



Does the Practice of Employee Volunteerism Affect Workforce Reduction and Defective Product Issues? Evidence from India

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Abstract

This study examines employee volunteerism's effect in preventing workforce reduction and reducing product quality issues in India. The study used the social identity theory to explore the relationship between employee volunteerism and workforce reduction and product quality issues. A sample size of 800 firm-year observations between 2010 and 2019 was utilised. Descriptive analysis, probit regression and panel probit regression were employed for data interpretation. The study shows that employee volunteerism does not prevent but instead increases workforce reduction of listed firms in an emerging economy. The research also shows that employee volunteerism is insignificant in reducing product quality issues.

Keywords Employee volunteerism · Workforce reduction · Product quality · Social identity theory

Introduction

Global sustainable development with 2030 agenda (Sustainable Development Goals, 2019) encourages firms to be responsible in contributing to the execution of the global agenda on sustainable development. Corporate social responsibility reporting which

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is sometime referred to as sustainability reporting, is the vehicle firms use to communicate to stakeholders about the activities undertaken to ensure compliance with the global standards. One of the CSR activities' elements is employee volunteering their skills and experience to the community (Bavik, 2019; McCallum et al., 2013). The employee volunteerism strategy benefits the firm and the employees (Breitsohl & Ehrig, 2017; van Schie et al., 2019). However, employee benefit is limited when there is an adverse event such as COVID-19 (PTI_News, 2020). Firms mostly adjust their bottom line profit by undertaking retrenchment and redundancy. Similarly, product quality issues attract public perception, negatively affecting the firm as a socially responsible firm that values its customers' well-being. Therefore, we ask whether employee volunteerism associated with commitment, cohesion, and support for workers' interest in its attributes can address CSR issues, including workforce reduction and product quality issues of firms in an emerging economy.

Different studies documented employee volunteerism with attributes and consequence to self-internationalisation of a volunteer identity (van Schie et al., 2019); a support system for co-workers by supervisors in the workplace (Boštjančič et al., 2018); and improvement in job satisfaction and commitment (Breitsohl & Ehrig, 2017; Haski-Leventhal et al., 2019). Similarly, employee volunteerism causes an improvement in the firm's productivity (Knox, 2018) and sometimes changes employee attitudes and perception to organisation behaviour (Gilder et al., 2005). However, there are no studies that examine the relationship between employee volunteerism and workforce reduction. Also, there is limited evidence to support the firm's rationalisation in undertaking employee volunteerism with hope to motivate working staff towards the improvement in product quality for the average consumer. Accordingly, the present study investigates employee volunteerism's effect in preventing workforce reduction and reducing product quality issues. We use probit regression and panel probit regression to examine 800 firm-year observations from the Bombay Stock Exchange (BSE). India has a matured market in implementing sustainability reporting, contributing to the global sustainable development agenda, 2030 (Sustainable Development Goals, 2019).

The study has several implications and contributions. Previous studies examined employee volunteerism and employee skills (Caligiuri et al., 2013). Still, this study argues that employee volunteerism does not guarantee job security for the employees in an emerging economy context. Second, the study is the first in emerging and developed economies that examined the employee volunteerism towards addressing product quality issues. Previous studies argued that employee volunteerism improved a firm's productivity (Knox, 2018). However, this study further contributes to the literature by arguing that employee volunteerism may improve production but does not reduce quality issues encountered in a firm productivity agenda.

Theory, Literature Review and Hypotheses Development

Social Identity Theory

Employee volunteering fosters a sense of belonging for the firm's employees (van Schie et al., 2019). The characteristics of employee volunteerism show a sense of identity that employee who participates feels an identity of belonging which is similar in other literatures which that shows cohesion and supervisor support systems also shows a sense of identity consistent with social identity theory (Boštjančič et al., 2018; Brammer et al., 2007). Different authors have examined social identity theory and included a definition that social identity groups such family or social class that people belong, receive a sense of belonging to the world of the group (Stets & Burke, 2000; Tajfel et al., 1979) and also concerning the organisation (Ashforth & Mael, 1989). In the context of this study, participating in CSR and employee volunteerism falls in the category of social identity theory (Atakan-Duman & Ozdora-Aksak, 2014; Pratihari & Uzma, 2018). Moreover, these studies utilise the theory to explain the relationship between employee volunteerism and workforce reduction and product quality issues of listed firms in an emerging economy.

Employee Volunteerism and Workforce Reduction

The workforce reduction is a social issue that causes unemployment to the community and is examined in CSR activities. A firm that seek to reduce workforce reduction is classified as contributing to addressing social issues in the community. Likewise, the identity to contribute one's skills and experience to assist the firm objectives and the community objectives are classified as employee volunteerism, which is also a CSR activity (Bavik, 2019; McCallum et al., 2013). However, there are not present studies that examine the relationship between employee volunteerism and workforce reduction.

Previous studies argued that employee volunteerism's strength creates self-internationalisation of a volunteer identity (van Schie et al., 2019). The consequence is a sense of belonging to a community (Tajfel et al., 1979) which can protect the interest of the members of the community because there is a support system for co-workers by supervisors in the workplace (Boštjančič et al., 2018). It is argued that the implementation of employee volunteerism by large companies (Basil et al., 2011) does address the increase in employee skills (Caligiuri et al., 2013). It also causes an improvement in job satisfaction and commitment (Breitsohl & Ehrig, 2017; Haski-Leventhal et al., 2019) and also psychologically creates a support system for the workers (Boštjančič et al., 2018). Likewise, in a longitudinal and multi-sourced design study in the pharmaceutical organisation, employee volunteerism led to improved employee skills for development (Caligiuri et al., 2013). Similarly, employee volunteerism also increases team building in the workplace (Mazanec & Bartosova, 2018), and the effect can contribute to a sense of belonging and job security in the workplace.

Nonetheless, studies from different authors argued that employers sometimes abuse or do not understand the importance of employee volunteerism (Boštjančič et al., 2018; Santos & Fernández, 2017). It is further argued that some firms pay lips

service to the concept of employee volunteerism and showcase it in its mission statement (Cycyota et al., 2016). Still, its reflection in the lives of the workforce is uncertain, even though previous studies argue that the art of participating in volunteerism attracts new employees as evidenced in a construction study in the UK (Loosemore & Bridgeman, 2017). It is on the basis that this study examines the effect of employee volunteerism on workforce reduction in an emerging market context. Therefore, this study proposes a hypothesis which states that:

H1. An undertaking of employee volunteerism reduces workforce reduction of listed firms in an emerging economy.

Employee Volunteerism and Product Quality Issues

Product quality issues decrease consumers' confidence in the product, and from the perspective of this study constitutes a CSR issue. Likewise, employee volunteerism is also a CSR activity (Bavik, 2019; McCallum et al., 2013). However, there is limited evidence to support the firm's rationalisation in undertaking employee volunteerism with hope to motivate working staff towards the improvement in product quality for the average consumer. Previous literature argued that if pursued appropriately, employee volunteerism can improve productivity (Knox, 2018). It is also argued that a qualified worker with moral and ethical attributes positively impacts the firm's productivity gains (Mazanec & Bartosova, 2018). However, the effective pursuance is realisable if the firm and management will not abuse employee volunteerism as a public relation stunt (Gatignon-Turnau & Mignonac, 2015), which can cause an adverse effect to the commitment towards the firm performance (an example is high product quality). Nonetheless, it is expected that employee volunteerism through a commitment to the firms' goals will lead to confidence in the employees' productivity perception towards work performance. We see that employee volunteerism improves employee attitudes and perception to organisation behaviour (Gilder et al., 2005). A comparative study of non-volunteering and volunteering showed that employee volunteerism improves job satisfaction and commitment (Haski-Leventhal et al., 2019). The evidence gathering point to one direction justifying why the firm pursues employee volunteerism in its mission statement.

The strength of employee volunteerism creates self-internationalisation of a volunteer identity, which increases the firm's quality of programmes and projects (van Schie et al., 2019). The internationalisation breeds benefits, including the improvement of pride and trust (Im & Chung, 2018) and happiness and cohesion (Im et al., 2018). It is argued that CSR and employee volunteering affect consumers' behaviour towards product consumption (Jin et al., 2017). We therefore believe that employee volunteerism may also translate into efficiency in the workplace and may reduce product deficiencies. However, the relationship between the pursuance of employee volunteerism in firms' mission statement to reduce product quality issues is yet to be tested. In the light of the above discussions we propose a hypothesis that states that:

H2. An undertaking of employee volunteerism reduces product quality issues of listed firms in an emerging economy.

Research Design and Methodology

Data and Sample

The data set criteria cover firms that submit sustainability reports as part of their integrated reporting as stipulated by legislation (Ministry of Corporate Affairs, 2009, 2013). Eighty (80) large listed firms with 800 firm-year observations constitutes the study's sample size and represent 61% of the study population. The data is accessible from the Bombay Stock Exchange and is triangulated with the database of third-party firms that monitors the firm's sustainability reporting in India ("BRR and Sustainability Report Tracker for Listed Companies," 2019; Green Clean Guide, 2011). The study period is between 2010 and 2019. It uses the non-financial information in the chairman reports, corporate governance reports and sustainability reports, ending 31 March every year.

Model Specification

Based on a panel probit and probit regression models in Wooldridge (2002), we examine the relationship between employee volunteerism and workforce reduction and product quality issues. We, therefore specify the following economic model.

$$Y_{it} = \alpha + \beta_1 EV_{it} + \sum \varphi CTRL_{it} + \mu_{it} \quad (1)$$

Y_{it} defines the dependent variable, which is workforce reduction and product quality issues. EV_{it} represents employee volunteerism measured as a continuous variable or as a binary dummy variable. The variable $CTRL_{it}$ represents the control variables, including CSR expenditure, mandatory CSR reporting, CSR committee size, number of CSR committee meetings, firm size, industry type, year effect and growth sales ratio.

Dependent Variable

Y_{it} defines the dependent variable, which is workforce reduction and product quality issues. According to Kinder, Lydenberg & Domini (KLD), workforce reduction is when a firm has made a significant reduction in its workforce in recent years (Riskmetrics Group, 2010). Also, product quality issues refer to when in recent years the firm has paid substantial fines or civil penalties or is involved in major current controversies or regulatory actions, relating to the safety of its products and services (Riskmetrics Group, 2010).

Independent Variables

Employee volunteerism measured is based on the summation of volunteerism undertaken by the firm divided by the expected outcome for each firm. The measurement

criteria are similar to previous studies' standards (Cycyota et al., 2016; Oware & Mallikarjunappa, 2020). This study criteria include X1: Do employees contribute cash to communities? X2: Does the employee contribute personal material to the community? X3: Does the employee volunteer skills to support the community and X4: Are the number of hours volunteering by employees recorded? The computed score of each company is the actual score attained by each firm divided by maximum possible outcome awarded to any firm for all categories which are consistent with previous studies (Kamel & Shahwan, 2014; Oware & Mallikarjunappa, 2020; Shahwan, 2015; Shahwan & Hassan, 2013). Employee volunteerism measured as a dummy variable with 1 for the presence of employee volunteerism and 0 for the absence of employee volunteerism. The use of a binary response measurement is also consistent with previous measurement method of Kinder, Lydenberg & Domini (KLD) adopted in previous studies (Gupta & Krishnamurti, 2018; Jiao, 2010; Lin & Dong, 2018; Riskmetrics Group, 2010).

Control Variables

$CTRL_{it}$ represents the control variables, including CSR expenditure, mandatory CSR reporting, the CSR committee's size, the number of CSR committee meetings, firm size, industry type, year effect, and sales growth ratio.

- (1) CSR investment measures the firm's investment in CSR activities (Oware & Mallikarjunappa, 2019; Shabana et al., 2016).
- (2) Mandatory CSR reporting uses binary variables consistent with many studies and also is in line Ministry of Corporate affairs directives covering the compulsory policy period reporting (Cai et al., 2012; Ministry of Corporate Affairs, 2009, 2013).
- (3) The CSR committee's size represents the number the committee that supervises the firm's CSR and sustainability agenda. This committee affects the firm's disclosure, and the effect is mostly positive (Adel et al., 2019; Kend, 2015).
- (4) The number of CSR committee represents the number of committee meetings during the year on sustainability strategy and implementation. Previous studies have shown a positive association with CSR reporting (Kend, 2015).
- (5) Firm size measures a firm's capacity to undertake CSR and sustainability activities and calculated as the firm's total assets' natural logarithm and mostly has a positive association with firm performance (Razali et al., 2016).
- (6) Industry type represents the hazardousness of firms. It is characterised by a dummy variable of 1 and zeroed otherwise (Jackson & Apostolakou, 2010; Shabana et al., 2016).
- (7) Year effect represents the timing effect and uses a dummy variable in the model to control the year effect (Qui et al., 2016).
- (8) Sales growth ratio is measured by the natural logarithm of sales of the current period to the previous period multiplied by 100%. It is included as a control variable to reduce the impact of firms' substantial sales revenue (McGuire et al., 1988).

Table 1 Descriptive statistics

		Obs.	Mean	Std. Dev.	Min.	Max
Defective product issues	DEP	800	0.006	0.079	0	1
Workforce reduction	WRKR	800	0.029	0.167	0	1
Employee volunteerism	EV	800	0.183	0.291	0	1
Dummy employee volunt.	DEV	800	0.308	0.462	0	1
CSR expenditure	CSRE	800	4.660	2.049	0	9.047
Mandatory CSR reporting	MAR	800	0.600	0.490	0	1
Size of CSR committee	CSRM	800	2.441	2.306	0	9
No of meeting of CSR committee	CSRN	800	1.349	1.673	0	9
Firm size	FS	800	11.753	1.486	7.593	15.864
Industry type	DIND	800	0.200	0.400	0	1
Year effect	YDU	800	14.500	2.874	10	19
Growth sales ratio	GSAL	800	0.898	0.400	-6.441	1.248

Methodology

We applied descriptive statistics, probit regression, and panel probit regression to examine *H1* and *H2* as the study's developed hypotheses. Stata 15.0 analyses the results and the model applied to 800 firm-year observations for the period 2010 to 2019. The estimates' standard errors are robust to remove any heteroscedasticity and serial correlation effect (Wooldridge, 2002).

Results and Discussions

Descriptive Statistics and Correlation Coefficient Analysis

Table 1 presents the descriptive statistics of variables from 2010 to 2019. The dependent variables, workforce reduction and defective product issues have an average mean of 0.029 and 0.006. It shows the deviation from the mean of 0.167 and 0.079, respectively, indicating that not all firms experienced workforce reduction or had defective product issues. Employee volunteerism with a dummy variable outcome shows that 30.8% of the listed firms in the study practice some form of volunteerism. Table 2 shows the correlation coefficients and variance inflation factor of the variables under review. The results show a positive and significant correlation between employee volunteerism (binary outcome) and workforce reduction. The research also shows a positive and significant correlation between employee volunteerism (binary outcome) and defective product issues. Additionally, we examine the multicollinearity between the independent variables through a pairwise correlation (see Table 3). The results allow us to rule out the possible existence of multicollinearity between the studied model's independent variables. The largest significant coefficient among the independent variables is 0.688 and 0.853. However, a multicollinearity test using a variance inflation factor (VIF) shows no evidence of multicollinearity. The highest VIF is below 6.0, which is below the threshold of 10.0, which is consistent with previous studies and literature (Damodar, 2004; Dougherty, 2017). We can deduce that there is no problem of multicollinearity.

Table 2 Correlation coefficients

	1	2	3	4	5	6	7	8	9	10	11	12	VIF
DEP	1												
WRKR	0.176***	1											1.06
EV	0.032	0.123***	1										5.78
DEV	0.119***	0.145***	0.907***	1									5.75
CSRE	0.090**	0.124***	0.246***	0.269***	1								1.99
MAR	0.032	0.125***	0.039	0.058	0.234***	1							4.01
CSRM	0.012	0.133***	-0.009	0.028	0.395***	0.660***	1						2.60
CSRN	0.012	0.197***	0.066*	0.098**	0.475***	0.555***	0.688***	1					2.27
FS	0.082**	0.115***	0.255***	0.266***	0.650***	0.160***	0.339***	0.383***	1				2.07
DIND	-0.000	0.008	-0.036	0.012	0.292	0.000	0.178***	0.156***	0.422***	1			1.29
YDU	0.075**	0.152***	0.040	0.059*	0.252***	0.853***	0.647***	0.573***	0.183***	0.000	1		4.20
GSAL	0.023	0.046	-0.011	-0.012	0.122***	0.275***	0.215***	0.204***	0.155***	0.019	0.361	1	1.18

Note: **p<0.05, ***p<0.01 and *p<0.10 level (two-tailed), N = 800. Pairwise Correlation

Multivariate Results: Employee Volunteerism and Dependent Variables (Workforce Reduction and Product Quality Issues)

Table 3 presents workforce reduction and product quality issues, using probit regression. *H1* states that an undertaking of employee volunteerism reduces workforce reduction of listed firms in an emerging economy. Model 2 and Model 3 from Table 4 shows that an undertaking of employee volunteerism increases workforce reduction of listed firms in an emerging economy ($\beta=0.974^{***}$, $SE=0.356$) ($\beta=0.729^{***}$, $SE=0.232$). Therefore, *H1* is supported, suggesting that employee volunteerism measured either as a continuous variable or dummy variables increases workforce reduction. The results are against our expectation that employee volunteerism which gives social identity to the employee reduces workforce reduction because cohesion from employee volunteerism is like a unionised workforce. Previous studies have argued that employee volunteerism creates self-internationalisation of a volunteer identity (van Schie et al., 2019). The consequence is a sense of belonging to a community (Tajfel et al., 1979) which can protect the interest of the members of the community because there is a support system for co-workers by supervisors in the workplace (Boštjančič et al., 2018). It is, therefore, suggested employee volunteerism in the context of India may not address an increase in the skills of employees and therefore makes them exposed to redundancy and retrenchment, which is contrary to the studies which argued that employee volunteerism leads to improve employee skills (Caligiuri et al., 2013). It is also possible that employee volunteerism in the firm mission statement is lip service and is ineffective to benefit and protect job employment (Cycyota et al., 2016; Gatignon-Turnau & Mignonac, 2015).

H2 states that employee volunteerism reduces product quality issues of listed firms in an emerging economy. Model 5 and Model 6 from Table 3 show that an undertaking of employee volunteerism reduces listed firms' product quality issues in an emerging economy but has an insignificant effect ($\beta = -0.623$, $SE=0.832$) ($\beta = -0.445$, $SE=0.765$). Therefore, *H2* is not supported, suggesting that employee volunteerism measured either as a continuous variable or a dummy variable is insignificant to affect a firm's product quality issues. The outcome is against our expectation that employee volunteerism which has qualities of team building (Mazanec & Bartosova, 2018), increase in moral and ethical attributes (Mazanec & Bartosova, 2018) and improves organisation behaviour (Gilder et al., 2005), is unable to affect this study. Previous literature also argued that if pursued appropriately, employee volunteerism can improve the firm's productivity (Knox, 2018). Therefore, it is suggested that an insignificant association between employee volunteerism and product quality issues may be due to possible inefficient employer support and lip service attitude to the concept. Another possible explanation may be that firm commitment to use employee volunteerism to boost employee commitment is lacking, accounting for the insignificant effect. Similarly, employee volunteerism improves job satisfaction, and loyalty but might be lacking in this study (Haski-Leventhal et al., 2019).

Table 3 Probit regression: employee volunteerism, workforce reduction and product quality issues

	WRKR	WRKR	WRKR	DEP	DEP	DEP
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
<i>Control variables</i>						
CSR expenditure	0.033 [0.087]	0.035 [0.093]	0.017 [0.093]	0.439 [0.281]	0.503* [0.301]	0.291 [0.275]
Mandatory CSR reporting	0.122 [0.527]	0.132 [0.563]	0.134 [0.566]	-1.181 [1.261]	-1.193 [1.282]	-1.295 [1.283]
CSR Committee size	0.037 [0.073]	0.078 [0.079]	0.084 [0.078]	-0.213 [0.189]	-0.244 [0.191]	-0.090 [0.205]
CSR committee meetings	0.142** [0.070]	0.159** [0.075]	0.163** [0.076]	-0.452 [0.284]	-0.447 [0.276]	-0.585 [0.355]
Firm size	0.103 [0.109]	0.006 [0.118]	0.010 [0.115]	0.448 [0.388]	0.479 [0.382]	0.404 [0.418]
Type of Industry	-0.319 [0.278]	-0.194 [0.285]	-0.241 [0.283]	-1.039 [0.792]	-1.202 [0.832]	-0.720 [0.821]
Year effect	0.102 [0.067]	0.101 [0.068]	0.098 [0.069]	0.511** [0.228]	0.505** [0.225]	0.533** [0.234]
Growth sales ratio	0.614 [2.605]	0.683 [2.705]	0.850 [2.954]			
<i>Independent variables</i>						
EV		0.974*** [0.356]			-0.623 [0.832]	
DEV			0.729*** [0.232]			-0.445 [0.765]
Chi-square	36.25***	43.85***	46.64***	23.87***	24.02***	16.21**
Pseudo R square	0.174	0.210	0.224	0.393	0.396	0.332
Obs.	800	800	800	800	800	800

Robustness Check

The paper applies panel probit regression to robust check the study results. The results in Table 4 show consistency with probit regression results in Table III. Therefore, we can conclude that using probit regression is appropriate for this study.

Conclusion

The purpose of this study examines the effect of employee volunteerism in preventing workforce reduction and reducing product quality issues in an emerging economy of India. The study used the social identity theory to examine the relationship between employee volunteerism and workforce reduction and product quality issues. A sample size of 800 firm-year observations between 2010 and 2019 utilised descriptive analysis, probit regression and panel probit regression for data interpretation. The study shows a positive and significant correlation between employee volunteerism (binary outcome) and workforce reduction. The research also shows a positive and significant correlation between employee volunteerism (binary outcome) and defective product issues. The study also indicates that employee volunteerism does not prevent but instead increases workforce reduction of listed firms in an emerging economy. It

Table 4 Panel probit regression- employee volunteerism, workforce reduction and product quality issues

	WRKR	WRKR	WRKR	DEP	DEP	DEP
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Control variables						
CSR expenditure	0.033 [0.087]	0.035 [0.093]	0.017 [0.093]	1.843 [1.359]	1.498 [1.362]	2.219 [2.533]
Mandatory CSR reporting	0.121 [0.527]	0.132 [0.563]	0.134 [0.566]	-4.074 [3.465]	-3.636 [3.700]	-7.722 [5.700]
CSR Committee size	0.037 [0.073]	0.078 [0.079]	0.084 [0.078]	-0.714 [0.739]	-0.564 [0.789]	-0.521 [1.444]
CSR committee meetings	0.142** [0.070]	0.159** [0.075]	0.163** [0.076]	-2.130 [2.102]	-1.712 [1.545]	-9.887 [4.707]
Firm size	0.103 [0.109]	0.006 [0.118]	0.010 [0.115]	1.731 [2.090]	1.529 [2.074]	8.305 [5.542]
Type of Industry	-0.319 [0.278]	-0.194 [0.285]	-0.241 [0.283]	-3.040 [3.789]	-2.655 [3.843]	-10.485 [6.836]
Year effect	0.102 [0.067]	0.101 [0.068]	0.098 [0.069]	1.850 [1.127]	1.528 [1.153]	5.060 [2.332]
Growth sales ratio	0.614 [2.605]	0.683 [2.704]	0.850 [2.954]			
Independent variables						
EV		0.974*** [0.356]			-0.511 [3.182]	
DEV			0.729*** [0.232]			-0.421 [0.689]
Chi-square	22.10***	24.73***	26.11***	5.05	2.22	16.14**
Obs.	800	800	800	800	800	800

is suggested that employee volunteerism is not organised and efficient to protect the workers' interest. The support system for co-workers by supervisors in the workplace is too weak and exposes employees to redundancy and retrenchment agendas of the firm. Lastly, the study shows that employee volunteerism is insignificant in reducing listed firms' product quality issues in an emerging economy. Reasons accounting for the insignificance may include inefficient employer support and lip service attitude to the concept. Another possible explanation may be that firm commitment to use employee volunteerism to boost employee commitment is lacking, accounting for the insignificant effect. We conducted a robustness test and conclude that the analyse using probit regression is appropriate for this study.

Theoretical Contributions

The study's first contribution is the first in emerging and developed economies that examined the employee volunteerism effect in preventing workforce reduction. Previous studies examined employee volunteerism and increased employee skills (Caligiuri et al., 2013). Still, this study argues that employee volunteerism does not guarantee job security for the employees in an emerging economy context.

The second contribution of the study is the first in emerging and developed economies that examined the employee volunteerism effect in reducing product quality issues. Previous studies argued that if pursued appropriately, employee volunteerism

can improve the firm's productivity (Knox, 2018). However, this study further contributes to the literature by arguing that employee volunteerism does not guarantee progress in reducing quality issues encountered in a firm productivity agenda.

The Implications of the Study, Future Directions and Study Limitations

Managerial Implications of the Study

The characteristics of employee volunteerism that include cohesion and support system for co-workers are not working in India's listed firms. Moreover, its managers must be retrained to understand the shared benefit that employee volunteerism brings to both the firms regarding good public perception and guaranteed commitment from employees and ensures employees of protection against redundancy and retrenchment. Employees who practise volunteering can affect production with fewer defects and reduce regulator's fines on product quality.

Policy Implications of the Study

The ineffective execution of employee volunteerism's policy in the mission statement is a disservice to the firm. Managers and firms must allow the policy of employee volunteerism implementation to reflect the intent of the policy. The structure and strategy of employee volunteering need a critical look to ensure its ability to increase morale and ethical commitment, positively affecting the firms' product quality.

Limitation and Future Research Direction

The India stock market is used as the testing ground for this study. The use of a single country with listed firms that have sustainability reporting may present a limitation to the research and the study's generalisation. Future studies can study employee volunteerism and workforce reduction or product quality issues in developed economy contexts and use primary data through structured questionnaires and interviews to collaborate the secondary data analysis.

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Declarations

Conflict of Interest None.

Informed Consent None.

Ethical Approval None.

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