

**THE EFFECT OF INTERNAL CORPORATE SOCIAL RESPONSIBILITY ON EMPLOYEE PERFORMANCE AT PT. PERTAMINA GEOTHERMAL ENERGY AREA LAHENDONG***PENGARUH TANGGUNG JAWAB SOSIAL INTERNAL PERUSAHAAN TERHADAP KINERJA PEGAWAI DI PT. PERTAMINA GEOTHERMAL ENERGY AREA LAHENDONG*

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**Abstract:** The idea that a firm's single purpose is to make profits has dictated the way business are conducted by most organizations, leading to a mindset focus on short term results, with less attention given to most business stakeholders. This study aims to prove that the internal corporate social responsibility affected the employee performance at PT. Pertamina Geothermal Energy Area Lahendong. Internal CSR in this research represented by three dimension namely work-life balance ( $x_1$ ), skill development ( $x_2$ ), and workforce diversity ( $x_3$ ) as independent variable while employee performance ( $y$ ) as the dependent variable. Researcher use the quantitative methods by distributing questionnaires through 69 respondents as the research sample and processed the data through multiple linear regression analysis. The result of this study shows that work-life balance, skill development, and workforce diversity have a positive and significant effect on employee performance.

**Keyword:** Internal Corporate Social Responsibility, Work-Life Balance, Skill Development, Workforce Diversity, Employee Performance

**Abstrak:** Gagasan bahwa satu-satunya tujuan perusahaan adalah menghasilkan keuntungan telah menentukan bagaimana sebagian besar bisnis dijalankan, yang menuntun pada pemikiran yang berfokus pada hasil jangka pendek tetapi sedikit perhatian kepada Sebagian besar individu yang ada di dalam. Penelitian ini bertujuan untuk melihat pengaruh dari tanggung jawab sosial internal Perusahaan terhadap kinerja pegawai di PT. Pertamina Geothermal Energy Area Lahendong. Tanggung jawab sosial internal Perusahaan dalam penelitian ini direpresentasikan oleh tiga dimensi: Keseimbangan Pekerjaan dan Kehidupan ( $X_1$ ), Pengembangan Keterampilan ( $X_2$ ), dan Keragaman Tenaga Kerja ( $X_3$ ) sebagai variabel bebas, sementara Kinerja Pegawai ( $Y$ ) sebagai variabel terikat. Penelitian ini menggunakan metode penelitian kuantitatif dengan mendistribusikan kuesioner kepada 69 responden sebagai sample penelitian dan data yang diperoleh diproses menggunakan Teknik analisis linear berganda. Hasil dari penelitian ini menyatakan bahwa Keseimbangan Pekerjaan dan Kehidupan, Pengembangan Keterampilan, dan Keragaman Tenaga Kerja memiliki nilai yang positif dan signifikan dalam mempengaruhi kinerja pegawai.

**Kata Kunci:** Tanggung Jawab Sosial Internal Perusahaan, Keseimbangan Pekerjaan Dan Kehidupan, Pengembangan Keterampilan, Keragaman Tenaga Kerja, Kinerja Pegawai

## INTRODUCTION

### Research Background

It is insufficient for considering the successful of a company only financial information alone is not new. The idea of a firm's single purpose is just to make profits has dictated how business are conducted by most organizations, and it brings them to a mindset which focus on short term results, with less attention given to most business stakeholders while improving performance is one of an important aspect in a modern management. The quality of the workforce is a deciding factor behind organizations success because employee performance has proven to have a significantly positive effect on their performance (Collis and Montgomery, 1995).

In the field of Human Resource at the company, there might be a lack of understanding the importance between the Internal Corporate Social Responsibility and Performance. While in the field of science, there might be a gap related to the lack of data on the long-term effect of Internal Corporate Social Responsibility on Employee Performance in a specific company. These are the background for studying the Internal Corporate Social Responsibility (I-CSR) to help the practitioners identify those grey areas which needs improvement in maintaining the job satisfaction due to the employee performance intending to achieve the company sustainability performance.

This research took place at PT. Pertamina Geothermal Energy Area Lahendong, a subsidiary of PT. Pertamina (PERSERO) that operates in a geothermal energy utilization in North Sulawesi. In order to keep the company on track with company's core value, PT. Pertamina Geothermal Energy Area Lahendong applied both internal and external programs that leads to maintain both of employee performance and the organizational performance as well. And the challenge are how effective and efficient the activity held by the company for the performance of organizational itself, especially for the employee. So, in examining the I-CSR of PT. Pertamina Geothermal Energy Area Lahendong, Therefore, this research observed three I-CSR factors which are Work-Life Balance, Skills Development, and Workforce Diversity to examine the employee performance at the research object.

Work-life balance can be regarded a significant factor that an individual employee considers while choosing a particular organization (Sanusi and Johl, 2022). It refers to someone's inability of professionals to balance their work-life, work-family, non-family responsibilities and other demands, both in the personal life and professional life. Community factors, organizational matters, stress concerns, lack of knowledge in information technology, mismanagement of workload, family problems, social issues, supportive factors from the organization, individual responsibilities, and lack of knowledge towards the work (Vyas and Shrivastava, 2017).

Current trends lead a company to not only rely on the employee that qualified in academic but about the employee that can learned a new and relevant skills. So, skill development can be useful for the company to bring on the employees who do not fit just one job instead the employees who can shift when the business shifts, also in line in empowering the employees to reach their potential to lead in the future. It is why up skilling programs are at the core of empowerment.

Live in the digital era, with most of millennials findings diversity more critical, and the same goes to the workforce composition in an organization. The culture problem is a common reason for the high employee turnover rate. That is the reason of why the company needs to create an environment that does not allow unfairness or mistreatment of individuals based on identity, which is the workforce diversity, that significantly effects the employee performance, as the diverse workforce improves creativity, skills, improve group problem solving and the performance of organization (Sohail et al., 2019).

Laying on the background of problems above, the author conducted research entitled "The Effect of Internal Corporate Social Responsibility on Employee Performance at PT. Pertamina Geothermal Energy Area Lahendong" intending to look about how the factors of Internal Corporate Social Responsibility: Work-Life Balance, Skill Development, and Workforce Diversity practice in the company affect the employee performance. However, this research is lacking on talking about the knowledge that needs to be filled about the rest factors of the Internal CSR and for the subject of this research only for studying the outsourcing employe of PT. Pertamina Geothermal Energy Area Lahendong.

### **Research Objectives**

1. To assess how well the Internal Corporate Social Responsibility initiatives contribute to the employee performance.
2. To find out the Work-Life Balance, Skill development, and Workforce Diversity affect the employee performance simultaneously.
3. To find out the company strength and weaknesses to future improvement in reaching the excellent employee performance.
4. To assist the business in developing its present strategy and/or coming up with new ones for the purpose to boost the employee performance.

## **THEORETICAL FRAMEWORK**

### **Human Resource Management**

Human resource management (HRM) is the organizational function that manages all the issues related to the people in an organization. (Heathfield, 2021). In learning this theory, the author refers the HRM to the theory

which can enables the employees to effectively and productively pour their good performance or to give contributions to the overall company direction, to fully reach the successful operation.

### **Internal Corporate Social Responsibility**

Internal Corporate Social Responsibility (I-CSR) is the way of how you make and provide to what things are needed for everyone in the workplace which are the environment, the employees, and the stakeholders. Corporate Social Responsibility or Social Corporate Responsibility is a business commitment in contributing to sustainable of the economic, socials and individual development for the sake of reach and improve the quality of people's life. In sum, it is described the characteristics between the company and its' employees which can give impact in the commitment to the company and even providing the best for the company (Ramdhan et al., 2022). It is referred to the organizations' policies and practices related to the physiological well-being and the psychological of its employee, and the society areas such as the environment, the economy and competition ethics.

### **Work-Life Balance**

Work-Life Balance (WLB) is the balance state of the schedule between work and non-work (Haar et al., 2014) The components of those are the involvement, satisfaction and equal time across individual's work and non-work roles (Brough et al., 2020) The warrants of achievement when the company and or organization having a WLB as well as enjoyment, achievement through work and enjoyment through life. It considered as one of the important components of company as a healthy work environment. The indicator of work-life balance in this study refers to McDonald, Brown, and Bradly (2005) which are time balance, involvement balance, and satisfaction balance.

### **Skill Development**

Study found out that employees are aware about training and results into higher performance (Karim, Choudhury, and Latif, 2019). Skills development designed to upskill and advance employee expertise, which can result a high level of human resource in the working environment. It enhancing employee performance and defined as a planned set of activities for organizational growth. Remember that the benefits of those development are also extends to their children, friends, peers, and community as well. The indicator of skill development in this study refers to Keese and Tan (2013) which are relevance, feasibility, and timeliness.

### **Workforce Diversity**

Workforce diversity refers to the inclusion of people from different cultures, genders, abilities, and backgrounds in the workplace. It means similarities and differences to the people engage in the workforce. Currently, employing diversified workforce is a necessity for every organization but to manage such diversified workforce as a big challenge for management, but people still stick to their views related to caste, religion etc., and so consider diversity as a problem. As company able to manage properly, it can be the win-win solution for the company to reach productivity (Saxena, 2014). The indicator of workforce diversity in this study refers to Saxena (2014) which are caste and religion, different perception and attitude, and gender.

### **Employee Performance**

In-order-to achieve an optimal performance, company must look at the work involvement of each employee to place where they can reach their high potential of a maximum level of performance. The reflection of a company healthy work environment can be seen through the employee performance. It can be easily seen from the decrease in employee involvement from the lack of employee performance, through their behavior. According to (Neves and Eisenberger, 2012) the employee with high perceived organizational support, has a greater responsibility, and highly committed to the organization in achieving its goals. The indicator of employee performance in this study refers to Ruliana (2014) are quality, quantity and relationship between individuals.

### **Empirical Studies**

Ramdhan et al. (2022) analyzed the effect of internal corporate social responsibility on job performance through employee well-being. To this end, this causal study surveyed 282 non-managerial employees at four strategic industrial state-owned enterprises in Indonesia. The respondents were recruited using the proportional random sampling technique. The collected data were analyzed using SEM with SPSS 26. The results showed that changes in job performance can be predicted by the adequacy of work resources and personal resources. Both resources can be realized by the existence of corporate social responsibility intended for employees. Internal corporate social responsibility was found to encourage increased work engagement and decrease burnout, which

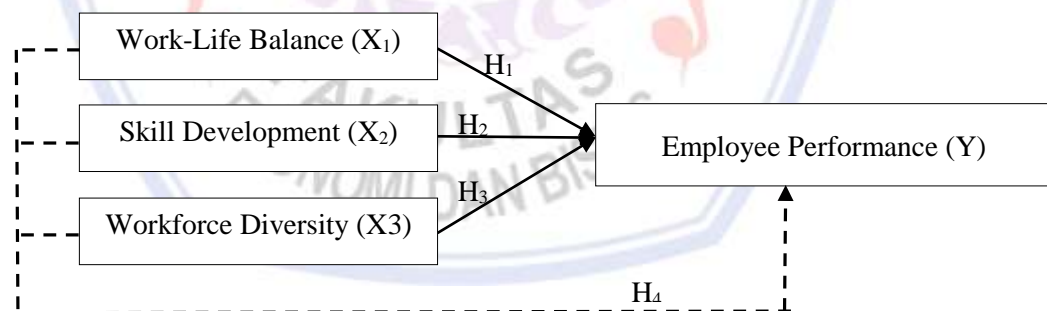


ultimately improves job performance. Internal CSR is an important personal and work resource for employees. Internal CSR is the company's main orientation in an effort to strengthen the company's performance structure while ensuring the implementation of the company's ethical responsibility in its environment. From the theoretical perspective, this study implied the need for exploring the concept of internal corporate social responsibility to expand our understanding of the relationship between corporate social responsibility and personal and work resources and employee performance. Meanwhile, the practical implications of this study highlight the importance of microlevel corporate social responsibility programs to meet personal and work resource needs so that companies benefit from high employee engagement and low burnout in order to improve adaptive performance and the structure of the company's performance.

Ekawati, and Prasetyo (2017) aimed to find the implementation of Internal CSR, then exploring the effects of internal corporate social responsibility (CSR) that impact on employee's performance through organizational commitment in hospitality industry. The author used the questionnaires which distributed to the employees at hospitality industry, such as the four and five star hotels in Jakarta. Researcher is use the quantitative methods by collecting the distribution of questionnaires, processing data with Tetrad IV based on comprehensive research design by path analysis. Internal CSR in this research represented by four dimensions, namely training & education (X1), health & safety (X2), workplace diversity (X3), and work-life balance (X4), while the organizational commitment (Y) and performance (Z). The results of this study suggest that managers should focus on the factor that have a significant effect on organizational commitment and find out the impact toward employees performance. Also only one variable (work life balance) which has mediating between organizational commitment and employee's performance, the variable as a moderating variable.

Giang, and Dung (2022) aimed to reveal the nexus between firm internal CSR practices and firm performance with the mediating role of the two employee's intrapreneurial behaviour strategic renewal behaviour and new business venturing behaviour. The study sample consists of 607 employees at the 33 pharmaceutical firms in Ho Chi Minh City of Vietnam. The data is analysed by a partial least square structural equation model (PLS-SEM). The paper reveals that firm internal CSR practices had a positive and significant influence on firm performance. The two intrapreneurship activities of employee strategic renewal behaviour and new business venturing behaviour partially mediate the nexus between internal CSR practices and firm performance. Firms would have to form the architecture and mechanisms to apply internal CSR for supporting the dedication of intrapreneurship. The paper grants the driving mechanism of internal CSR on firm performance through the mediating role of employee intrapreneurial behaviour.

### Conceptual Framework



**Figure 1. Conceptual Framework**

*Source: Literature Review*

### Hypothesis

- H<sub>1</sub>: Work-Life Balance allegedly has positive effect on Employee Performance.
- H<sub>2</sub>: Skill Development allegedly has positive effect on Employee Performance.
- H<sub>3</sub>: Workforce Diversity allegedly has positive effect on Employee Performance.
- H<sub>4</sub>: The Effect of Work-Life Balance, Skill Development, Workforce Diversity on employee performance are allegedly partially.

## RESEARCH METHOD

### Research Approach

Applying a quantitative approach, this research simply adopted that method to seek the sum of the study

variables, formed by numerical which can be calculated and measured. The essential of this research is in line with the methods used in this research which to test or to confirm the theories and assumptions through the survey which is the descriptive research.

### Population and Sample Size

To focuses on investigating the company's activities I-CSR and the performance, the author took respondents from the employees as the population (215 employees) in this research, namely Outsourcing Employee namely Tenaga Kerja Jasa Penunjang (TKJP) which is directly recruited by the subsidiary company PT. Pertamina Geothermal Energy Area Lahendong, and not recruited by the head company PT. Pertamina (PERSERO). The sample of this study are calculated by the minimum sample sized based on margin of error, and the total sample is 69.

### Data Collection Method

The methods used in this research is questionnaire which refers to collecting data by giving list of questions to the subject of the research. The questionnaires are less time consuming which can collect all the complete responses within a short period of time and less expensive. And the data are being measured by 9 Point Hedonic scale which one of the scales which designed intending to examine whether the subjects are agree extremely to disagree extremely with statements given by the researchers.

### Operational Definition and Measurement of Research Variables

**Table 1. Definition of Research Variables**

Variables	Definition	Indicators
Work-Life Balance ( $X_1$ )	Work-Life balance refers to the state of suitable balance between work and the daily living which can be seen as a cycle besides an achievement.	1. Time Balance 2. Involvement Balance 3. Satisfaction Balance (McDonald, Brown, and Bradly, 2005)
Skill Development ( $X_2$ )	Skill development refers to the action of adapting skills, acquiring part of academic qualification, and can become natural behavioral strengths in some aspects.	1. Relevance 2. Feasibility 3. Timeliness (Keese and Tan, 2013)
Workforce Diversity ( $X_3$ )	Workforce diversity refers to the characteristics of people that engages in the work environment.	1. Caste and Religion 2. Different perception and attitude 3. Gender (Saxena, 2014)
Employee Performance (Y)	Employee performance refers to the employee involvement through quality of work, behavior, and relations within individual. It can also be reflection of the company working environment.	1. Quality 2. Quantity 3. Relations Between Individual (Interpersonal Impact) (Ruliana, 2014)

### Testing of Research Instruments

The validity is one of the methods to tell how accurately a method in measuring something. It refers to a measure that shows at which the survey measures right elements to be measured and shows the level of validity of an instrument. The measurement of this research to ensure that it is valid research by seeing if the result of each item is significance with  $p\text{-value} > 0.05$ . If the  $r\text{-count} \geq r\text{-table}$ , the question items are valid, and if the  $r\text{-count} < r\text{-table}$ , the question items are invalid.

The reliability of a measure refers to the stability and consistency with the instruments, concepts and the main to assess the accurate and stable measurement. If this instrument used several times measuring the same object, then it will result a similar data. Based on the Interpretation of Cronbach Alpha the value that indicates unreliable is  $< 0.60$  while  $> 0.60$  be declared reliable.ruliana

### Data Analysis

Data analysis is the process of simplifying data into a form that is easier to read and interpreted. The data collected will going to be analyze and in this research, the author used the classical assumption test which are:

normality test, multicollinearity test, and heteroscedasticity, before running the regression assumptions which is the multiple linear regression.

## Classical Assumption Test

### Normality Test

In the multiple linear regression models, there must be a normal distribution of residual, which refers to the differences between the values and observed of the dependent variable. In this research, the normality test was conducted to seek are the dependent and the independent variable have a contribution or not. If the probability  $> 0.05$  it indicates that the regression model and the distribution is normal and if the probability  $< 0.05$  it indicates that the regression model and the distribution is not normal.

### Multicollinearity Test

In this research, the multicollinearity test aims to test the correlation between independent variables. The test can be seen by looking at the tolerance value and the Variant Inflation Factor (VIF). If the tolerance value  $> 0.1$  and the VIF  $< 10$  it indicates that there is no symptom of multicollinearity.

### Heteroscedasticity Test

In this research, the heteroscedasticity test aims to test whether the residual variance inequality of one observation to another observation. The research can be said good research if there is no heteroscedasticity. If the significance value is  $> 0.05$  it indicates that there is no heteroscedasticity and if the significance value is  $< 0.05$  it indicates that heteroscedasticity occurs.

## Multiple Linear Regression

### Regression Equation

This study will be performed with the multiple linear regression. In the quantitative research, the multiple linear regression is technique that measures the influence of the variables which the independent variable and dependent variable. This analysis can be interpreted in the equation form of a structural equation, which formulated as shown below:

$$y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Definition:

Y	: Employee Performance
$\alpha$	: Constant, when all independent variable = 0
$X_1$	: Work-Life Balance
$X_2$	: Skill Development
$X_3$	: Workforce Diversity
$\beta_1 X_1, \beta_2 X_2, \beta_3 X_3$	: Slope of each independent variable
e	: Residual error

## Hypothesis Testing

### T-Test (Partial Test)

In this research the T-test aims to show the effect of independent variable on the dependent variable. It can be the test to determine whether there is a significant relationship between the variables. The t test is a parametric test of difference, meaning that it makes the same assumptions about the data as other parametric tests. The t-test will assume data: are independent; are (approximately) normally distributed; have a similar amount of variance within each group being compared (a.k.a. homogeneity of variance).

### F-Test (Simultaneously Test)

In this research the F-Test aims to shows whether all the independent variables and dependent variables are simultaneous significance. According to Syarifuddin and Saudi (2022), Simultaneous Testing (F-Test) is utilized to determine whether the independent variables collectively (simultaneously) have an impact on the dependent variable. The test results are evaluated by analysing the F value presented in the ANOVA table, using a significance level of 0.05.

## RESULT AND DISCUSSION

### Result



**Validity and Reliability Test****Table 3. Validity Test Result**

Variable	Question	R Count	R Table	Annotation
Work-Life Balance ( $x_1$ )	$x_{1.1}$	0.872	0.2369	Valid
	$x_{1.2}$	0.841	0.2369	Valid
	$x_{1.3}$	0.810	0.2369	Valid
Skill Development ( $x_2$ )	$x_{2.1}$	0.837	0.2369	Valid
	$x_{2.2}$	0.907	0.2369	Valid
	$x_{2.3}$	0.800	0.2369	Valid
Workforce Diversity ( $x_3$ )	$x_{3.1}$	0.808	0.2369	Valid
	$x_{3.2}$	0.908	0.2369	Valid
	$x_{3.3}$	0.849	0.2369	Valid
Employee Performance (y)	y1	0.784	0.2369	Valid
	y2	0.758	0.2369	Valid
	y3	0.713	0.2369	Valid
	y4	0.793	0.2369	Valid
	y5	0.556	0.2369	Valid
	y6	0.665	0.2369	Valid
	y7	0.817	0.2369	Valid
	y8	0.816	0.2369	Valid
	y9	0.721	0.2369	Valid

Source: Data Processed from SPSS, 2023

In this research the number of data point used for the Validity test is 69 respondents. Therefore, in finding the data point processed with the formula  $df = n-2$  which result is  $df = 69-2 = 67$ . Referring to the table of R-Values for  $df = 67$  at a significance level of 0.05 (5%), the critical value (Rtable) is 0.2369. Based on the Table 3, the numerical values indicated that the computed Rcount for each questionnaire items surpass the critical Rtable of 0.2369 at a significance level of 5% in this research.

**Table 4. Reliability Test Result**

Variable	Cronbach's Alpha	Critical Value	Description
Work-Life Balance ( $x_1$ )	0.791	0.60	Reliable
Skill Development ( $x_2$ )	0.804	0.60	Reliable
Workforce Diversity ( $x_3$ )	0.815	0.60	Reliable
Employee Performance (y)	0.894	0.60	Reliable

Source: Data Processed from SPSS, 2023

According to the data analysis in Table 4, it is evident that each statement within every research variable exhibits a cronbac's Alpha value surpassing 0.60. Therefore, all statements within each variable are considered reliable.

**Classical Assumption Test****Normality Test****Table 5. One-Sample Kolmogorov-Smirnov Test**

	Unstandardized Residual	
N	69	
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	3.51082498
Most Extreme Differences	Absolute	.087
	Positive	.060
	Negative	-.087
Test Statistic	.087	
Asymp. Sig. (2-tailed)	.200 <sup>c,d</sup>	

Source: Data Processed from SPSS, 2023

Using the Kolmogorov-Smirnov test, as seen on the table 5. One-Sample Kolmogorov-Smirnov Test, the distribution of the data has a normal distribution with value of  $0.087 > 0.05$ .

### Multicollinearity Test

**Table 6. Multicollinearity Test Result**

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Work-Life Balance	.493	2.029
Skill Development	.457	2.189
Workforce Diversity	.335	2.988

Source: Data Processed from SPSS, 2023

In this research, the correlation between independent variables are shown in Table 4.5 VIF and Tolerance Test with the tolerance value of Work-Life Balance (x1) is 0.493, Skill Development (x2) is 0.457, and Workforce Diversity (x3) is 0.335, means those values are  $> 0.1$ . While the VIF value of Work-Life Balance (x1) is 2.029, Skill Development (x2) is 2.189, and Workforce Diversity (x3) is 2.988, which those values are  $< 10$ . It can be concluded that there is no symptom of multicollinearity among the independent variables.

### Heteroscedasticity Test

**Table 7. Heteroscedasticity Glejser Test Result**

Model	Coefficients <sup>a</sup>				
	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
1 (Constant)	2.909	.854		3.407	.001
Work-Life Balance	.175	.126	.239	1.387	.170
Skill Development	-.045	.125	-.064	-.360	.720
Workforce Diversity	-.166	.128	-.271	-1.296	.200

Source: Data Processed from SPSS, 2023

This research used the application of Glejser Test which assess the significance coefficient. Where the significance value of Work-Life Balance (x1) is 0.170, Skill Development (x2) is 0.720, and Workforce Diversity (x3) is 0.200 which all the independent variables indicated that there is no heteroscedasticity.

### Multiple Linear regression

In-order to determine how much the effect of the independent and dependent variable, this research used the multiple linear regression analysis, which shown in Table 8. Multiple Linear Regression Analysis and interpreted by the equation model.

**Table 8. Multiple Linear Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	3.147	1.283	
Work-Life Balance	.415	.189	.150
Skill Development	1.318	.189	.496
Workforce Diversity	.877	.192	.378

Source: Data Processed from SPSS, 2023

The equation form of a structural equation model obtained as follows:

$$y = 3.147 + 0.415 x_1 + 1.318 x_2 + 0.877 x_3 + e$$

The interpretation of this equation as shown below:

1. There is a constant value of 3.147 which shown the value before the dependent variable not influenced by the independent variables yet.



2. Work-Life Balance ( $x_1$ ) coefficient value of 0.415 which mean if there is one unit increased in  $x_1$ , the Employee Performance ( $y$ ) will increase by 0.415.
3. Skill Development ( $x_2$ ) coefficient value of 1.318 means if there is one unit increased in  $x_2$ , the  $y$  will increase as much as 1.318.
4. Workforce Diversity ( $x_3$ ) coefficient value of 0.877 means if there is one unit increased in  $x_3$ , the  $y$  will increase by 0.877.

## Hypothesis Testing

### T-Test

To know whether there is a significant relationship between the variables, this research using the t-table with a confident level of 95% or 0.05.

**Table 9. Partial Hypothesis Test Result**

Model	Coefficients <sup>a</sup>		Beta	t	Sig.
	Unstandardized Coefficients	Standardized Coefficients			
	B	Std. Error			
1 (Constant)	3.147	1.283		2.453	.017
Work-Life Balance	.415	.189	.150	2.191	.032
Skill Development	1.318	.189	.496	6.994	.000
Workforce Diversity	.877	.192	.378	4.565	.000

Source: Data Processed from SPSS, 2023

The value of t-table in this research is 1.66864. As shown in Table 9. Partial Hypothesis Test Result, the significance value of Work-Life Balance ( $x_1$ ) is 0.032 which  $< 0.05$  or the t count of  $x_1$  is 2.191 which  $> t$  table 1.66864. The significance value of Skill Development ( $x_2$ ) is 0.000 which  $< 0.05$  or the t count of  $x_2$  is 6.994 which  $> t$  table. And the significance value of Workforce Diversity ( $x_3$ ) is 0.000 which  $< 0.05$  or the t count of  $x_3$  is 4.565 which  $> 1.66864$ . It can conclude that there is an effect of Work-Life Balance ( $x_1$ ), Skill Development ( $x_2$ ) and Workforce Diversity ( $x_3$ ) on the Employee Performance ( $y$ ).

### F-Test

**Table 10. Simultaneously Hypothesis Test Result**

Model	ANOVA <sup>a</sup>				
	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	4777.318	3	1592.439	123.495	.000 <sup>b</sup>
Residual	838.161	65	12.895		
Total	5615.478	68			

Source: Data Processed from SPSS, 2023

As shown in Table 10. Simultaneously Hypothesis Test Result, and the equation of the t-table value of 2.75. The value of f count is 123.495  $> 2.75$  with the significant value of 0.000 which mean the probability  $< 0.05$ . It can conclude that the  $H_0$  rejected and the  $H_a$  is accepted, where the Work-Life Balance ( $x_1$ ), Skill Development ( $x_2$ ), and Workforce Diversity ( $x_3$ ) have a significance effect on Employee Performance ( $y$ ).

## Discussion

### The Effect of Work-Life Balance on Employee Performance

The result of data analysis in this research indicates that the Work-Life Balance has a positive and significant effect on Employee Performance which supported the hypothesis  $H_1$ : Work-Life Balance allegedly has positive effect on Employee Performance. Based on the data gaining in the questionnaire and throughout analysis, it shown that the employee beliefs that the company put attention in the employee wellbeing, which obtained by having an enjoyment life and achievement through work and life individually which considered that the company have a healthy work environment. Same with the previous research by Ekawati and Prasetyo (2017) which conclude that the Work-Life Balance has direct effect toward an employee's performance. This study brings new insight to the company by showing the significance effect of WLB on employee performance in effort of keeping the good contribution and maintaining organizational performance in creating engagement with employee, because it is reasonable that the impact of Work-Life Balance can improve the performance of

employee. Since the performance is the result of the work of a person, which influenced by the ability of individual to have a balance life of work and outside the workplace.

### **The Effect of Skill Development on Employee Performance**

The result support the hypothesis H2: Skill Development allegedly has positive effect on Employee Performance, as the Skill Development affect the Employee Performance significantly. Through the analysis based on the data gaining, most respondent beliefs that company provide the employee with knowledge, facilities and skills that required in the running their task and responsibilities which designed to support the employee's performance and productivity. Since the company actively support the employee with the activities that leads the employee developing their skills, it considered that the company have a good practice in developing the human resource. The result also can be the point in evaluating the organizational performance, which the program that has been running and will be done by the company as the effort to provide the employee with an up-to-date program and give impact. This result is not limited to enhancing employee performance in the workplace and defined as a planned set of activities for organizational growth and those development also extends to their friends, peers, and community as well which positively affecting the employee's. Same with the research by Farid and Taher (2021) that the management of skills is one of the activities of human resources management, it is defined as a set of activities designed to exploit, develop optimally the skills of individuals and groups, in order to achieve the mission of the company and improve the performance of employees.

### **The Effect of Workforce Diversity on Employee Performance**

The result of this research shows that the Workforce Diversity affect the Employee Performance in a positive way which supports the hypothesis H3: Workforce Diversity allegedly has positive effect on Employee Performance, as the value of this variable are significant. Throughout the analysis, by seeking the data gained from the questionnaire filled by the respondent, it can conclude that the company have a healthy environment which giving the employee with a proper management in diversified workforce (cultures, genders, background) which not only result the job satisfaction from the employee but also put the company in the win-win solution in reaching the high productivity. Same with the research by Alghazo and Shaiban (2016) that the organization's HRD should focus on diversity management and keep it in their development strategies in order to be locally and globally competitive, since global economy requires form each company to empower their employees to be more creative, innovative, problem solvers.

### **The Effect of Work-Life Balance, Skill Development, and Workforce Diversity on Employee Performance Partially**

The result of this research shows that the Work-Life Balance, Skill Development, and Workforce Diversity are partially effect the Employee Performance, which support the hypothesis of H4: The effect of Work-Life Balance, Skill Development, Workforce Diversity on employee performance allegedly partially, based on the T test that has been done in this research. This explained that burnout caused by poor Work-Life Balance can also affect the work performance which results in lowering motivation, engagement, and productivity. The benefits of Work-Life Balance extend beyond health of employee and high output, but also to attract and retain talent, too. Meanwhile the Skill Development also contribute in helping the employee to meet the organizational standards, and the improvement of workplace performance. The Workforce Diversity results revealed positive affect in the employee performance, which could enhance corporate image, also improve creativity and problem solving.

## **CONCLUSION AND RECOMMENDATION**

### **Conclusion**

Based on the discussion and result gained from the analysis, the conclusion as follows:

1. The result of this research shows that Work-Life Balance have positive and significant effect on Employee Performance.
2. The result of this research shows that Skill Development have positive and significant effect on Employee Performance.
3. The result of this research shows that Workforce Diversity have positive and significant effect on Employee Performance.
4. The Work-Life Balance, Skill Development, and Workforce Diversity are partially effect on Employee Performance.

## Recommendation

Based on the conclusion of this research, there are several recommendations that can be given as a basis for consideration for any relation parties as follows:

1. Since the I-CSR really gives significant effect on employee performance, it is advisable to keep maintaining and enhancing the practices in the field of Human Resource as the company strength, especially in the focus through the practice of company's Internal Corporate Social Responsibility in-order-to reach the excellent employee performance.
2. It is recommended to actively participate in following activity given by the company in providing support for the employee in reaching the company goals and objectives.
3. It is recommended for HRM practitioners to reach out and or/ explore more I-CSR activities that can give effect towards performances and environment in the company.
4. Future researchers is suggested to include additional variables that related in the activity of Internal Corporate Sustainability Responsibility from any company or organization and seeking other factors that may potentially affect the performance in the company and organization.

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