

Muazza Muazza¹
Akhmad Habibi²
Amirul Mukminin³

THE SOCIALLY RESPONSIBLE HUMAN RESOURCES MANAGEMENT AND ITS IMPACTS ON THE ORGANIZATIONAL LEGITIMACY: THE CASE OF INDONESIAN EMPLOYEES⁴

Socially responsible human resource management (SRHRM) is a basic action of human resource management (HRM) divisions used by businesses, companies, or organizations in accomplishing external corporate social responsibility (CSR) agendas. The purpose of this study is to examine the relationship between the CSR in human resources and organizational legitimacy in Indonesia. . Also, in our study, PLS-SEM was used to assess the relevance and effectiveness of various CSR strategies. The evaluations of 46 employees in Jambi, Sumatra, Indonesia, were used for this purpose. The data were analyzed by using PLS-SEM, which revealed a robust and positive link between employee-focused CSR actions and organizational legitimacy. The findings provide useful information for companies looking to improve their resource optimization and internal stakeholder management by implementing CSR policies correctly and efficiently.

Keywords: Human resources; management; organizational legitimacy

JEL: G4; H3; J24; L2; L3; O15

1. Introduction

Organizations must manage their connections with stakeholders in today's marketplaces to produce value and mutual advantages (Horisch et al., 2014; Freudenreich et al., 2020; del-Castillo-Feito et al., 2022). Freeman (1984) popularized the stakeholder theory idea, which distinguishes many organizational interests and emphasizes the significance of not just being profitable but also recognizing and caring about the influence of business operations on various audiences. Organizational behaviour and actions influence stakeholder groups; nevertheless, it's crucial to remember that these activities also impact corporate stability (Silva et al., 2019). In reality, the capacity to meet stakeholders' requirements and comprehend their perspectives is critical to organizational survival (Ulmer, Sellnow, 2000).

¹ Muazza Muazza, Dr, Universitas Jambi, Indonesia, e-mail: Muazza.muazza@unja.ac.id.

² Akhmad Habibi, PhD, Universitas Jambi, Indonesia, e-mail: akhmad.habibi@unja.ac.id.

³ Amirul Mukminin, Prof. PhD., Universitas Jambi, Indonesia, email: amirul.mukminin@unja.ac.id.

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As a result, if businesses want to be successful, they must be able to understand all of these demands and maintain long-term relationships with their stakeholders (Dmytryiev et al., 2021). Stakeholders' expectations of the social effect of the organizations with which they are affiliated are currently increasing. These groups expect businesses to react to societal requirements beyond profit (Carroll, 1999), and they will avoid doing business with institutions that do not match their social behaviour expectations (Fatma and Rahman, 2014; Fatma et al., 2019; Maignan and Ferrell, 2004; del-Castillo-Feito et al., 2022). To survive and prosper in the market, organizations need stakeholder support. As a result, implementing corporate social responsibility initiatives has become a vital component of meeting societal expectations. The majority of previous research on corporate social responsibility (CSR) has focused on determining how these policies influence the attitudes of external stakeholders, such as consumers, governments, and markets in general (Del-Castillo-Feito et al., 2021; Toussaint et al., 2021; del-Castillo-Feito et al., 2022). This literature contributes significantly to supporting research and practice of organizational social involvement.

On the other hand, internal management and the effect of these activities are mostly unknown (Blanco-Gonzalez, Diez-Martn, Cachon-Rodriguez, and Prado-Rom' an, 2020; del-Castillo-Feito et al., 2022). Organizations can implement various CSR initiatives and, given the importance of employees in organizational performance and success, implement socially responsible procedures within their management that will improve corporate knowledge and culture (Barrena-Martinez, Lopez-Fernandez, and Romero-Fernandez, 2019; Pedrini and Ferri, 2011). Social responsibility efforts, such as creating fluid interactions between workers and management or considering employees' interests, will help the organization create a trust (Blanco-Gonzalez et al., 2020; Scherer et al., 2013). Companies gain from social responsibility initiatives in a number of ways, but possibly the most noticeable influence is on their financial outcomes (Barnett and Salomon, 2006; Orlitzky, 2013; Wang et al., 2016). Del-Castillo-Feito et al. (2019) argue that social capital and business reputation are important intangible assets for long-term survival in any industry. Scholars have established a link between CSR activities and improved financial performance (Surroca et al., 2010; Zhang et al., 2018) since newly implemented ethical management practices will boost relationships with internal stakeholders (Ferrell et al., 2019). Furthermore, if the acts that these firms conduct are regarded to be socially responsible, workers will feel more engaged and devoted to the organizations to which they belong (Barrena-Martinez et al., 2019; Collier and Esteban, 2007; De Roeck, Delobbe, 2012; Jones, 2010; Kim et al., 2010; del-Castillo-Feito et al., 2022). Businesses can apply a range of CSR projects and improve their knowledge base and corporate culture, given the importance of employees to organizational performance and success.

Several authors support the positive and significant relationship between proper CSR policy implementation and a company's legitimacy (Bansal and Clelland, 2004; Campbell, 2007; Del-Castillo-Feito et al., 2019; Palazzo and Scherer, 2006; del-Castillo-Feito et al., 2022), which is defined as an organization's perceived appropriateness within a social system in terms of rules, values, and beliefs (Deephouse et al., 2017). These institutions are accepted by the systems in which they operate because their activities are consistent with society's values and norms, resulting in value creation for all stakeholders (Miotto et al., 2020). Because of the social support, they get within their sector, organizations with a high degree of legitimacy are often more successful and long-lived than those with a low level of

legitimacy (Dez-Martn et al., 2021; Glozer et al., 2019; Zamparini, Lurati, 2017). Legitimate businesses have greater access to vital resources and may grow more freely since they are not constantly scrutinized (Salancik, Pfeffer, 1978; Suchman, 1995; del-Castillo-Feito et al., 2022). As a result, properly adopting and sustaining this intangible asset is essential for increasing organizational performance. Companies must follow socially responsible behavioural principles to be viewed as legitimate institutions and to justify their right to exist. As a result, implementing CSR efforts will boost company credibility (Banerjee, Venaik, 2018; Khan et al., 2015; del-Castillo-Feito et al., 2022). A more empirical study is required because of the growing importance of integrating CSR concepts into HR management. The social foundation will be regarded as sincere both internally and outside. Considering these conditions, the primary goal of this study was to determine the relevance of CSR practices in employee management and to assess the positive and important influence that these efforts have on the organization's legitimacy (as measured through pragmatic, moral, and cognitive dimensions).

2. Literature Review

2.1 Socially responsible human resource management (SRHRM)

SRHRM is a basic action of human resource management (HRM) divisions used by businesses, companies, or organizations in accomplishing external corporate social responsibility (CSR) agendas which actually intend to persuade employee's attitudes and behaviours in a constructive track and assist the organizations' performance such as training, recruitment of socially responsible employee candidates, etc. (Shen, Benson, 2014; del-Castillo-Feito et al., 2022). In particular, corporate social responsibility encompasses integrating social, environmental, ethical concerns, and respect for human rights and consumer concerns, in an organization's operations (European Commission, 2011; Pfajfar et al., 2022; del-Castillo-Feito et al., 2022). In terms of the business organization, it deals with the introduction of socially responsible fundamentals in the day-to-day administration of its business, legitimizing its doings among the groups, including shareholders, partners, suppliers, customers, public institutions, non-governmental organizations, employees, and their families, communities, and society as a whole. For example, Google's CSR initiatives consider the needs of its employees as a key stakeholder group by offering a fun work environment.

In contrast, human resource management (HRM) is termed as the philosophy, policies, procedures and practices associated with the management of a company's employees (Barrena-Martínez, López-Fernández, Romero-Fernández, 2019; del-Castillo-Feito et al., 2022). Barrena-Martínez et al. (2019) classified eight SR-HRM policies, including (1) the attraction and retention of employees, (2) training and continuous development, (3) management of employment relations, (4) communication, transparency and social dialogues, (5) diversity and equal opportunity, (6) fair remuneration and social benefits, and (7) prevention, health, and safety at work; and work-family balance. It is implied that HRM is related to all activities aiming to support successfully attracting, developing, and

preserving high-performing workers wanted to attain success within an organization (Inyang, Awa, Enuoh, 2011; Jamali, Dirani, Harwood, 2014; del-Castillo-Feito et al., 2022).

2.2 *Corporate Social Responsibility and Legitimacy*

Weber brought the notion of legitimacy, which was initially used in a sociological context, to the business world and organizational studies (Johnson et al., 2006; Suchman 1995; Rueff and Scott, 1998; del-Castillo-Feito et al., 2022). Legitimacy may be described as “the perceived suitability of an organization to a social system in terms of rules, values, norms, and definition,” according to Deephouse et al., p.9. Legitimate organizations are seen as desirable and suitable because their actions align with the broader values and beliefs of the social system in which they function (Dez Martn et al., 2010). Companies gain legitimacy when stakeholders believe they provide more value than they take away (Miotto et al., 2020). Legitimacy boosts an organization’s chances of success and longevity through increasing stakeholder support (Deephouse et al., 2017; Glozer et al., 2019; Zamparini, Lurati, 2017; Zimmerman, Zeitz, 2002). Legitimacy and organizational success have a good association (Alcantara et al., 2006). Legitimate groups, on the other hand, have greater access to necessary resources and are less likely to be questioned (Salancik, Pfeffer, 1978; Suchman, 1995). “Without stakeholder legitimacy, an organization will not be able to renew its license to function or obtain new domains of authority to develop,” writes Castello and Lozano (2011, p. 12). In terms of legitimacy management, two basic methods have evolved. Companies may only obtain legitimacy by connecting with a particular social system’s general values, beliefs, and norms, according to institutional theory (Dez-Martn et al., 2021; Weber, 1978; Ruef, Scott, 1998; Yang et al., 2020; del-Castillo-Feito et al., 2022).

Authors such as (Scott, 1995) and (Suchman, 1995) believe that organizations may regulate their legitimacy via strategies and activities. Institutions must use this technique to determine the most appropriate methods to increase their legitimacy ratings. Organizations must grasp the importance of acquiring social support while managing legitimacy; as a result, they must identify stakeholders’ expectations and satisfy their requests (Corciolani et al., 2019; Miotto et al., 2020; del-Castillo-Feito et al., 2022). When these groups anticipate that firms will adhere to certain behavioural norms, they give them a favourable legitimacy rating (Kostova, Zaheer, 1999; Yang et al., 2020).

Organizations are part of a larger social system that consumes resources; as a result, their resource consumption must be justified in the eyes of the system in which they function (Kim et al., 2014). Currently, society is preoccupied with sustainability and social well-being, resulting in increased expectations of firms’ ethics and social behaviours (Brnn, Vidaver-Cohen, 2009; Toussaint et al., 2021). Before interacting with a company, stakeholders analyze its actions to verify that it complies with its moral and social standards (Blanco-Gonzalez et al., 2020; Du & Vieira, 2012). Social responsibility policies have become one approach to react to stakeholders’ demands on social concerns. Because corporations develop legitimacy by satisfying stakeholder expectations, implementing social projects will assist businesses in gaining or improving legitimacy (Banerjee, Venaik, 2018; Khan et al., 2015). This approach is evident in today’s marketplaces, where implementing social responsibility standards is one of the most often used tactics for obtaining and sustaining legitimacy

(Palazzo, Richter, 2005; Reast et al., 2013; del-Castillo-Feito et al., 2022). Given the competitive environment, businesses must create social responsibility practices to gain societal support, prestige, and legitimacy (Garriga and Mel, 2004). Blanco Gonzalez et al. (2020) believe that social responsibility policies produce value and that legitimacy assesses the societal support that this value creation implies, emphasizing the significance of merging social responsibility and legitimacy (Lamberti, Lettieri, 2011).

The majority of current research focuses on determining the external effect of CSR, leaving the link between CSR practices and an organization's workers largely unexplored (Bolton et al., 2011; del-Castillo-Feito et al., 2022). Because organizations are linked to many stakeholders, it's crucial to recognize that each has a role to play in the legitimacy evaluation process (Porter and Kramer, 2006). As a result, firms must evaluate their workers' perspectives of social responsibility implementation as a critical factor in gaining legitimacy (Kostova, Zaheer, 1999). When assessing the link between social responsibility and legitimacy, Maignan et al. (2011) emphasize the significance of examining many stakeholders in an organization's CSR policies, including workers and the community. Other scholars, such as Esteban-Lloret et al. (2018) and Subramony (2006), recognize that internal CSR measures, such as staff training, boost a company's legitimacy. This strategy will garner more support from both internal (managers, workers, etc.) and external (public opinion, customers, etc.) sources, resulting in increased overall legitimacy (Certo and Hodge, 2007; Thomas, 2005). Enterprises preserve socially valued behaviours and boost their validity by establishing internal CSR (ICSR) operations (Drori and Honig, 2013). Internal CSR describes the actions that organizations take to meet or exceed employee expectations, actively fulfil and enhance workplace equity toward workers (such as increasing employee happiness and satisfaction with their health), and ensure worker safety and also employees' personal growth (del-Castillo-Feito et al., 2022).

Recent research studies have shown a link between ICSR procedures and employee legitimacy assessments (Blanco-Gonzalez et al., 2020). Many scholars have focused on analyzing external legitimacy granted by external stakeholders such as consumers, suppliers, or governments (DiMaggio, Powell, 1991; Meyer, Scott, 1983); however, to survive and succeed in the long run, additional positive assessments are required; thus, employees' perceptions must be considered critical to organizations' stability and efficiency (Brown, Toyoki, 2013; Drori, Honig, 2013; Esteban-Lloret et al., 2018; del-Castillo-Feito et al., 2022). Furthermore, to develop an understanding of this subject, a deeper investigation of the integration of social responsibility policies in HR management and their influence on intangible assets is required (Barrena-Martinez et al., 2019). Legitimacy has been investigated on many levels.

According to Suchman (1995), legitimacy can be attained through the following dimensions: pragmatic, which is granted when stakeholders believe the organization serves their personal interests; moral, which is related to the institution's ethical behaviour and the fulfilment of social norms and values; and cognitive, which is related to the degree of understandability of the company's activities and objectives. As a result, the goal of this study is to see whether CSR policies in the HR environment impact pragmatic, cognitive, and moral legitimacy to figure out which types of legitimacy are influenced by CSR policies and to what degree by hypothesizing as follows:

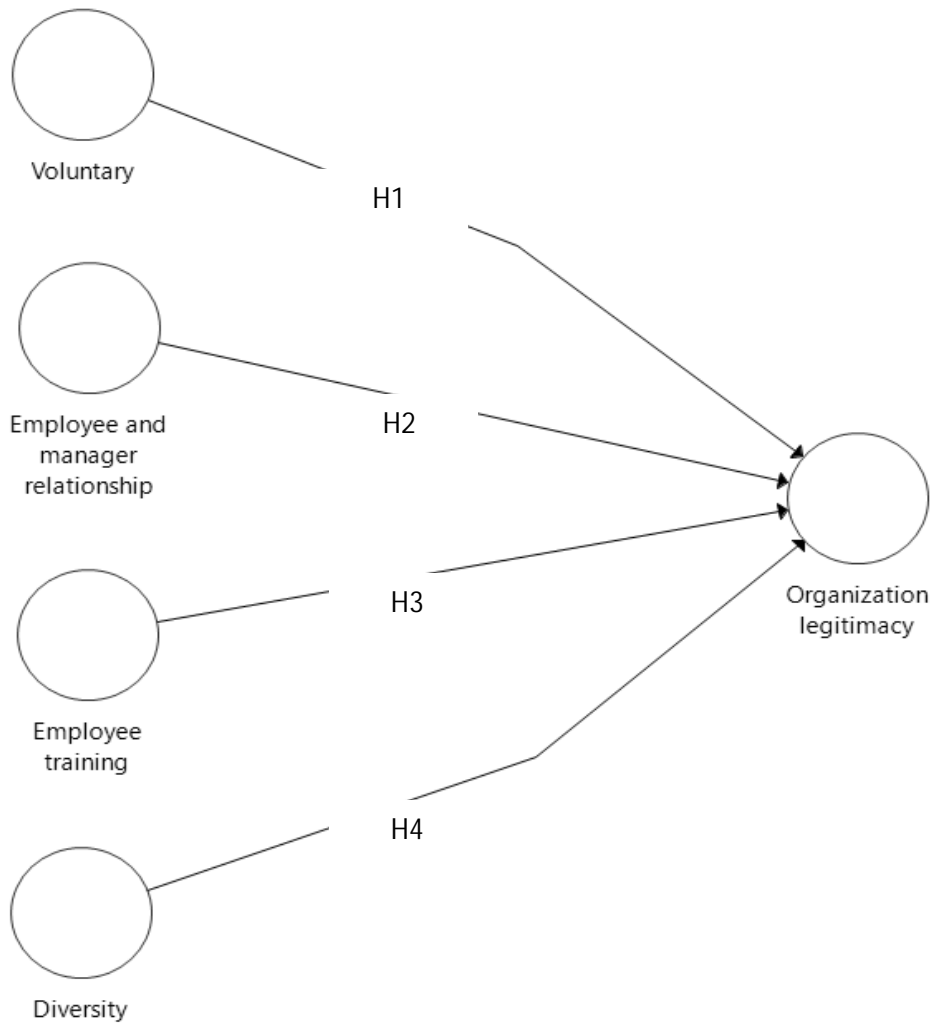
H1: Voluntary positively and significantly affects organization legitimacy.

H2: Employee and manager relationship positively and significantly affects organization's legitimacy.

H3: Employee training positively and significantly affects organization's legitimacy.

H4: Diversity positively and significantly affects organization's legitimacy.

Figure 1. Hypotheses



3. Methods

3.1. Conceptual model of the study

This study was done from January to June 2022; we used a survey for the research approach. Review of prior studies and content validity were two initial processes prior to establishing the survey items. Two approaches within the partial least squares structural equation model (PLS-SEM) were conducted. This predictive-approached study aims at estimating the model for causality because the study is not intervened by data distribution assumption (Hair et al. 2019).

3.2. Data collection

Many workers refused to fill in the questionnaire. We collected the data for four months and had difficulties collecting the responses. To collect the data, an online questionnaire was distributed. As a result, 46 employees filled in the questionnaire. Thirty respondents are males, and the others (n. 16) are females. Fifteen respondents worked in villages, and 31 of them worked in urban areas or cities. Thirteen workers had working experience of fewer than five years, 21 of them worked for more than ten years, and 12 respondents had an experience of 5 to ten years. From the age criteria, 11 workers were less than 30 years old, 20 were between 30 and 40 years old, and 12 respondents were older than 40 years.

3.3. Instrumentations

For the development of this research, a specific survey was created considering the existing literature on legitimacy and socially responsible HR management. Each variable is measured along an eleven-point Likert scale, with 1 referring to strongly disagree and 5 referring to strongly agree. Organization legitimacy is considered a multidimensional variable (Deephouse et al., 2017); therefore, for this research, this approach is followed, considering the relevant number of scholars that have measured it through its multiple dimensions (Alexiou, Wiggins, 2019; Díez-Martín, Prado-Roman, Blanco-Gonzalez, 2013).

3.4. Data preparation and analysis

Data preparation is the process of converting data so that it can be processed by a computer. In this study, the data were prepared to make sure they were accurate, full and that there were no issues with outliers, missing values, non-normal distributions, or data entry errors (Hair et al., 2010). To determine whether the data were normal, skewness and kurtosis measurements were computed, along with a Q-Q plot and histogram. Data are normal based on the values of skewness and kurtosis, ranging from -1 to +1. Q-Q plot and histogram also showed that the data are normal. Main data analyses were computed through two PLS-SEM procedures; measurement model by assessing loading values, convergent and discriminant validities, and reliability (alpha, composite reliability and Rho_A) and structural model by assessing path coefficient, p values, and t values for significance computations. Due to the

few responses obtained from the data collection, we used PLS-SEM. Strong path coefficients in PLS-SEM tend to require very small sample sizes for successful detection, regardless of whether they are positive or negative. Therefore, if a researcher anticipates that all of a model's path coefficients will be significant before gathering empirical data, resulting in large effect sizes, the researcher may think about employing a small sample size in a PLS-SEM analysis (Hair et al., 2010).

3.5. The Differences of our study and previous studies.

The purpose of this study was to examine the relationship between CSR in human resources and organizational legitimacy in Indonesia. Although we used several previous studies related to our study, what differentiates our study from other studies such as Alcantara, Mitsuhashi, and Hoshino (2006), Alexiou and Wiggins (2019), Barrera-Martinez et al. (2019), Blanco-Gonzalez et al. (2020), Del-Castillo-Feito et al. (2021), Del-Castillo-Feito et al. (2019), and del-Castillo-Feito et al. (2022) is in terms of research subjects. For example, del-Castillo-Feito et al. (2022), in their study, they evaluated the implementation of social responsibility initiatives related to HR management and the legitimacy of 30 multinational enterprises with more than 1000 employees, while in our study, we had 46 employees and of 46 employees, 15 respondents worked in villages, and 31 of them worked in urban areas or cities. Additionally, in terms of variables, del-Castillo-Feito et al. (2022), in their study used a variety of variables, while in our study, we just had five variables, including diversity, employee training, organization legitimacy, employee and manager relationship, and voluntary. These differences led to the different results of our study from other studies, which can be found in our finding section.

4. Findings and Discussion

The first step when analyzing the results of the structural model is to test the reliability and validity of the measurement model, which are presented in Table 3. Regarding the reflective items of all variables, the results show that all Cronbach's alphas surpass the recommended value of 0.70 (Cronbach, 1951; Nunnally and Bernstein, 1994). The values of alpha range between 0.885 (employee and manager relationship) to 0.768 (employee training). The composite reliability results also fulfil the required value of greater than 0.60 (Bagozzi and Yi, 1988); diversity (0.833), employee training (0.768), organization legitimacy (0.835), and employee and manager relationship (0.913), and voluntary (0.863).

The average variance extracted (AVE) values should be greater than 0.50 (Fornell and Larcker, 1981); every item we research exceeds this value; diversity (0.747), employee training (0.628), organization legitimacy (0.505), and employee and manager relationship (0.685), and voluntary (0.863).

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Table 1. Loading values, alpha, Rho_A, CR, and AVE

Variables	Items	Load	α	rho A	CR	AVE
Diversity	D1. The company supports diversity regarding gender, age, and social class	0.928	0.833	0.893	0.898	0.747
	D2. The company accepts flexible working relationships to adapt to the situation of its employees (age, gender, disability)	0.912				
	D3. The company offers job opportunities for youth and/or persons with disabilities	0.741				
Employee training	ET1. The company develops permanent training programs to promote employee knowledge and continuous performance improvement	0.845	0.768	0.768	0.866	0.682
	ET2. The company develops training activities to enable employees to adapt to technological and organizational changes and/or to reduce the risk of workforce exclusion	0.848				
	ET3. The company offers environmental training activities to employees Diversity, opportunity and no discrimination	0.783				
Organization legitimacy	OL1. The company cares about the responsible marketing behavior of distributors	0.742	0.835	0.841	0.876	0.505
	OL2. The company analyzes the social impact of the company's existence on the local community	0.699				
	OL3. The company responds to local requirements (private and public) and holds meetings to resolve issues	0.777				
	OL5. The company sponsors and develops marketing campaigns that address the public interest	0.642				
	OL6. The company promotes respect for and compliance with international standards and treaties (e.g. Universal Declaration of Human Rights)	0.624				
	OL7. Companies seek customer satisfaction and listen to their suggestions and requirements regarding product development or delivery services	0.778				
	OL8. The company develops donations of money or goods, to various organizations to encourage the development of goals for the common good	0.696				
	Employee and manager relationship	REM2. The company establishes a policy to encourage dialogue and the flow of information with employee representatives	0.713	0.885	0.913	0.915
REM3. The company provides transparent information about the remuneration system		0.834				
REM4. The company creates an employment risk prevention program		0.864				
REM5. The company develops regular controls on occupational hygiene and safety conditions and trains employees on these issues		0.826				
REM6. The company develops a health risk and standard training plan or benefit		0.889				
Voluntary		V1. The company supports a voluntary activity program between fellow employees	0.931	0.841	0.841	0.926
	V2. The company encourages employee participation in volunteer programs	0.927				

Discriminant validity is “the extent to which a construct is empirically distinct from other constructs in the structural model” (Hair et al., 2019). The discriminant validity results of the legitimacy reflective items are shown in Table 2. These results were tested through the HTMT ratio, as Henseler et al. (2015) suggested. All values are less than 0.900 (Clark and Watson, 1995); the highest value of HTMT is the relationship between organization legitimacy and employee training (0.889), while the weakest value exists between employee and manager relationship and diversity (0,411). Therefore, no problems appear regarding this issue.

Table 2. HTMT

	Diversity	Employee and manager relationship	Employee training	Organization legitimacy
Diversity				
Employee and manager relationship	0.411			
Employee training	0.819	0.796		
Organization legitimacy	0.695	0.755	0.889	
Voluntary	0.919	0.556	0.846	0.832

Table 3. Cross Loading

	Diversity	Employee and manager relationship	Employee training	Organization legitimacy	Voluntary
D1	0.928	0.335	0.712	0.556	0.683
D2	0.912	0.487	0.640	0.615	0.672
D3	0.741	0.093	0.382	0.344	0.641
ET1	0.409	0.552	0.845	0.599	0.419
ET2	0.546	0.401	0.848	0.563	0.550
ET3	0.726	0.687	0.783	0.695	0.716
OL1	0.530	0.585	0.506	0.742	0.703
OL2	0.415	0.497	0.728	0.699	0.525
OL3	0.612	0.611	0.645	0.777	0.545
OL5	0.227	0.471	0.417	0.642	0.530
OL6	0.572	0.198	0.490	0.624	0.616
OL7	0.263	0.590	0.412	0.778	0.522
OL8	0.363	0.373	0.556	0.696	0.437
REM2	0.287	0.713	0.542	0.412	0.430
REM3	0.337	0.834	0.633	0.581	0.421
REM4	0.226	0.864	0.464	0.521	0.317
REM5	0.276	0.826	0.504	0.508	0.354
REM6	0.439	0.889	0.637	0.732	0.468
V1	0.734	0.542	0.628	0.738	0.931
V2	0.680	0.352	0.660	0.720	0.927

Discriminant validity presents when a loading value on a construct is greater than that of all of its cross-loadings on the other constructs (Hair et al. 2016). Table 3 exhibits all indicators’ outer loadings as well as their cross-loadings for other indicators. The outer loadings (in italics and bold) for every construct were higher than the entire cross-loadings on the other constructs. For instance, the indicator D1 (Diversity) has the highest loading value (0.928) compared to its cross-loading on the other constructs (employee and manager relationship, 0.335; employee training, 0.712; organization legitimacy, 0.556; and voluntary, 0.683) and OL8 (Organization legitimacy) has the greatest loading value of 0.696 compared to the others

values in other constructs (Diversity, 0.363; Employee and manager relationship, 0.335; Employee training, 0.712; and Voluntary, 0.683). According to the results of the cross-loading assessment, it can be said that the evaluation of outer loadings served to establish discriminant validity. “The shared variance for all model constructs should not be bigger than their AVEs,” states the Fornell-Larcker criterion (conventional metric) when applied to data (Fornell & Larcker, 1981). Every construct in this study has an AVE that is greater than its shared variance (Table 4). The discriminant validity for the quantitative data of this investigation was established according to the Fornell-Larcker criterion.

Table 4 Fornel-Larker Criterion

	Diversity	Employee and manager relationship	Employee training	Organization legitimacy	Voluntary
Diversity	0.864				
Employee and manager relationship	0.389	0.827			
Employee training	0.691	0.676	0.826		
Organization legitimacy	0.605	0.684	0.759	0.711	
Voluntary	0.761	0.483	0.693	0.785	0.929

When considering the formative values (global legitimacy and social responsibility policies), the next aspects are analyzed to prove their reliability and validity. First, the collinearity (VIF) results show that every item fulfils the required level of $VIF < 5$ (Hair et al., 2011). The VIF values (Table 5) show that no values are below 5; Diversity -> Organization legitimacy (2.819), Employee and manager relationship -> Organization legitimacy (1.917), Employee training -> Organization legitimacy (3.219), Voluntary -> Organization legitimacy (2.768). Second, the standardized weights and their significance level show that every item is significantly linked to its respective variable. Two relationships appear nonsignificant; diversity ($t = 0.633$; $p > .05$) and employee training ($t = 1.519$; $p > .05$) are not significant predictors of organization legitimacy. However, the results show the existence of a strong relationship between employee and manager relationship and voluntary and organizational legitimacy ($t = 1.967$; $p < .05$). The strongest correlation appears to be the relationship between voluntary and organizational legitimacy ($t = 3.711$; $p > .01$). Table 3 informs in detail the relationships between hypothetical variables.

In latest years, numerous academics have reasoned that corporate social responsibility and human resources management (HRM) throughout commercial organizations should be integrated so as to better enhance a sustainability schema. Support from any stakeholders has become a significant strength for organizational existence and success in all areas. Nonetheless, stakeholders will only involve in organizations that encounter their social potential and track responsible behavioural values (Fatma & Rahman, 2014; Fatma et al., 2019; del-Castillo-Feito et al., 2022). With an extraordinary level of social support and acceptance, organizations or institutions will be recognized as legitimate and will have access to pertinent resources which are critical to their ongoing performance. Taking into consideration the growing obligations for socially responsible behaviour, the application of CSR practices has been recognized as a basis of legitimacy (Bansal & Clelland, 2004; Campbell, 2007; Del-Castillo-Feito et al., 2019; Palazzo & Scherer, 2006; del-Castillo-Feito et al., 2022). The purpose of this study was to examine the relevance of CSR practices in

employee management and to assess the positive and important influence that these efforts had on the organization’s legitimacy. Our findings indicated that there was a strong and confident link between employee-focused CSR actions and organizational legitimacy. Our findings are in line with what Shen and Benson (2014) claim that SRHRM is a basic action of human resource management divisions used by businesses, companies, or organizations in accomplishing external corporate social responsibility (CSR) agendas which actually intend to persuade employee’s attitudes and behaviours in a constructive track and assist the organizations’ performance such as training, recruitment of socially responsible employee candidates, etc.

Figure 2. Structural model

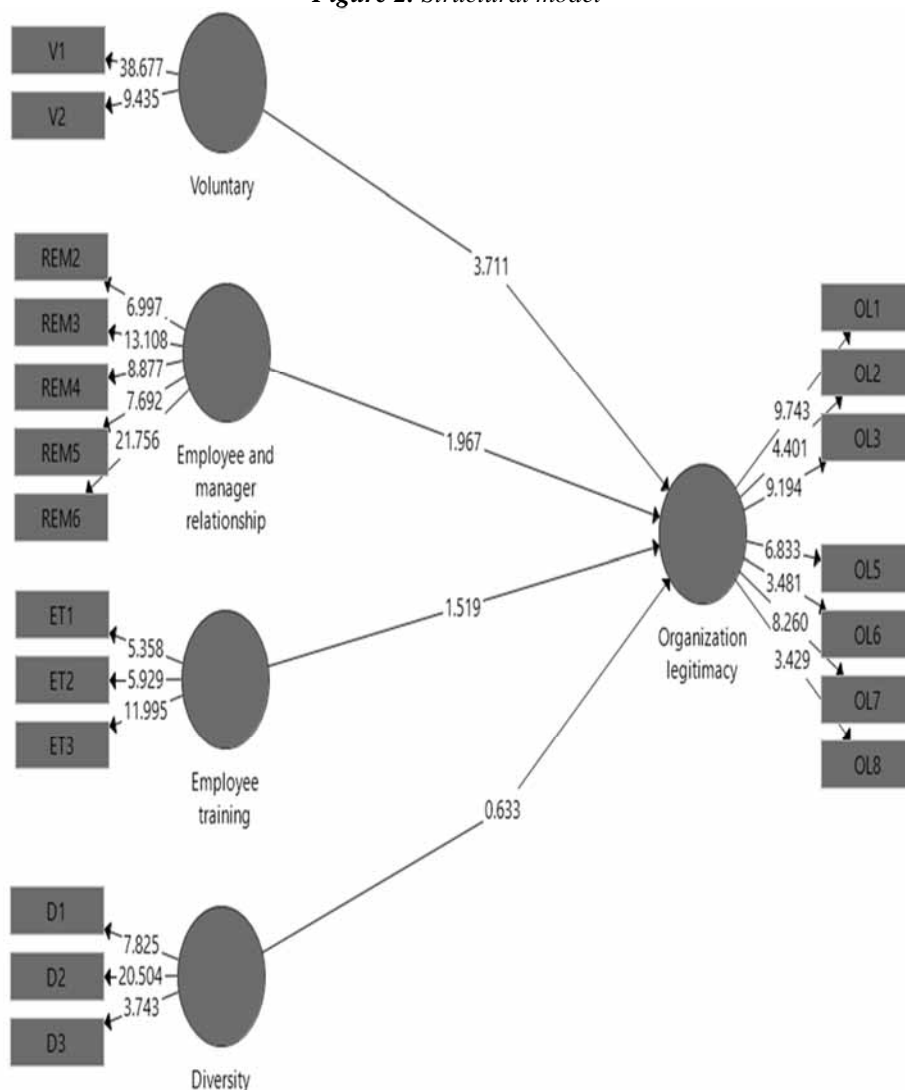


Table 5. Sturctural model

	VIF	Path	Mean	SD	T-value	P-values	Sig.
Diversity -> Organization legitimacy	2.819	-0.096	-0.097	0.152	0.633	0.527	No
Employee and manager relationship -> Organization legitimacy	1.917	0.287	0.298	0.146	1.967	0.049	Yes
Employee training -> Organization legitimacy	3.219	0.255	0.251	0.168	1.519	0.129	No
Voluntary -> Organization legitimacy	2.768	0.543	0.540	0.146	3.711	0.000	Yes

5. Conclusion

The results of this study illustrate the following conclusions. Based on the results regarding the descriptive analysis of the sample, our findings revealed a robust and positive link between employee-focused CSR actions and organizational legitimacy. Particularly, there was a strong correlation appears between voluntary and organizational legitimacy. In addition, the results showed the existence of a strong relationship between employee and manager relationship and voluntary and organizational legitimacy. However, two relationships appeared nonsignificant, namely diversity and employee training which are not significant predictors of organization legitimacy. In many industries, stakeholder support has emerged as a crucial resource for organizational survival and success. Stakeholders will only interact with organizations that adhere to ethical behavioural standards and meet their social expectations, nevertheless. Organizations are viewed as legitimate and be able to get resources necessary for continued performance if they enjoy a high level of social approval and support. While this study will potentially contribute to the sort of evidence that there is a strong link between employee-focused CSR actions and organizational legitimacy, future research may include a larger sample of Indonesian employees working across companies or organizations so as to achieve maximum results. An in-depth analysis through qualitative studies is also recommended; the interview with the employer and employee is needed to understand the phenomena of the related topic. Future research may be expected to have more different variables, including work productivity, work attitude, and others.

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