of knowledge. TD 4- The organization I work for, helps me develop the skills I need for successful accomplishment of my duties. TD 5- In the organization I work for, training needs are identified periodically. TD 6- In the organization I work for, training is evaluated by the participants.	Demo et al., 2012
Health & Safety	HS 1- Employees are expected to follow good health and safety practices. HS 2- Employees are told when they do not follow good health and	

	safety practices. HS 3- Workers and management work together to ensure the safest possible conditions. HS 4- There are no major shortcuts taken when workers' health and safety are at stake. HS 5- The health & safety of workers is a high priority with management where I work. HS 6- I feel free to report safety problems, where I work.	Hahn & Murphy, 2008
Work-life Balance	WLB 1- I have difficulty balancing my work and other activities (R). WLB 2- I can balance between time at work and time at other activities. WLB 3- I feel that the job and other activities are currently balanced. WLB 4- Overall, I believe that my work and other activities are balanced.	Shukla & Srivastava, 2016
Employee Autonomy	EA 1- I have a lot to say about what happens on my job. EA 2- I have enough authority to do my best. EA 3- My job allows me to make a lot of decisions on my own. EA 4- I have enough freedom as to how I do my work.	Beehr, 1976

Subsequently, the questionnaire was subjected to pilot testing involving 50 respondents, for evaluating its readability and reliability. Notably, Cronbach's Alpha coefficients for all constructs surpassed the satisfactory threshold value of 0.70, confirming internal consistency (see table IV for reliability analysis of pilot study dataset). Additionally, respondents reported minimal challenges in understanding the items, aside from a few items that were reverse-coded items.

Table 4: Reliability Analysis (Pilot Study)

Variables	No. of Items	Cronbach Alpha
Compensation & Benefits	07	0.903
Training & Development	06	0.885

Health & Safety	06	0.906
Work-life Balance	04	0.777
Employee Autonomy	04	0.708

3.2 Participants and Data Collection Procedure

The present study encompassed bank employees working in public- or private-sector banks situated in the state of Uttarakhand, India. The respondents were selected using the snowball sampling method.

After finalizing the questionnaires, the 27-item scale was distributed to 850 participants through three stage process. Initial process of pilot study, 100 questionnaires were distributed, of which only 50 responses were collected. In subsequent process, 217 valid responses (out of 350) were subjected to EFA for factor reduction and refinement. In final stage, refined scale was distributed among 400 participants, of which 345 valid responses were considered for CFA. Refer table V for demographic details of respondents.

Table 5: Demographic Profile of Respondents

Characteristics	Study 1 (EFA)		Study 2 (CFA)	
	Total (n=217)	Percentage (%)	Total (n=345)	Percentage (%)
Gender				
Male	124	57	221	64
Female	93	43	124	36
Age				
21-30	57	26	114	33
31-40	68	32	131	38
41-50	53	24	65	19
50 & above	39	18	35	10

Work- Experience				
0-5 years	43	20	66	19
6-10 years	79	36	121	35
11-15 years	63	29	96	28
16 years & above	32	15	62	18
Managerial level				
Junior	107	49	182	53
Middle	72	34	98	28
Senior	38	17	65	19

4. Data Analysis and Results

The current study employs four step procedure for analysis (i) Preliminary tests, (ii) exploratory factor analysis (EFA), (iii) confirmatory factor analysis (CFA) and (iv) reliability and validity analysis.

a. *Preliminary tests*:

Before conducting EFA and subsequent analysis, the present study employed specific tests to ensure the quantity and quality of the dataset is suitable for conducting factor analysis.

4.1.1 Assessment of Common Method Bias

The current study employs a self-administered survey to collect data; concerns persisted regarding respondent's biases, particularly regarding participants' responses to dependent and independent variables using the same Likert scale type. Harman's single-factor test was performed using SPSS (IBM Version 27) to examine the presence of common method bias. Through principal component analysis, it was determined that no single factor explained more than 50% of the total covariance, with the first factor capturing only 34.094% of the variance, thus affirming the absence of significant common method biases in the study's findings (see Table VI).

Table 6: Total Variance Explained						
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.860	29.112	29.112	7.860	29.112	29.112
2	2.537	9.395	38.506	2.537	9.395	38.506
3	2.373	8.788	47.294	2.373	8.788	47.294
4	1.857	6.877	54.171	1.857	6.877	54.171
5	1.447	5.357	59.528	1.447	5.357	59.528
6	1.051	3.893	63.422	1.051	3.893	63.422
7	0.849	3.145	66.567			
8	0.782	2.897	69.463			
9	0.718	2.658	72.122			
10	0.663	2.454	74.576			
11	0.627	2.324	76.900			
12	0.595	2.205	79.105			
13	0.538	1.994	81.099			
14	0.513	1.900	82.999			
15	0.510	1.887	84.886			

16	0.499	1.848	86.735			
17	0.453	1.678	88.413			
18	0.442	1.636	90.048			
19	0.407	1.507	91.556			
20	0.381	1.409	92.965			
21	0.345	1.279	94.244			
22	0.329	1.219	95.463			
23	0.298	1.104	96.567			
24	0.275	1.018	97.586			
25	0.225	0.834	98.420			
26	0.224	0.830	99.249			
27	0.203	0.751	100.000			
Extraction Method: Principal Component Analysis.						

4.1.2 Assessment of the Size and quality of the dataset

Bartlett's Test of Sphericity provides a measure to determine whether the observed variables in a dataset intercorrelate significantly enough to justify factor analysis. The results were significant ($\chi2$ = 6143,689, p < .005), which indicates its suitability for factor analysis.

Additionally, the Kaiser–Meyer–Olkin measure of sampling adequacy (MSA), which assesses the appropriateness of the data for factor analysis, yielded a value of 0.907, which is above 0.800, suggesting that the research dataset was large enough for factor analysis (see Table VII).

Table 7: KMO and Bartlett's Test

Kaiser–Meyer–Olkin measure of sampling adequacy		0.907
Bartlett's test of sphericity	Approx. chi-square	2979

d.f.	351
Sig.	0.001

Source: Primary Data

b. *Exploratory Factor Analysis (EFA)*

The next step in the standardization process involved conducting an Exploratory Factor Analysis (EFA). EFA condenses observed variables into shared factors, unveiling latent patterns within the dataset. Initially, 350 questionnaires were distributed among bank employees, yielding 217 responses after follow-ups and revisits. However, 133 responses were deemed incomplete or unengaged during preliminary analysis and thus eliminated. Subsequently, an EFA was executed on the final dataset comprising 217 responses, utilizing Principal Components Analysis (PCA) via Jamovi statistical software version 2.4.14. Varimax rotation method with an eigenvalue greater than one was chosen, alongside a minimum factor loading criterion of 0.50.

Furthermore, communalities were assessed to ensure adequate variance explanation, with communalities above .80 considered high, although the social sciences commonly accept a range from .40 to .70 (Costello & Osborne, 2005). Notably, during the factor analysis, items CB4, TD6, HS1, and WL1 were excluded due to low loadings below .50, while items CB7, TD5, and HS6 were eliminated due to cross-loading on opposite factors. Ultimately, the factor solution derived from this analysis confirmed the five-factor model of the ICSR scale, each with eigenvalues exceeding one, surpassing the threshold for each factor. These factors accounted for 63.4 percent of the dataset's variance, indicating a comprehensive explanatory framework. In this model, 20 items were distributed across five distinct factors: Compensation and Benefit (CB), consisting of items CB1 to CB6; Training and Development (TD), represented by items TD1 to TD4; Health and Safety (HS), encompassing items HS2 to HS5; Work-Life Balance (WLB), represented by items WLB2 to WLB4; and Employee Autonomy (EA), captured by items EA1 to EA4. This comprehensive model provides a nuanced understanding of individual characteristics and behavior within organizational contexts (see Table VIII).

Table 8: Exploratory Factor Analysis of new ICSR scale

	Component					
Item	CB	TD	HS	WLB	EA	Communality
CB1	0.798					0.660

CB2	0.718				0.641
CB3	0.514				0.527
CB5	0.72				0.662
CB6	0.558				0.421
TD1		0.654			0.692
TD2		0.797			0.700
TD3		0.78			0.741
TD4		0.745			0.758
HS2			0.521		0.626
HS3			0.835		0.737
HS4			0.707		0.628
HS5			0.718		0.751
WLB2				0.851	0.781
WLB3				0.83	0.797
WLB4				0.818	0.787
EA1					0.742	0.637
EA2					0.561	0.576
EA3					0.693	0.620
EA4					0.731	0.662

Note. Extraction method: Principal component analysis. Rotation method: Varimax was used

c. *Confirmatory Factor Analysis (CFA)*

CFA was conducted using Jamovi software version 2.4.14 to verify the previously established five-factor model for the ICSR scale and assess its model fit. Following the exploration via exploratory factor analysis (EFA), a refined questionnaire comprising 20 items was administered to 400 bank employees. Subsequently, 55 incomplete or unengaged responses were excluded, resulting in a final dataset of 345 for the CFA. The parameter estimates, as depicted in Table IX, were found to be significant.

Table 9: Confirmatory Factor Analysis

Factor	Indicator	Estimate	SE	Z	p	Stand. Estimate
CB	CB1	0.74	0.050	14.82	< .001	0.737
	CB2	0.671	0.046	14.50	< .001	0.726
	CB3	0.815	0.053	15.26	< .001	0.754
	CB5	0.667	0.049	13.64	< .001	0.691
	CB6	0.667	0.056	12.00	< .001	0.625
TD	TD1	0.796	0.048	16.46	< .001	0.787
	TD2	0.788	0.053	15.01	< .001	0.736
	TD3	0.807	0.046	17.61	< .001	0.823
	TD4	0.813	0.049	16.63	< .001	0.794
HS	HS2	0.847	0.059	14.41	< .001	0.731
	HS3	0.829	0.057	14.44	< .001	0.732
	HS4	0.634	0.058	10.85	< .001	0.587
	HS5	0.875	0.055	15.97	< .001	0.790
WLB	WLB2	0.962	0.057	16.93	< .001	0.812

	WLB3	0.912	0.056	16.39	< .001	0.793
	WLB4	0.945	0.056	16.79	< .001	0.808
EA	EA1	0.619	0.055	11.16	< .001	0.618
	EA2	0.702	0.050	14.16	< .001	0.756
	EA3	0.649	0.058	11.21	< .001	0.621
	EA4	0.550	0.056	9.82	< .001	0.557

Source: Primary data (CB- Compensation & Benefits, TD- Training & Development, HS- Health & Safety, WLB- Work Life Balance, EA- Employee Autonomy)

To evaluate the model fit, various indices, including the Chi-square measure, Tucker-Lewis Index (TLI), Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR) were employed. Based on these model fit indices, the hypothesized model exhibited a perfect fit (see Table X). The $\chi2/d.f.$ ratio (2.388) indicated adequate fit. CFI and TLI values (0.921 and 0.905) exceeded the standard threshold 0.90. RMSEA (0.063) and SRMR (0.057) were well below the acceptable limit of 0.08. Thus, structured equation modelling (SEM) confirmed the ICSR scale's five-factor structure (CB, TD, HS, WLB, and EA) model.

Table 10: Model Fit Indices

Indices	Value	Threshold Value	References	Result
$\chi2/d.f.$	"389/160" = 2.431	Between 0 and 5	Wheaton et al., 1977	Acceptable
CFI	0.92	Between 0.90 and 1.00	Hu & Bentler, 1999	Acceptable
TLI	0.905	Between 0.90 and 1.00	Hooper et al., 2008	Acceptable
SRMR	0.057	≤ 0.08	Hu & Bentler, 1999	Acceptable
RMSEA	0.063	≤ 0.08	Hooper et al., 2008	Acceptable

Note: $\chi2$ - Chi Square; d.f. - degree of freedom; CFI - Comparative fit index; TLI - Tucker-Lewis index; SRMR - Standardised Root Mean Squared Residual; RMSEA - Root Mean Square of

Approximation.

d. Reliability and Validity analysis

Past studies have suggested that assessment instruments must be reliable and valid for study results to be credible. The absence of reliability and validity assessment weakens the psychometric integrity of a scale, diminishing its future utility and applicability (Morgado et al., 2017). Reliability pertains to the consistency of results obtained from repeated use of the same scale, indicating its quality as an instrument (Sullivan, 2011), and validity refers to the extent to which the inferences from the data are meaningful (Hayes, 2008).

In the current study, SMART PLS 4.0 was utilized to assess the reliability and validity of the developed scale, employing both Cronbach's alpha (Alpha) and composite reliability (CR) to assess the reliability of the constructs. Values of Alpha and CR surpassing 0.70 indicate internal consistency reliability of the structure (Ali et al., 2018). A CR exceeding 0.95 is undesirable (J. Hair et al., 2016). In this study, both Alpha and CR values met satisfactory standards. Subsequently, convergent validity, the second component of the measurement model, was assessed. The Average Variance Extracted (AVE) is the accepted measure of convergent validity, with a value of 0.50 commonly used as a cutoff criterion (Ali et al., 2018). As a result, all constructs in our model demonstrated satisfactory composite reliability. Table XI provides details of the outer loadings, Alpha, AVE, and composite reliability measures.

Table 11: Assessment of reliability and validity(convergent)

Construct	Items	Factor Loading	Cronbach's alpha	CR	AVE	VIF
CB	CB1	0.777	0.833	0.881	0.597	1.881
	CB2	0.802				1.748
	CB3	0.824				1.753
	CB5	0.742				1.671
	CB6	0.712				1.484
EA	EA1	0.732	0.737	0.833	0.557	1.425

	EA2	0.822				1.476
	EA3	0.734				1.408
	EA4	0.69				1.289
HS	HS2	0.796	0.799	0.869	0.624	1.657
	HS3	0.795				1.832
	HS4	0.736				1.368
	HS5	0.831				1.927
TD	TD1	0.827	0.865	0.908	0.712	2.06
	TD2	0.824				1.955
	TD3	0.858				2.361
	TD4	0.864				2.139
WLB	WLB2	0.858	0.846	0.906	0.763	2.105
	WLB3	0.885				1.992
	WLB4	0.878				2.021

Note: CR - Composite Reliability; AVE - Average Variance Explained; VIF - Variance Inflation Factor

Discriminant validity was assessed through the Fornell and Larcker criterion, which establishes that discriminant validity is achieved when the AVE of constructs (bold along the diagonal in Table 12) surpasses the squared inter-correlations of other constructs, as outlined by Fornell and Larcker (1981). The results indicated that the AVE surpassed the squared correlation between each pair of constructs (refer to Table XII), thereby providing evidence for discriminant validity.

Table 12: Assessment of Discriminant Validity (Fornell Larcker Criterion)

	CB	EA	HS	TD	WLB
CB	**0.773**				
EA	0.351	**0.746**			
HS	0.363	0.468	**0.79**		
TD	0.41	0.373	0.341	**0.844**	
WLB	0.412	0.36	0.305	0.256	**0.874**

6. Discussion

The present paper primarily aims to develop and validate a scale of internal CSR for the employees of the Indian banking industry. It makes a significant contribution to the literature as it presents a standardized 20-item scale of internal CSR. It takes into consideration all the major factors important for the employees of the banking sector which have also caused retention and loss of performance among them. The results concluded that the 5 dimensions (compensation & safety, training & development, health & safety, work-life balance, and employee autonomy) show a significant impact on the employee outcomes an organization tends to achieve. The results are in tandem with the past literature.

The standardized scale proposed in this research is a short yet comprehensive tool to measure internal CSR. Getting response from the employees using larger tools is a matter of thought for upcoming researchers and academicians specially in banking sector which practices offline customer dealings at such large level. Employees usually do not have spare time to participate in miscellaneous activities like these, even if they do, the responses are repetitive thus, a short and comprehensive tool doesn't take much time and bring comparatively better responses.

Implications for future research

Internal CSR practices have been linked to employee engagement, firm performance, employee commitment, employer branding, and many more employee outcomes that an organization strives for. Employees are a vital resource for an organization which also acts as a strategic tool helpful in gaining a competitive advantage. Practitioners can benefit from the scale while

conducting empirical research. It will assist students and future researchers by adding insights into the literature of Internal CSR. Activities embracing social responsibility do improve employee morale, professional development, work-life balance, empowerment and ethical work environment for personnel. Previous researches provide evidence that operationalizing internal CSR help organizations employ positive behavior from employees, improved internal relations, more attachment, job satisfaction, better perception of the organization, and citizenship behaviour both at the individual and organizational level. Investment in internal CSR develops employer branding, positioning it as a worthy place to work at among current employees and potential ones. Internal CSR mitigates the negative affect caused by employee turnover (Rashid et al., 2018).

Limitations and Future Scope of Research

The paper has a few limitations. This uses a self-administered questionnaire scale and cross-sectional data. The scope of this paper is limited to the banking sector of a single economy i.e., India. Employees specially the branch managers were really concerned about the goodwill and image of their banks as any bad rating could tarnish the reputation of the bank in the society, leaving room for biased responses however, they were ensured about the confidentiality of the responses. Further researchers may test this scale in other sectors of the economy to generalize the findings in other economies too. Additionally, it could be tested in other economies while addressing other sectors. Further, the model could be empirically tested to measure employees' intention to stay and their performance.

7. CONCLUSION

The present paper conducted an extensive literature review, where we found that the concept is still vague and under-developed, leaving a major research gap to be worked upon. Therefore, we attempt to measure the internal CSR initiatives practiced in banks and perception held by employees towards those practices. For this, we identified five dimensions: compensation & benefits, training & development, health & safety, work-life balance and employee autonomy. Initially, 27 items were identified from the literature where, EFA was conducted on 217 respondents where we confirmed five dimensions and 20 items. Further, Confirmatory factor analysis (CFA) was conducted on a new data set of 345 respondents to confirm the model fit (TLI= between 0.90 and 1; SRMR= <0.08). Guidelines prescribed in previous scale development studies were followed while, data was analysed using PLS-SEM. Validity and reliability of the tool was assessed using Smart PLS. Hence, the tool is found to be valid and reliable and can be used in future studies. Internal CSR practices does influence a lot of positive employee outcomes thus, is considered important in business scenario.

Compliance with Ethical Standards

All the ethical norms and standards were followed during the research.

Research involving participants

Informed consent was obtained by the Branch Managers or the available senior executives from all the banks considered in the study prior distribution of the questionnaire. Participants were encouraged to participate voluntarily and were free to withdraw their participation. Respondents were briefed about the topic and worth of the survey stating that the responses will only be used for research purposes and confidentiality will be maintained.

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