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Green Recruitment, Employee Empowerment, and Job Satisfaction in Sustainable Employee Performance: Examining the Role of Perceived Corporate Social Responsibility

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ABSTRACT

Purpose – This study examines the relationships between Green Recruitment, Employee Empowerment, Job Satisfaction, and Sustainable Employee Performance (SEP), including the direct and moderating roles of Corporate Social Responsibility (CSR) in culinary SMEs.
Design/methodology/approach – A quantitative survey involved 168 employees from 168 culinary SMEs in Balikpapan, Indonesia, selected through purposive sampling. Data collected between January and March 2026 were analysed using PLS-SEM.
Findings/Results – Green Recruitment ($\beta = 0.259$, $p = 0.001$) and Job Satisfaction ($\beta = 0.448$, $p < 0.001$) showed significant positive associations with SEP, with Job Satisfaction demonstrating the strongest relationship. Employee Empowerment ($\beta = 0.066$, $p = 0.454$) and CSR ($\beta = 0.073$, $p = 0.331$) were not significant. None of the proposed CSR moderating effects was statistically supported.
Originality/Value – This study challenges the assumption that perceived CSR necessarily strengthens employee performance relationships in SMEs. Supplementary findings suggest potential sensitivity to SEP measurement, although limited discriminant validity warrants caution. The findings highlight the importance of distinguishing CSR dimensions and improving performance measurement.

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1. Introduction

In recent years, the global shift towards sustainability has significantly transformed organisational strategies, particularly in human resource management (HRM). Organisations are no longer evaluated solely based on financial performance but also on their environmental and social contributions. This paradigm shift has led to the emergence of Green Human Resource Management (GHRM) practices, which integrate environmental sustainability into HR functions such as recruitment, training, and performance evaluation (Alrifae, 2026; Efranto et al., 2026). Among these practices, green recruitment plays a pivotal role in attracting environmentally conscious employees who align with organisational sustainability goals.

Green recruitment refers to the process of attracting, selecting, and onboarding candidates who possess environmental awareness, values, and competencies that support sustainable organisational practices (Tang et al., 2018). Empirical evidence suggests that organisations implementing green recruitment strategies tend to enhance their environmental performance and build a workforce committed to sustainability initiatives (Jamil et al., 2023). However, the mere recruitment of environmentally conscious employees does not automatically guarantee improved performance outcomes. Internal organisational factors such as employee empowerment and job satisfaction are equally critical in translating these values into sustainable employee performance.

Employee empowerment, defined as the delegation of authority and autonomy to employees in decision-making processes, has been widely recognised as a driver of motivation and performance (Kim & Beehr, 2020). Empowered employees are more likely to engage in pro-environmental behaviours and contribute to organisational sustainability objectives. Similarly, job satisfaction a positive emotional state resulting from one's job experience has been consistently linked to higher levels of productivity, commitment, and organisational citizenship behaviours (Miao & Cao, 2019). In the context of sustainability, satisfied employees are more inclined to support and participate in green initiatives (Samosir et al., 2025).

Despite the growing body of literature, the relationship between green recruitment, employee empowerment, job satisfaction, and sustainable employee performance remains underexplored, particularly in developing economies. In the present study, Sustainable Employee Performance (SEP) is conceptualised as an overarching construct reflecting employees' performance in an organisational context that incorporates both effective task execution and contributions to organisational sustainability. Task-related performance and sustainability-oriented behaviour represent distinguishable aspects of employee performance, but they may jointly contribute to the broader performance domain examined in this study. The present conceptualisation therefore focuses on employees' overall performance within a sustainability-oriented organisational context rather than treating these aspects as necessarily independent performance outcomes.

The decision to specify SEP as a first-order reflective construct requires a distinction between conceptual breadth and measurement specification. Although the indicators capture different aspects of employee performance, their inclusion in a common construct is defensible only insofar as the underlying theoretical framework and the original measurement instrument support their interpretation as manifestations of the same broader performance domain. Accordingly, the reflective specification is evaluated using both its conceptual justification and empirical measurement evidence, rather than relying exclusively on indicator loadings, internal consistency reliability, or average variance extracted. Furthermore, the role of Corporate Social Responsibility (CSR) as a moderating variable has not been sufficiently

examined. CSR reflects an organisation's commitment to ethical practices, social welfare, and environmental stewardship, which can strengthen employees' perception of organisational support and enhance behavioural outcomes (Rupp et al., 2018).

The urgency of integrating sustainability into HR practices is reflected in recent global and regional trends. The following table presents selected data highlighting the growing importance of sustainability-oriented organisational practices:

Table 1. Global Trends in Sustainability-Oriented Organisational Practices

Indicator	Data/Statistics	Source
Organisations adopting sustainability strategies globally	90% of large companies report integrating sustainability into their business strategies	Nhamo et al. (2018)
Employees preferring environmentally responsible employers	70% of millennials consider environmental commitment when choosing employers	Delloitte Global (2022)
Impact of CSR on employee engagement	CSR initiatives increase employee engagement by up to 20%	Rupp et al. (2018)
Adoption of green HRM in Asia	Significant growth in GHRM practices across emerging economies	Efranto et al. (2026)

Source: Adapted from previous research (2026)

These data indicate a clear trend: organisations are increasingly recognising sustainability as a strategic imperative, and employees are becoming more selective, favouring organisations with strong environmental and social values. However, there remains a gap between organisational intentions and actual employee performance outcomes, particularly in terms of sustainability.

While prior studies have examined relationships involving green HRM, employee empowerment, job satisfaction, and employee performance, less is known about the conditions under which perceived Corporate Social Responsibility (CSR) may shape these relationships. In particular, it remains unclear whether aggregate employee perceptions of CSR consistently strengthen the associations between employee-related factors and sustainable employee performance. This question is especially relevant in the context of culinary SMEs, where employees' perceptions of organisational practices may not necessarily reflect independently verified organisational-level implementation. Examining these relationships can therefore help clarify the empirical boundaries of CSR as a potential contextual moderator rather than assuming that general CSR perceptions uniformly amplify employee-level relationships.

As organisations face increasing pressure to align business operations with sustainability principles while maintaining employee performance, it is important to understand how employee-related factors and perceived organisational practices are associated with sustainable performance. This study examines the relationships of Green Recruitment, Employee Empowerment, and Job Satisfaction with Sustainable Employee Performance (SEP), while testing whether perceived CSR conditions these relationships. By examining the proposed interactions empirically, the study assesses whether aggregate CSR perceptions provide a meaningful contextual explanation for variation in employee-level relationships in culinary SMEs. This approach allows the study to contribute not only through supported associations but also by identifying the boundaries of the proposed moderating relationships.

Therefore, this research provides both theoretical and practical contributions by offering an integrated framework to enhance sustainable employee performance in a rapidly evolving business environment.

Based on the background and identified gaps, the research seeks to address the following questions:

a. What is the relationship between green recruitment and sustainable employee performance?
b. What is the relationship between employee empowerment and sustainable employee performance?
c. What is the relationship between job satisfaction and sustainable employee performance?
d. Does Corporate Social Responsibility moderate the relationship between green recruitment and sustainable employee performance?
e. Does Corporate Social Responsibility moderate the relationship between employee empowerment and sustainable employee performance?
f. Does Corporate Social Responsibility moderate the relationship between job satisfaction and sustainable employee performance?

2. Literature Review & Hypothesis Development

2.1 Grand Theory: Social Exchange Theory (SET)

This study is fundamentally grounded in Social Exchange Theory (SET) (Cropanzano & Mitchell, 2005), which posits that relationships between employees and organisations are based on reciprocal exchanges of resources, both tangible and intangible. When employees perceive that the organisation provides support, fairness, and value through practices such as green recruitment, empowerment, and CSR, they are more likely to reciprocate with positive attitudes and behaviours, including enhanced performance and pro-environmental actions.

Recent studies have reinforced the relevance of SET in sustainability contexts, demonstrating that organisational practices aligned with social and environmental responsibility foster employee commitment, engagement, and green behaviour (e.g., socially responsible HRM enhances voluntary green behaviour through reciprocal mechanisms) (Luu, 2019). Similarly, CSR initiatives strengthen employees' perception of organisational support, which subsequently encourages positive behavioural outcomes and performance improvements (Rupp et al., 2018).

Accordingly, SET provides the overarching theoretical perspective for understanding how employees may respond to organisational practices that signal support, trust, and valued exchange relationships. However, the mechanisms underlying the focal predictors are not assumed to be identical. Employee Empowerment and CSR are more directly interpretable as organisational conditions that may shape reciprocal responses, whereas Green Recruitment occurs primarily at the employee-entry stage and may operate through value alignment and attraction-selection processes. Similarly, Job Satisfaction represents an employee attitudinal evaluation of the work experience and may be associated with performance through psychological and motivational mechanisms. SET therefore provides the broader relational foundation of the study, while complementary mechanisms are considered for specific predictor outcome relationships.

2.2 Green Recruitment and Sustainable Employee Performance

Green recruitment refers to the integration of environmental criteria into recruitment and selection processes, aiming to attract individuals who possess ecological awareness and

sustainability-oriented values. Within the GHRM framework, green recruitment is considered a strategic entry point for embedding sustainability into organisational culture. Recent empirical studies indicate that green recruitment significantly contributes to organisational sustainability performance by aligning employee values with environmental goals (Tang et al., 2018). Furthermore, evidence from Indonesia confirms that green recruitment and selection have a positive and significant impact on employee performance, suggesting its relevance in emerging economies (Efranto et al., 2026).

From a theoretical standpoint, SET explains this relationship: when employees perceive alignment between their environmental values and organisational practices, they are more motivated to contribute positively, resulting in improved sustainable performance (Cropanzano & Mitchell, 2005).

Because Green Recruitment primarily operates at the employee-entry stage, its relationship with Sustainable Employee Performance may also be understood through person–organisation fit and attraction–selection mechanisms. Recruitment practices that communicate environmental values and criteria can attract applicants whose values are compatible with the organisation's sustainability orientation and may contribute to greater perceived value congruence after entry. Such alignment provides a theoretically plausible pathway through which environmentally oriented recruitment may be associated with subsequent employee performance and sustainability-related contributions. This perspective complements SET by recognising that the relevant mechanism for Green Recruitment may begin with value alignment at the recruitment stage rather than solely with reciprocal exchange after organisational entry.

H1: Green recruitment is positively associated with sustainable employee performance.

2.3 Employee Empowerment and Sustainable Employee Performance

Employee empowerment refers to employees' perceived autonomy, participation, authority, and capacity to exercise influence in carrying out their work responsibilities. Beyond the formal delegation of authority, empowerment also involves employees' perceptions that they have sufficient discretion and confidence to handle work-related responsibilities and problems (Kwon & Kim, 2020). In this sense, empowerment encompasses both the structural aspects of work, such as autonomy and decision authority, and the employees' perceived capacity to exercise such discretion effectively. In sustainability contexts, empowered employees may be more willing to participate in environmentally responsible behaviours and organisational improvement initiatives. In this study, Employee Empowerment (EE) is operationalised as an integrated empowerment experience encompassing employees' perceived autonomy, participation in organisational decision-making, confidence in handling work responsibilities, and authority to resolve work-related problems independently. These facets capture related but conceptually distinguishable aspects of empowerment. Autonomy, participation, and decision authority reflect employees' perceived opportunities to exercise influence over their work, whereas confidence in handling job responsibilities reflects a competence-related perception that is conceptually closer to the psychological dimension of empowerment.

Accordingly, EE3 should not be interpreted as a direct measure of structural empowerment or as a comprehensive measure of psychological empowerment. Rather, it captures employees' perceived competence within the broader empowerment experience examined in this study. Nevertheless, the inclusion of structurally oriented and competence-related indicators raises a legitimate measurement question concerning whether all four indicators can be adequately represented as interchangeable reflective manifestations of a single construct. The

measurement specification must therefore be justified by the construct definition and the theoretical basis of the selected instrument, rather than by indicator loadings alone.

Contemporary literature emphasises that empowered employees may demonstrate greater engagement, creativity, and performance, particularly when organisational conditions support employee participation and discretion (Offermann et al., 2020). Empowerment can foster intrinsic motivation and provide employees with opportunities to contribute meaningfully to organisational goals, including environmental and sustainability initiatives (Slemp et al., 2018). From the perspective of Social Exchange Theory, empowerment represents a form of organisational trust and support that may encourage reciprocal employee contributions. When employees perceive that they are trusted, involved in decision-making, and capable of handling their responsibilities, they may be more willing to contribute to organisational performance and sustainability-related activities (Kim & Beehr, 2020).

Under this conceptualisation, sustainable employee performance reflects an integrated employee-level outcome in which sustained effectiveness at work is considered alongside employees' contributions to organisational sustainability activities.

H2: Employee empowerment is positively associated with sustainable employee performance.

2.4 Job Satisfaction and Sustainable Employee Performance

Job satisfaction is defined as a positive emotional response resulting from an individual's evaluation of their job and work environment (Susanto et al., 2022). It is widely recognised as a key determinant of employee performance and organisational outcomes.

Recent studies in GHRM literature highlight that job satisfaction plays a crucial role in enhancing employee engagement, green behaviour, and overall performance (Alrifae, 2026). Employees who are satisfied with their jobs are more likely to support organisational sustainability initiatives and demonstrate higher levels of productivity and organisational citizenship behaviour (Efranto et al., 2026).

Beyond the exchange perspective, Job Satisfaction represents an employee's positive evaluation of the job and work environment. Such positive evaluations may be associated with greater motivation, psychological involvement, and willingness to maintain constructive work behaviours. These psychological processes provide a complementary explanation for why employees who report greater job satisfaction may also report stronger Sustainable Employee Performance. From a SET perspective, favourable employment experiences may also reflect a positive employment relationship that is accompanied by reciprocal employee responses. Thus, SET provides a relational perspective, while positive work attitudes and motivational processes provide a more direct psychological explanation for the association between Job Satisfaction and Sustainable Employee Performance.

H3: Job satisfaction is positively associated with sustainable employee performance.

2.5 Corporate Social Responsibility (CSR) as a Moderating Variable

Corporate Social Responsibility (CSR) represents organisational initiatives aimed at promoting social welfare, environmental sustainability, and ethical business practices. CSR has emerged as a critical contextual factor influencing employee attitudes and behaviours (Rupp et al., 2018).

Corporate Social Responsibility (CSR) encompasses organisational activities and commitments relating to social welfare, environmental responsibility, and ethical conduct (Hendri, 2025). From a Social Exchange Theory (SET) perspective, employees may interpret perceived CSR as a signal of organisational values and responsibility. However, the implications of such perceptions for employee-level outcomes may depend on whether

employees perceive CSR as relevant to their own work experiences and employment relationship. Consequently, the presence of a general CSR perception does not necessarily imply that CSR will strengthen the relationship between a particular HR practice or employee attitude and performance.

An important distinction concerns the orientation of CSR activities. External or community-oriented CSR may primarily concern relationships with communities and other external stakeholders, whereas internal or employee-oriented CSR may be more directly connected to employees' working conditions, treatment, and organisational experiences. These dimensions may therefore have different implications for employee attitudes and behaviours (Rafiuddin Syah et al., 2025). Nevertheless, this distinction remains a theoretical possibility in the present study because CSR is measured as an aggregate employee-perceived construct rather than through separate measures of external and employee-oriented CSR.

Accordingly, the moderating role of perceived CSR should be treated as an empirical question rather than an assumed strengthening mechanism. The present study tests whether aggregate CSR perceptions condition the relationships of Green Recruitment, Employee Empowerment, and Job Satisfaction with Sustainable Employee Performance (SEP). This formulation allows the proposed interactions to be evaluated within the SET framework while recognising that the relevance of CSR may depend on the nature of the CSR measure and its perceived connection to employees' work experiences.

H4: CSR moderates the relationship between green recruitment and sustainable employee performance.

H5: CSR moderates the relationship between employee empowerment and sustainable employee performance.

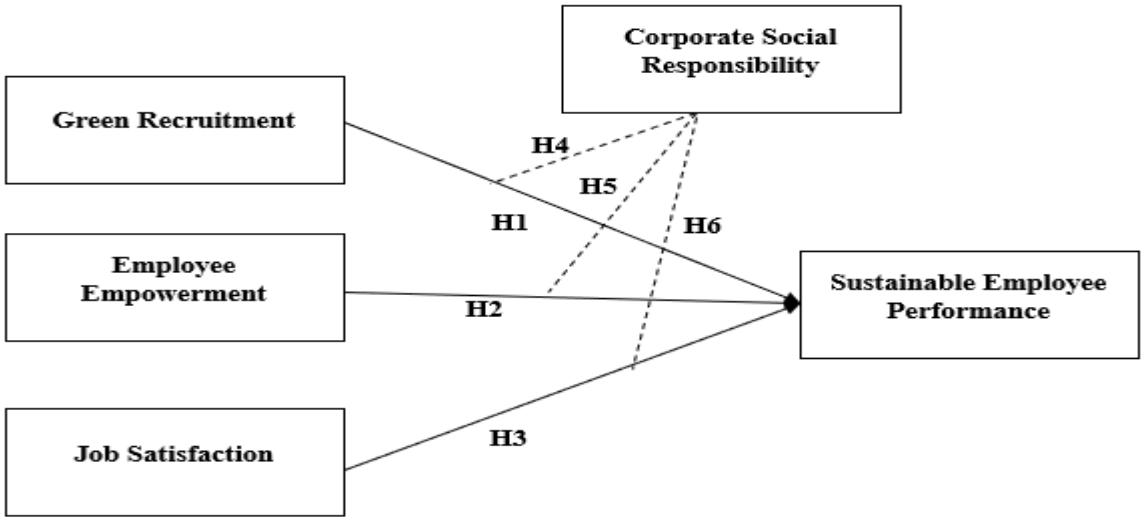
H6: CSR moderates the relationship between job satisfaction and sustainable employee performance.

The integration of green recruitment, employee empowerment, and job satisfaction within the SET framework provides a comprehensive explanation of sustainable employee performance. While these variables individually contribute to performance, their combined effect strengthened by CSR offers a more holistic understanding of how organisations can achieve sustainability goals through human resource strategies.

Notably, prior research has often examined these variables in isolation. However, emerging studies emphasise the need for integrated models that capture the complexity of sustainability-driven performance (Georgescu et al., 2024; Sypniewska et al., 2023). Therefore, this study addresses a critical gap by proposing a unified framework incorporating both direct and moderating relationships.

Based on the theoretical foundations and empirical findings discussed in the preceding literature, this study proposes an integrated conceptual framework to explain the relationships among green recruitment, employee empowerment, job satisfaction, and sustainable employee performance, with corporate social responsibility functioning as a moderating variable. The framework illustrates how organisational human resource practices can enhance sustainable employee outcomes while strengthening the influence of contextual organisational responsibility. The proposed conceptual model of this study is presented in Figure 1.

Figure 1. Research Conceptual Framework



Source: Author's perception (2026)

3. Methodology

3.1 Research Design and Sampling

This study adopted a quantitative research design with an explanatory approach to examine the relationships among green recruitment, employee empowerment, job satisfaction, and sustainable employee performance, as well as the moderating role of corporate social responsibility (CSR). A quantitative approach was appropriate because it enabled the empirical testing of theoretically derived hypotheses using statistical analysis. The explanatory design was used to examine the proposed direct and moderating relationships among the study constructs (Hair et al., 2022; Sekaran & Bougie, 2017).

The target population comprised employees working in small and medium-sized enterprises (SMEs), particularly those operating in the culinary sector in Balikpapan, Indonesia. The culinary sector was selected because of its contribution to local economic activity and its relevance to sustainability-oriented organisational practices. Given the absence of a comprehensive sampling frame, the study employed a non-probability purposive sampling technique. Eligible respondents were required to have worked for at least one year and to be familiar with their organisation's human resource practices, environmental practices, and corporate social responsibility (CSR) activities. These criteria were established to ensure that respondents had sufficient organisational experience to evaluate the practices examined in the study. Although respondents were required to have at least one year of work experience and general familiarity with environmental and CSR practices, these eligibility criteria did not establish that they were directly involved in recruitment decisions or CSR implementation. Accordingly, Green Recruitment and Corporate Social Responsibility (CSR) are examined as employee-perceived organisational practices rather than independently verified organisational-level practices. The one-respondent-per-SME design ensured that each participating business was represented by a different employee, but it did not establish that each respondent possessed comprehensive knowledge of the business's recruitment policies or CSR activities. This distinction is important when interpreting the findings, as the study captures employees' perceptions of organisational practices alongside their perceptions of employee-level outcomes.

The recruitment process involved contacting 180 culinary SMEs in Balikpapan. Of these, 175 proceeded to the screening stage. Five SMEs declined to participate, while two did not meet the study's eligibility criteria. Ultimately, 168 SMEs participated in the study, with one eligible employee recruited from each participating SME. The final sample therefore consisted of 168 employee respondents representing 168 distinct SMEs. Relative to the 180 SMEs initially contacted, the participation proportion was 93.3%. The recruitment records were used to distinguish participating businesses and verify that the final dataset represented different SMEs, with one employee respondent per participating business.

Respondent eligibility required a minimum of one year of work experience and familiarity with the organisation's environmental and CSR practices. These criteria were intended to ensure that respondents had sufficient organisational exposure to provide informed perceptions of the practices examined. Nevertheless, length of service and general familiarity do not necessarily imply direct involvement in recruitment decisions or CSR implementation. Accordingly, responses concerning green recruitment and CSR are interpreted as employee-reported perceptions of organisational practices rather than independently verified organisational-level assessments.

The study focused on culinary businesses described as SMEs operating in Balikpapan, Indonesia. However, the original study records did not document a specific formal classification criterion based on employment, annual turnover, assets, or a verified government classification. Consequently, it cannot be established retrospectively that every participating business satisfied a particular regulatory size threshold. This limitation should be considered when interpreting the sample. Future research should establish explicit business-size eligibility criteria and document the verification of business size during recruitment. Furthermore, because the study employed purposive sampling without a comprehensive sampling frame, the sample should not be interpreted as a probability sample of all culinary SMEs in Balikpapan, and the findings should be generalised with appropriate caution.

3.2 Sample-Size Justification

To assess the sensitivity of the final sample, statistical power analyses were conducted using G*Power 3.1.9.7. The structural model predicting Sustainable Employee Performance (SEP) comprised seven predictors, including the direct predictors and the three interaction terms involving Corporate Social Responsibility (CSR). Because the data had already been collected, sensitivity analyses were performed to estimate the minimum effect sizes detectable with the available sample of 168 respondents rather than to determine an a priori sample size.

For the overall regression model, a sensitivity analysis was conducted using an F-test for linear multiple regression (fixed model, R^2 deviation from zero), with seven predictors, a significance level of 0.05, and a target statistical power of 0.80. The analysis yielded a minimum detectable effect size of $f^2 = 0.0892$ (numerator df = 7; denominator df = 160). A second sensitivity analysis examined the incremental contribution of a single predictor using the fixed-model R^2-increase procedure, with one tested predictor and seven predictors in total. Under the same significance level and target power, the minimum detectable incremental effect size was $f^2 = 0.0473$ (numerator df = 1; denominator df = 160).

These results provide supplementary benchmarks for evaluating the sensitivity of the specified regression models. The overall-model analysis concerns the effect of the predictors considered jointly, whereas the R^2-increase analysis concerns the additional contribution of one predictor after accounting for the other predictors. Neither analysis establishes that each individual moderation effect in the estimated PLS-SEM model had 80% statistical power.

Accordingly, the sensitivity results are interpreted cautiously and do not replace consideration of the specific requirements of PLS-SEM estimation and the detection of interaction effects.

3.3 Data Collection and Measurement

Data collection took place over a three-month period, from January to March 2026. Primary data were collected using a structured questionnaire distributed through online and offline procedures. The questionnaire employed a five-point Likert scale ranging from "strongly disagree" to "strongly agree." Measurement items were adapted from previously validated instruments to support content validity. The selected items were reviewed for conceptual consistency with the operational definitions of each construct before the measurement model was assessed. Green recruitment was measured using items adapted from Tang et al. (2018), employee empowerment from Kim and Beehr (2020), job satisfaction from established job satisfaction measures (Miao & Cao, 2019), and CSR from CSR perception measures (Rupp et al., 2018).

Table 2. Measurement Items of Research Variables

Variable	Code	Measurement Items	Conceptual Aspect	References
Green Recruitment (GR)	GR1	The organisation emphasises environmental values in its recruitment process	Environmental values in recruitment	Efranto et al. (2026); Tang et al. (2018)
	GR2	Job advertisements highlight the organisation's environmental commitment	Environmental commitment communication	
	GR3	Environmental criteria are considered during employee selection	Environmental selection criteria	
	GR4	The organisation attracts candidates who are environmentally aware	Environmental awareness of candidates	
Employee Empowerment (EE)	EE1	I have autonomy in making decisions related to my work	Autonomy	Kim & Beehr (2020)
	EE2	The organisation encourages me to participate in decision-making	Participation	
	EE3	I feel confident in handling my job responsibilities	Perceived competence/confidence	
	EE4	I am given authority to solve work-related problems independently	Decision authority	
Job Satisfaction (JS)	JS1	I am satisfied with my current job	Overall job satisfaction	Susanto et al. (2022)
	JS2	I feel happy working in this organisation	Positive job experience	
	JS3	My job meets my expectations	Job expectation fulfilment	

Variable	Code	Measurement Items	Conceptual Aspect	References
	JS4	I am satisfied with my work environment	Work-environment satisfaction	
	CSR1	The organisation actively participates in social activities	Social responsibility	
Corporate Social Responsibility (CSR)	CSR2	The organisation is committed to environmental sustainability	Environmental responsibility	Rupp et al. (2018)
	CSR3	The organisation behaves ethically towards stakeholders	Ethical responsibility	
	CSR4	The organisation contributes to community development	Community responsibility	
	SEP1	I consistently perform my tasks efficiently	Sustained task effectiveness	
	SEP2	I contribute to environmentally friendly practices at work	Environmental contribution	
Sustainable Employee Performance (SEP)	SEP3	I maintain high performance over time	Performance continuity	Sypniewska et al. (2023); Wang & Jiang (2024)
	SEP4	I actively support organisational sustainability initiatives	Sustainability-oriented contribution	

Source: Adapted from previous research (2026)

To ensure conceptual alignment between the constructs and their measurement indicators, the measurement items were reviewed at the item level. Employee empowerment was operationalised to capture employees' perceived autonomy, participation in decision-making, confidence in handling work responsibilities, and authority to solve work-related problems independently. Accordingly, EE3 was interpreted as perceived competence or confidence within the broader experience of empowerment rather than as a separate measure of self-efficacy. Sustainable employee performance was operationalised to capture both sustained effectiveness in performing work tasks and employees' contributions to environmentally responsible and organisational sustainability activities. Sustainable employee performance was operationalised as a multidimensional employee-level performance outcome comprising sustained task effectiveness and sustainability-oriented contribution. SEP1 and SEP3 capture the task-related facet, reflecting employees' efficiency and continuity of performance, whereas SEP2 and SEP4 capture the sustainability-oriented facet, reflecting employees' contributions to environmentally responsible practices and organisational sustainability initiatives. This distinction recognises that the two facets are conceptually distinguishable while remaining related components of performance in a sustainability-oriented work context. To address the possibility that these facets may represent empirically distinct dimensions, an alternative two-domain specification was examined alongside the original first-order specification. The comparison was used to assess whether separating task-related performance from

sustainability-oriented contribution materially altered the measurement properties or substantive structural conclusions of the model.

3.4 Measurement Model Assessment

The measurement model was assessed before evaluating the structural model to establish the reliability and validity of the reflective constructs. Indicator reliability was examined through outer loadings, with values of 0.70 or higher considered satisfactory. Internal consistency reliability was assessed using Cronbach's alpha, rho_A, and composite reliability, with values above 0.70 considered acceptable. Convergent validity was evaluated using the Average Variance Extracted (AVE), with values exceeding 0.50 indicating that the construct explains more than half of the variance of its indicators (Hair et al., 2019).

Given the conceptual distinction between task-related performance and sustainability-oriented contribution, an alternative measurement specification was also examined. The baseline model specified Sustainable Employee Performance as a first-order construct measured by four reflective indicators (SEP1–SEP4). The alternative specification separated the indicators into two conceptually distinct facets: task-related performance (SEP1 and SEP3) and sustainability-oriented contribution (SEP2 and SEP4). The alternative specification was assessed to determine whether the empirical evidence supported treating the two facets as distinct dimensions and whether this alternative representation materially changed the structural relationships reported in the baseline model. The comparison was interpreted primarily on conceptual coherence and substantive robustness rather than on reliability statistics alone.

Discriminant validity was assessed using the Heterotrait-Monotrait ratio (HTMT). HTMT values below 0.90 were considered indicative of satisfactory discriminant validity (Henseler et al., 2015). In addition, bootstrapped bias-corrected confidence intervals were examined, with an interval that does not include 1.00 providing additional evidence that the constructs are empirically distinguishable. The measurement model was evaluated using Smart-PLS 4.

To examine the conceptual and empirical adequacy of Sustainable Employee Performance (SEP), two alternative measurement specifications were considered. The baseline specification modelled SEP as a first-order reflective construct measured by four indicators (SEP1–SEP4). The alternative specification distinguished two domains: task-related performance, represented by SEP1 and SEP3, and sustainability-oriented contribution, represented by SEP2 and SEP4. This classification follows the conceptual interpretation of the indicators presented in the study.

The two specifications were evaluated in terms of theoretical coherence, indicator loadings, internal consistency where appropriate, convergent validity, and the implications for the estimated structural relationships. Particular attention was given to the limitations of evaluating two-indicator domains, because reliability and validity assessments based on only two indicators provide more limited evidence than assessments based on constructs with a larger number of indicators. The comparison was therefore not based on a single numerical threshold. Instead, it considered whether the alternative representation better reflected the conceptual distinction between conventional task performance and sustainability-oriented employee contribution.

The structural implications of the alternative specification were also examined to determine whether the relationships involving Green Recruitment, Employee Empowerment, Job Satisfaction, and Corporate Social Responsibility differed materially across the two representations. The final specification was selected based on the combined theoretical and

empirical assessment. All reported comparative statistics and structural estimates are drawn from the corresponding Smart-PLS 4 analyses.

3.5 Data Analysis

The data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) with Smart-PLS 4. PLS-SEM was selected because of its suitability for examining predictive relationships among latent constructs and for estimating models involving direct and moderating relationships (Hair et al., 2021). The analysis consisted of two main stages: measurement model assessment and structural model assessment. The measurement model was evaluated in terms of indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. The structural model was assessed using path coefficients, coefficient of determination (R^2), effect size (f^2). The moderating effects of CSR were examined using interaction terms within the PLS-SEM framework. Hypothesis testing was conducted using bootstrapping with a 95% confidence level (Hair et al., 2019).

3.6 Moderation Analysis and Bootstrap Inference

Moderation analysis was conducted using partial least squares structural equation modelling (PLS-SEM) in Smart-PLS 4 to examine whether corporate social responsibility (CSR) moderated the relationships between green recruitment, employee empowerment, and job satisfaction and sustainable employee performance (SEP). Three interaction effects were examined: CSR × green recruitment, CSR × employee empowerment, and CSR × job satisfaction. The direct effects of the three predictor constructs on SEP and the direct effect of CSR on SEP were also included in the structural model.

The moderating effects were evaluated by examining the estimated path coefficients of the corresponding interaction terms. Statistical significance was assessed using bootstrapping with 5,000 subsamples, a two-tailed test, and a significance level of 0.05. The percentile bootstrap confidence interval procedure was selected in Smart-PLS 4. The results were evaluated using the bootstrap t-statistics, p-values, and confidence intervals. An interaction effect was considered statistically significant when its p-value was below 0.05 and its confidence interval did not include zero.

The moderation hypotheses were assessed separately for each interaction term. A statistically significant interaction coefficient would provide evidence that the relationship between the corresponding predictor and SEP varied with CSR. Conversely, a non-significant interaction coefficient would indicate that the analysis did not provide sufficient statistical evidence for the proposed moderating effect. The interpretation of the interaction effects was based on the estimated coefficients and their associated bootstrap inference statistics rather than on the significance of the direct effects alone.

4. Result and Discussion

4.1. Overview of Research Context

This study examined employee-reported perceptions of green recruitment, employee empowerment, job satisfaction, corporate social responsibility (CSR), and sustainable employee performance among 168 employees representing 168 culinary SMEs in Balikpapan, Indonesia. One eligible employee was recruited from each participating SME, providing one respondent per business and avoiding within-SME respondent clustering in the dataset.

The findings should be interpreted within this specific geographical and organisational context. Because the study employed purposive sampling without a comprehensive sampling frame, the sample is not statistically representative of all culinary SMEs in Balikpapan or

Indonesia. In addition, the measures reflect employees' perceptions of organisational practices rather than independently verified organisational-level assessments.

4.2 Respondent Characteristics

The demographic profile of respondents is presented to describe the composition of the sample and provide contextual information about the participating employees.

Table 3. Demographic and Sampling Characteristics of Respondents

Characteristics	Category	Frequency (n)	Percentage (%)
Participating SMEs	Culinary SMEs	168	100.0
Respondents per SME	One respondent per SME	168	100.0
Geographical location	Balikpapan	168	100.0
Gender	Male	78	46.4
	Female	90	53.6
Age	≤25 years	64	38.1
	26–35 years	72	42.9
	>35 years	32	19.0
Education Level	High School	58	34.5
	Diploma	46	27.4
	Bachelor's Degree	64	38.1
Work Experience	1–3 years	70	41.7
	4–6 years	55	32.7
	>6 years	43	25.6
Employment Status	Full-time	132	78.6
	Part-time	36	21.4

Source: Processed primary data (2026)

The demographic profile indicates that the sample includes employees with diverse characteristics in terms of gender, age, educational background, work experience, and employment status. Because one employee was recruited from each participating SME, the demographic characteristics describe the individual respondents representing the 168 sampled culinary SMEs.

4.3 Measurement Model (Outer Model) Evaluation

The evaluation of the measurement model is a critical step in Partial Least Squares Structural Equation Modelling (PLS-SEM), as it ensures that the constructs used in the study are both reliable and valid before proceeding to hypothesis testing. Specifically, this assessment aims to examine the adequacy of the measurement instruments in capturing the latent variables through several key criteria, including indicator reliability (factor loadings), internal consistency reliability (Cronbach's alpha and composite reliability), convergent validity (Average Variance Extracted/AVE), and discriminant validity (HTMT ratio) (Hair et al., 2021). Without satisfying these criteria, any conclusions drawn from the structural model may be biased or invalid. Therefore, the outer model evaluation serves as a prerequisite to confirm that the constructs accurately represent the theoretical concepts under investigation.

Table 4. Measurement Model Evaluation

Construct	Indicator	Loading	Cronbach's Alpha	rho_A	Composite Reliability (rho_C)	AVE	HTMT (Max)
Green Recruitment (GR)	GR1	0.902	0.899	0.906	0.930	0.768	0.481
	GR2	0.882					
	GR3	0.905					
	GR4	0.814					
Employee Empowerment (EE)	EE1	0.908	0.912	0.923	0.938	0.791	0.685
	EE2	0.919					
	EE3	0.896					
	EE4	0.831					
Job Satisfaction (JS)	JS1	0.829	0.885	0.893	0.921	0.744	0.685
	JS2	0.814					
	JS3	0.906					
	JS4	0.897					
Corporate Social Responsibility (CSR)	CSR1	0.859	0.878	0.911	0.916	0.733	0.632
	CSR2	0.757					
	CSR3	0.921					
	CSR4	0.907					
Sustainable Employee Performance (SEP)	SEP1	0.833	0.845	0.846	0.895	0.683	0.662
	SEP2	0.860					
	SEP3	0.812					
	SEP4	0.800					

Source: Smart-PLS 4 output (2026)

As shown in Table 4, all indicator loadings exceed the recommended threshold of 0.70, ranging from 0.757 to 0.921. For Employee Empowerment, EE3, which captures employees' confidence in handling their job responsibilities, has a loading of 0.896 and therefore demonstrates satisfactory indicator reliability. The other Employee Empowerment indicators also show strong loadings, ranging from 0.831 to 0.919. Similarly, the four Sustainable Employee Performance indicators exhibit loadings between 0.800 and 0.860, indicating satisfactory indicator reliability.

Internal consistency reliability is also satisfactory across all constructs. Cronbach's alpha values range from 0.845 to 0.912, while rho_A values range from 0.846 to 0.923. Composite reliability values range from 0.895 to 0.938, exceeding the recommended threshold of 0.70. In particular, Employee Empowerment demonstrates strong reliability (Cronbach's alpha = 0.912; rho_A = 0.923; composite reliability = 0.938), supporting the retention of all four indicators, including EE3. Convergent validity is supported because all AVE values range from 0.683 to 0.791, exceeding the minimum threshold of 0.50.

These results provide empirical support for retaining EE3 rather than removing it solely because its wording reflects employees' confidence in handling their responsibilities. In the present measurement specification, this item is interpreted as perceived competence or confidence within the broader experience of employee empowerment, alongside autonomy, participation in decision-making, and authority to address work-related problems.

Table 5. Discriminant Validity: Heterotrait-Monotrait Ratio (HTMT)

Construct	CSR	EE	GR	JS	SEP
Corporate Social Responsibility (CSR)		0.069	0.192	0.119	0.165
Employee Empowerment (EE)	0.069		0.265	0.685	0.457
Green Recruitment (GR)	0.192	0.265		0.376	0.481
Job Satisfaction (JS)	0.119	0.685	0.376		0.662
Sustainable Employee Performance (SEP)	0.165	0.457	0.481	0.662	

Source: Smart-PLS 4 output (2026)

Table 5 presents the full HTMT matrix rather than only the maximum HTMT value for each construct. The HTMT values range from 0.069 to 0.685, with the highest value observed between Employee Empowerment and Job Satisfaction (HTMT = 0.685). All values remain below the conservative threshold of 0.90, indicating that the constructs are empirically distinguishable. Importantly, the relatively higher HTMT values involving Employee Empowerment and Job Satisfaction (0.685) and Sustainable Employee Performance and Job Satisfaction (0.662) remain below the specified threshold and therefore do not indicate problematic construct overlap.

Table 6. HTMT Bias-Corrected Confidence Intervals

Construct Pair	HTMT	Bias	2.5% CI	97.5% CI
Employee Empowerment ↔ Corporate Social Responsibility	0.069	0.044	0.035	0.089
Green Recruitment ↔ Corporate Social Responsibility	0.192	0.007	0.077	0.361
Green Recruitment ↔ Employee Empowerment	0.265	0.002	0.110	0.423
Job Satisfaction ↔ Corporate Social Responsibility	0.119	0.033	0.052	0.183
Job Satisfaction ↔ Employee Empowerment	0.685	0.001	0.555	0.794
Job Satisfaction ↔ Green Recruitment	0.376	−0.000	0.202	0.544
Sustainable Employee Performance ↔ Corporate Social Responsibility	0.165	0.029	0.082	0.294
Sustainable Employee Performance ↔ Employee Empowerment	0.457	0.001	0.283	0.618
Sustainable Employee Performance ↔ Green Recruitment	0.481	0.001	0.306	0.634
Sustainable Employee Performance ↔ Job Satisfaction	0.662	0.001	0.540	0.775

Source: *Smart-PLS 4 bootstrapping output (2026).*

HTMT inference provides additional evidence regarding discriminant validity. As shown in Table 6, none of the bias-corrected 95% confidence intervals includes 1.00. The widest interval is observed for the Job Satisfaction–Employee Empowerment relationship [0.555, 0.794], followed by Sustainable Employee Performance–Job Satisfaction [0.540, 0.775]. Both intervals remain below 1.00. Therefore, the HTMT inference results do not indicate a lack of discriminant validity among the constructs.

Taken together, the measurement results support retaining the four Employee Empowerment indicators, including EE3. EE3 has a high outer loading (0.896), and the Employee Empowerment construct demonstrates strong internal consistency and convergent validity (Cronbach's alpha = 0.912; rho_A = 0.923; composite reliability = 0.938; AVE = 0.791). In addition, the HTMT value between Employee Empowerment and its most closely related construct, Job Satisfaction, is 0.685, with a bias-corrected 95% confidence interval of [0.555,

0.794], which does not include 1.00. These results do not provide empirical grounds for removing EE3 on the basis of discriminant validity. Instead, EE3 is retained and conceptually interpreted as perceived competence or confidence within the broader empowerment experience.

In the baseline model, Sustainable Employee Performance (SEP) was specified as a first-order reflective construct measured by four indicators. The indicators exhibited outer loadings ranging from 0.800 to 0.860. The construct also demonstrated satisfactory internal consistency reliability, with a Cronbach's alpha of 0.845 and composite reliability of 0.895, while the average variance extracted was 0.683. These findings support the reliability and convergent validity of the baseline measurement specification.

To examine the reviewer's concern regarding the conceptual distinction between task-related performance and sustainability-oriented contribution, an alternative specification was also assessed. In this model, the two domains were represented as separate constructs. The alternative model produced an HTMT value of 1.065 between the two domains, indicating that the required discriminant validity was not established. Consequently, the alternative specification did not provide sufficient empirical evidence to justify interpreting the two domains as clearly distinct constructs in the present sample.

Nevertheless, the HTMT result does not independently establish the superiority of the baseline model. The decision to retain the first-order reflective specification is therefore based on the theoretical coherence of the overarching SEP construct, the justification provided by the measurement instrument, and the measurement evidence considered collectively. The results are interpreted with appropriate caution, recognising that satisfactory reliability and convergent validity do not, by themselves, resolve all questions concerning construct dimensionality.

4.4 Structural Assessment of the Alternative Two-Domain Model

The structural relationships in the alternative two-domain model were examined separately for Task-Related Employee Performance (TREP) and Sustainability-Oriented Employee Contribution (SOEC). Green Recruitment was positively associated with both SOEC ($\beta = 0.247$, $t = 3.289$, $p = 0.001$) and TREP ($\beta = 0.239$, $t = 3.044$, $p = 0.002$). Job Satisfaction was also positively associated with SOEC ($\beta = 0.408$, $t = 4.919$, $p < 0.001$) and TREP ($\beta = 0.431$, $t = 5.097$, $p < 0.001$). In contrast, Employee Empowerment was not significantly associated with SOEC ($\beta = 0.090$, $p = 0.301$) or TREP ($\beta = 0.034$, $p = 0.703$). The direct effects of Corporate Social Responsibility (CSR) were also not statistically significant for SOEC ($\beta = 0.025$, $p = 0.742$) or TREP ($\beta = 0.115$, $p = 0.097$).

Regarding the moderating effects of CSR, the CSR × Job Satisfaction interaction was positive and statistically significant for SOEC ($\beta = 0.200$, $t = 2.186$, $p = 0.029$). This result indicates that the association between Job Satisfaction and SOEC varied with the level of CSR in the alternative model. However, the corresponding interaction was not statistically significant for TREP ($\beta = 0.018$, $p = 0.815$). Neither the CSR × Green Recruitment interaction nor the CSR × Employee Empowerment interaction was statistically significant for either performance domain.

The alternative model therefore yielded a different result for the moderating effect of CSR × Job Satisfaction from that obtained in the primary model, in which the interaction with overall Sustainable Employee Performance (SEP) was not statistically significant ($\beta = 0.116$, $p = 0.177$). This difference suggests that conclusions about CSR's moderating role may be sensitive to how employee performance is conceptualised and operationalised. However, the difference in statistical significance across the model specifications does not, by itself, establish that the

interaction effects differ significantly from one another. Moreover, the HTMT value of 1.065 indicates that discriminant validity between TREP and SOEC was not established in the alternative model. Although this result warrants caution when interpreting the domain-specific findings, it does not establish that the single first-order SEP specification is necessarily the theoretically superior representation. Accordingly, the alternative model is retained as a supplementary analysis rather than a replacement for the primary model, which remains the basis for evaluating the main study hypotheses. The alternative findings highlight the need for further theoretical and empirical examination of SEP's conceptual boundaries and measurement structure.

Table 6b. Comparison of Alternative Measurement Specifications for Sustainable Employee Performance

Assessment	**First-order SEP (Model A)**	**Two-domain SEP (Model B)**
GR → performance	β = 0.259, (p=0.001)	SOEC: β = 0.247, (p=0.001); TREP: β = 0.239, (p=0.002)
EE → performance	β = 0.066, (p=0.454)	SOEC: β = 0.090, (p=0.301); TREP: β = 0.034, (p=0.703)
JS → performance	β = 0.448, (p<0.001)	SOEC: β = 0.408, (p<0.001); TREP: β = 0.431, (p<0.001)
CSR → performance	β = 0.073, (p=0.331)	SOEC: β = 0.025, (p=0.742); TREP: β = 0.115, (p=0.097)
CSR × GR	β = −0.014, (p=0.874)	SOEC: β = −0.037, (p=0.654); TREP: β = 0.011, (p=0.893)
CSR × EE	β = 0.024, (p=0.809)	SOEC: β = −0.057, (p=0.591); TREP: β = 0.100, (p=0.239)
CSR × JS	β = 0.116, (p=0.177)	SOEC: β = 0.200, (p=0.029); TREP: β = 0.018, (p=0.815)

Abbreviations: GR = Green Recruitment; EE = Employee Empowerment; JS = Job Satisfaction; CSR = Corporate Social Responsibility; TREP = Task-Related Employee Performance; SOEC = Sustainability-Oriented Employee Contribution.

Note: Model A represents Sustainable Employee Performance as a single first-order reflective construct, whereas Model B separates the construct into Task-Related Employee Performance (TREP) and Sustainability-Oriented Employee Contribution (SOEC). Although both domains demonstrate satisfactory preliminary reliability and convergent validity, the HTMT value of 1.065 indicates that discriminant validity between TREP and SOEC has not been established. Accordingly, the alternative specification does not provide sufficient empirical evidence to conclude that the two domains constitute distinct constructs in the current sample. Structural comparisons between the two models should be interpreted only after the corresponding Model B path coefficients and bootstrapping results have been examined.

4.5 Common-Method Variance Diagnostic

An unrotated principal component analysis of the 20 measurement items from 168 respondents was conducted as an initial diagnostic of common-method variance. The first component had an eigenvalue of 7.036 and explained 34.97% of the total variance. This proportion was below the conventional 50% reference threshold often used in Harman's single-factor assessment, suggesting that a single general component did not account for a

majority of the variance across the measurement items. Nevertheless, this result does not establish that common-method variance is absent, because Harman's single-factor test has limited sensitivity to certain forms of method bias. Accordingly, the diagnostic is interpreted as preliminary evidence only, and the potential influence of common-method effects remains a limitation of the single-source, cross-sectional research design.

4.6 Structural Model (Inner Model) Evaluation

After confirming that the measurement model meets the required reliability and validity standards, the next step involves evaluating the structural model (inner model). This stage aims to assess the predictive capability of the model and to test the hypothesised relationships among constructs. The structural model evaluation in PLS-SEM typically involves examining the coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and path coefficients, including their statistical significance through bootstrapping procedures (Hair et al., 2021). These indicators collectively provide insights into how well the exogenous variables explain the endogenous construct, namely sustainable employee performance.

4.7 Coefficient Determinant (R-Square).

The structural model yielded an R^2 of 0.413 and an adjusted R^2 of 0.387 for Sustainable Employee Performance (SEP). Thus, the predictors included in the model collectively accounted for 41.3% of the variance in SEP. This value describes the explanatory performance of the model and should not be interpreted as evidence that every predictor contributes significantly. As shown in the hypothesis-testing results, Green Recruitment and Job Satisfaction had statistically significant positive associations with SEP, whereas Employee Empowerment, the direct effect of CSR, and all three CSR interaction terms were not statistically significant.

Table 7. R-Square

	R-Square	**R-Square Adjusted**
Sustainable Employee Performance	0.413	0.387

Source: Smart-PLS 4 output (2026)

Effect Size (F^2). The effect size (f^2) assesses the individual contribution of each exogenous construct to the R^2 value of the endogenous variable (Hair et al., 2019).

Table 8. F-Square Value

Predictor Variable	**f^2 Value**	**Effect Size Interpretation**
Corporate Social Responsibility → SEP	0.008	Negligible
Employee Empowerment → SEP	0.005	Negligible
Green Recruitment → SEP	0.096	Small
Job Satisfaction → SEP	0.194	Medium
CSR × Green Recruitment → SEP	0.000	Negligible
CSR × Employee Empowerment → SEP	0.001	Negligible
CSR × Job Satisfaction → SEP	0.013	Small (very weak)

Source: Smart-PLS output (2026)

The f-square (f^2) values provide insight into the individual contribution of each exogenous variable to the explained variance (R^2) of the endogenous construct, namely Sustainable Employee Performance (SEP). Following Cohen's (1992) benchmarks (0.02 = small, 0.15 = medium, 0.35 = large), the results indicate differences in the magnitude of the contributions across the predictors.

Job Satisfaction shows the largest effect size among the direct predictors, with an f^2 value of 0.194, indicating a medium effect. Green Recruitment has an f^2 value of 0.096, corresponding to a small effect. These results indicate that the estimated contribution of Job Satisfaction to the explained variance in Sustainable Employee Performance is greater in magnitude than that of Green Recruitment within the present structural model. However, this difference in effect size should not be interpreted as evidence of a statistically significant difference between the corresponding path coefficients, as no formal pairwise comparison of the coefficients was conducted.

Employee Empowerment and Corporate Social Responsibility as a direct predictor show negligible effect sizes, with f^2 values of 0.005 and 0.008, respectively. These findings are consistent with their non-significant direct relationships with Sustainable Employee Performance. Employee Empowerment has a path coefficient of $\beta = 0.066$ ($p = 0.454$), while Corporate Social Responsibility has a path coefficient of $\beta = 0.073$ ($p = 0.331$). Thus, both constructs make only a limited contribution to the explained variance of Sustainable Employee Performance in the present model.

The interaction effects also demonstrate negligible practical contributions. The interaction between CSR and Green Recruitment has an f^2 value of 0.000, while CSR × Employee Empowerment has an f^2 value of 0.001. The CSR × Job Satisfaction interaction has an f^2 value of 0.013, which remains below the threshold for a small effect. These results indicate that the interaction terms provide little additional contribution to the explained variance in Sustainable Employee Performance in the present sample.

Model Fit. The assessment of model fit in PLS-SEM is conducted to evaluate how well the proposed model reproduces the observed data. Although PLS-SEM is primarily prediction-oriented rather than covariance-based, recent methodological developments recommend reporting global fit indices such as Standardised Root Mean Square Residual (SRMR), d_ULS, d_G, Chi-square, and Normed Fit Index (NFI) to enhance the robustness and transparency of the model evaluation (Hair et al., 2021). These indices provide complementary evidence regarding the adequacy of the model in capturing the underlying data structure.

Table 9. Model Fit

	Saturated Model	**Estimated Model**
SRMR	0.058	0.058
d_ULS	0.705	0.704
d_G	0.387	0.386
Chi-square	394.789	394.550
NFI	0.835	0.835

Source: Smart-PLS 4 output (2026)

The results reported in Table 9 provide supplementary information on the model's approximate fit. The Standardized Root Mean Square Residual (SRMR) value is 0.058 for both the saturated and estimated models, which is below the commonly used threshold of 0.08. This result indicates a relatively small discrepancy between the observed and model-implied correlations. However, SRMR should be interpreted as a supplementary diagnostic rather than as conclusive evidence of overall model validity.

The discrepancy measures d_ULS (0.704) and d_G (0.386) are also reported in Table 9. These values cannot be interpreted as evidence of acceptable model fit based on their absolute magnitudes alone. Their interpretation requires comparison with appropriate bootstrap-based reference values, such as HI95 or HI99, where available. Because such reference values are not

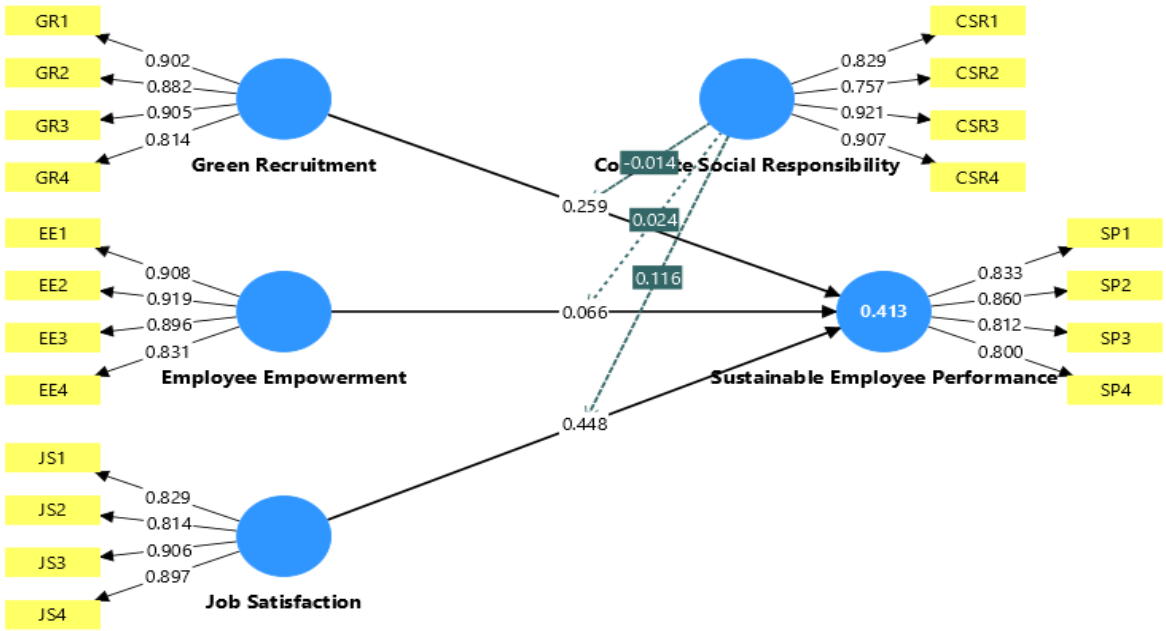
reported in the results presented here, no definitive conclusion regarding model fit is drawn from d_ULS or d_G.

The chi-square values for the saturated and estimated models are 394.789 and 394.550, respectively. Although these values are numerically similar, this similarity alone does not establish that the estimated model fits the data adequately. Moreover, chi-square is not generally treated as the primary criterion for evaluating model performance in PLS-SEM and should be interpreted cautiously.

The Normed Fit Index (NFI) is 0.835. This value is reported descriptively and is not interpreted as establishing adequate or moderate model fit based on an informal acceptance threshold. Overall, the global model-fit indices are treated as supplementary diagnostic information. The evaluation of the proposed model therefore relies primarily on the measurement model's reliability and validity, collinearity assessment, the coefficient of determination (R^2), effect sizes (f^2), structural path coefficients, and bootstrap-based hypothesis testing. These assessments provide the principal basis for evaluating the empirical relationships specified in the research model.

To further illustrate the structural relationships among the constructs and provide a visual representation of the tested model, the results of the structural equation model are presented in Figure 2.

Figure 2. Structure Equation Model



Source: Smart-PLS 4 output (2026)

Hypothesis Testing. Hypothesis testing in this study was conducted using the bootstrapping procedure in PLS-SEM, which enables the assessment of the statistical significance of path coefficients. The evaluation is based on t-statistics (threshold > 1.96) and p-values (threshold < 0.05) at a 95% confidence level (Hair et al., 2019). This procedure allows for robust inference regarding the direct and moderating relationships proposed in the research model.

Table 10. Structural Model Path Coefficients and Hypothesis Testing

Hypothesis / Structural path	β	STDEV	t-value	p-value	95% Confidence Interval	Decision
H1: Green Recruitment → SEP	0.259	0.077	3.378	0.001	[0.110, 0.411]	Supported

H2: Employee Empowerment → SEP	0.066	0.088	0.749	0.454	[−0.103, 0.248]	Not supported
H3: Job Satisfaction → SEP	0.448	0.084	5.358	<0.001	[0.282, 0.609]	Supported
H4: CSR × Green Recruitment → SEP	−0.014	0.086	0.159	0.874	[−0.172, 0.169]	Not supported
H5: CSR × Employee Empowerment → SEP	0.024	0.097	0.242	0.809	[−0.178, 0.206]	Not supported
H6: CSR × Job Satisfaction → SEP	0.116	0.086	1.352	0.177	[−0.063, 0.279]	Not supported
CSR → SEP (direct effect)	0.073	0.075	0.973	0.331	[−0.075, 0.229]	Not significant

Note: β = path coefficient; STDEV = standard deviation; CSR = Corporate Social Responsibility; GR = Green Recruitment; EE = Employee Empowerment; JS = Job Satisfaction; SEP = Sustainable Employee Performance. The 2.5% and 97.5% columns report the lower and upper bounds of the 95% bootstrap confidence interval, respectively.

The bootstrapping results provide support for H1 and H3. Green Recruitment was positively associated with Sustainable Employee Performance (β = 0.259, t = 3.378, p = 0.001, 95% CI [0.110, 0.411]), while Job Satisfaction also showed a positive and statistically significant association with SEP (β = 0.448, t = 5.358, p < 0.001, 95% CI [0.282, 0.609]). Therefore, H1 and H3 were supported. In contrast, Employee Empowerment was not significantly associated with SEP (β = 0.066, t = 0.749, p = 0.454, 95% CI [−0.103, 0.248]); thus, H2 was not supported. The direct effect of CSR on SEP was also not statistically significant (β = 0.073, t = 0.973, p = 0.331, 95% CI [−0.075, 0.229]). None of the three CSR interaction terms was statistically significant. The interaction between CSR and Green Recruitment (β = −0.014, p = 0.874), CSR and Employee Empowerment (β = 0.024, p = 0.809), and CSR and Job Satisfaction (β = 0.116, p = 0.177) did not provide sufficient statistical evidence of moderation. Accordingly, H4, H5, and H6 were not supported. The confidence intervals for all three interaction terms included zero, reinforcing this conclusion. These findings indicate that the proposed moderating effects were not statistically supported in the primary SEP model; they do not establish that such effects are impossible in other settings.

4.8 Specification of the CSR Main Effect

The direct path from Corporate Social Responsibility (CSR) to Sustainable Employee Performance (SEP) was retained as a lower-order component of the moderation model. This specification enabled the three interaction effects to be estimated while accounting for the direct effect of CSR. The CSR → SEP path was estimated and reported separately from the six hypothesised relationships (H1–H6) and was not treated as an additional hypothesis.

The estimated direct effect of CSR on SEP was positive but not statistically significant (β = 0.073, t = 0.973, p = 0.331, 95% CI [−0.075, 0.229]). Therefore, the results did not provide sufficient statistical evidence of a direct association between CSR and SEP in the primary model. This finding concerns the direct effect of CSR and should be distinguished from the three proposed moderating effects, which were evaluated separately through their respective interaction terms.

4.9 Discussion

This section discusses the empirical findings in relation to the study hypotheses, Social Exchange Theory (SET), and prior research. The discussion focuses on the relationships between Green Recruitment, Employee Empowerment, and Job Satisfaction and Sustainable Employee Performance (SEP), as well as the direct and moderating effects of Corporate Social

Responsibility (CSR). The findings are interpreted in light of the study's cross-sectional design and the specific context of culinary SMEs in Balikpapan, Indonesia.

4.9.1 The Association between Green Recruitment and Sustainable Employee Performance

The findings indicate that Green Recruitment is positively and statistically significantly associated with Sustainable Employee Performance. This result suggests that employees' perceptions of environmentally oriented recruitment practices are related to their sustained work performance and contributions to sustainability-oriented activities. From the perspective of Social Exchange Theory (SET), employees who perceive that environmental values are incorporated into organisational recruitment practices may interpret these practices as an indication of organisational commitment to sustainability. Such perceptions may be associated with reciprocal attitudes and behaviours reflected in employees' work performance and participation in sustainability-related activities.

This finding is consistent with prior studies highlighting the role of green human resource management practices in shaping employee behaviour and organisational outcomes (Jamil et al., 2023; Tang et al., 2018). The finding is also consistent with evidence that green recruitment and selection can contribute positively to employee performance by aligning employee characteristics and values with organisational sustainability orientations (Efranto et al., 2026). The positive relationship observed in the present study therefore supports the relevance of Green Recruitment within the sustainability-oriented work context of the sampled culinary SMEs.

However, the relatively small effect size of Green Recruitment ($f^2 = 0.096$) indicates that recruitment represents one component of a broader set of factors associated with Sustainable Employee Performance. Recruitment practices may establish an initial alignment between employees and organisational sustainability values, but such alignment does not necessarily determine subsequent performance by itself. The observed association between recruitment practices and employee outcomes may also coexist with differences in employees' subsequent work experiences, organisational support, job attitudes, and opportunities to participate in sustainability-related activities.

The contribution of this finding lies in providing context-specific evidence of a positive association between Green Recruitment and employee-level Sustainable Employee Performance in the sampled culinary SMEs. The result suggests that environmentally oriented recruitment practices are relevant to understanding employee performance in this setting, while the relatively small effect size indicates that recruitment is only one of several factors associated with SEP. Given the cross-sectional design, the finding should be interpreted as an association rather than evidence that Green Recruitment causes higher Sustainable Employee Performance.

4.9.2 The Association between Employee Empowerment and Sustainable Employee Performance

Contrary to the proposed hypothesis, Employee Empowerment does not show a statistically significant association with Sustainable Employee Performance ($\beta = 0.066$, $p = 0.454$). This finding differs from prior research that positions empowerment as an important factor associated with employee performance and innovation (Kim & Beehr, 2020).

In the present study, Employee Empowerment is conceptualised broadly in terms of employees' perceived autonomy, participation in decision-making, authority to address work-related problems, and confidence in handling their job responsibilities. The non-significant result therefore indicates that these aspects of empowerment, as perceived by employees in the sampled culinary SMEs, were not statistically associated with Sustainable Employee

Performance in the estimated model. The negligible effect size ($f^2 = 0.005$) further indicates that Employee Empowerment makes only a limited contribution to the explained variance in Sustainable Employee Performance.

One possible explanation concerns the conditions under which empowerment is translated into employee outcomes. Autonomy and decision authority may provide employees with greater discretion, but their contribution to performance may depend on whether employees also have adequate resources, guidance, information, and organisational support. In SME settings, empowerment may operate through relatively informal arrangements, meaning that employees can experience discretion without necessarily having the organisational conditions required to translate that discretion into higher levels of sustainable performance. This interpretation should be treated as a possible contextual explanation rather than as a direct conclusion from the present data.

From the perspective of SET, empowerment can represent an organisational resource that signals trust and support. However, the absence of a significant relationship in this study suggests that such perceptions were not associated with Sustainable Employee Performance in the sampled SMEs. This finding indicates that the reciprocal mechanism proposed by SET cannot be assumed to operate uniformly across organisational contexts.

The finding provides a contextual qualification to prior research on Employee Empowerment. The non-significant association in this study does not imply that empowerment is generally ineffective; rather, it indicates that the relationship between perceived empowerment and SEP was not statistically supported in the sampled SMEs. Future research could investigate whether organisational resources, leadership practices, and the implementation of empowerment influence this relationship. These potential explanations require direct empirical examination and cannot be established from the present results.

4.9.3 The Association between Job Satisfaction and Sustainable Employee Performance

The results show a positive and statistically significant association between Job Satisfaction and Sustainable Employee Performance ($\beta = 0.448$, $p < 0.001$), with the largest estimated standardized path coefficient and the largest estimated effect size among the direct predictors in this model ($f^2 = 0.194$). This finding indicates that employees who report higher levels of job satisfaction also tend to report stronger sustained work performance and greater contributions to sustainability-oriented activities. The relatively larger coefficient and effect size should, however, be interpreted descriptively rather than as evidence that the Job Satisfaction coefficient is statistically different from those of the other direct predictors, as no formal pairwise comparison of path coefficients was conducted.

This finding is consistent with prior research showing that employee attitudes such as job satisfaction are associated with positive work-related outcomes, including employee performance and organisational citizenship behaviours (Sypniewska et al., 2023). Within the SET framework, Job Satisfaction can reflect employees' positive evaluation of their employment relationship and work experience. A positive evaluation of the employment relationship may be associated with employees' willingness to reciprocate through constructive work behaviours and sustained contributions to organisational objectives. In this sense, the finding is consistent with the SET perspective that favourable employment experiences can be accompanied by positive employee responses.

The result is particularly relevant to the present conceptualisation of Sustainable Employee Performance. Because SEP encompasses both sustained task effectiveness and contributions to sustainability-oriented activities, the positive association with Job Satisfaction suggests that positive employee work experiences are relevant to the broader performance outcome

captured in this study. However, the cross-sectional design does not permit a causal conclusion that Job Satisfaction produces higher Sustainable Employee Performance.

The contribution of this finding is therefore more appropriately understood as evidence of a positive and relatively substantial employee-level association between Job Satisfaction and Sustainable Employee Performance in the sampled culinary SMEs. The finding complements research on green and sustainability-oriented HR practices by highlighting the relevance of employees' work experiences alongside organisational practices. It also indicates that employee-level attitudinal factors warrant consideration when examining sustainable performance in culinary SMEs, while recognising that the present study does not establish causal effects.

4.9.4 The Direct Association between Corporate Social Responsibility and Sustainable Employee Performance

The structural model also estimates the direct relationship between Corporate Social Responsibility and Sustainable Employee Performance. The results indicate that CSR has a positive but statistically non-significant association with Sustainable Employee Performance ($\beta = 0.073$, $p = 0.331$), with a negligible effect size ($f^2 = 0.008$). Thus, although the estimated coefficient is positive, the present data do not provide sufficient statistical evidence of a direct association between employees' perceptions of CSR and Sustainable Employee Performance.

From the perspective of SET, CSR may represent an organisational signal of responsibility toward employees, communities, and other stakeholders. Such organisational practices may shape employees' perceptions of their employment relationship and potentially be associated with reciprocal responses. However, the non-significant direct relationship observed in this study indicates that perceived CSR was not statistically associated with Sustainable Employee Performance in the present sample and model.

One possible interpretation is that the aggregate perception of CSR used in this study may not capture the specific forms of CSR that are most closely related to employees' work experiences. However, the present study did not measure the visibility, implementation, internalisation, or strategic orientation of CSR practices directly. Therefore, these factors cannot be established as explanations for the non-significant direct association. Future research could examine whether more specific CSR dimensions or employee-oriented CSR practices demonstrate different relationships with Sustainable Employee Performance. Employees may recognise their organisation's CSR activities without necessarily perceiving those activities as directly connected to their daily responsibilities, work processes, or performance expectations. Accordingly, the extent to which CSR is associated with employee-level performance may depend on how visible, relevant, and connected CSR practices are to employees' immediate work experiences.

This finding should not be interpreted as evidence that CSR is generally unimportant for employee outcomes. Rather, the results indicate that employees' perceptions of the aggregate CSR construct examined in this study were not significantly associated with SEP in the sampled culinary SMEs. Because the study did not directly measure the visibility, implementation, or internalisation of CSR practices, these factors cannot be established as explanations for the non-significant result. Future research could examine whether specific CSR dimensions, particularly employee-oriented CSR practices, demonstrate different associations with employee-level performance outcomes.

4.9.5 The Moderating Role of CSR in the Relationship between Green Recruitment and Sustainable Employee Performance

The results indicate that CSR does not significantly moderate the relationship between Green Recruitment and Sustainable Employee Performance (β = -0.014, p = 0.874). Thus, within the sampled culinary SMEs, employees' perceptions of CSR did not significantly alter the strength of the association between perceived Green Recruitment practices and Sustainable Employee Performance. The interaction also has a negligible effect size (f^2 = 0.000), indicating virtually no additional contribution to the explained variance.

The non-significant interaction indicates that the study did not find statistical evidence that perceived CSR altered the association between Green Recruitment and SEP in the sampled SMEs. This result should not be interpreted as evidence that CSR is inherently ineffective or merely symbolic. Because the study assessed CSR as an aggregate employee-perceived construct and did not directly measure its implementation, internalisation, or connection to employees' work experiences, the reasons for the non-significant interaction cannot be established. Future research could examine whether specific and more directly observable CSR dimensions condition the relationship between Green Recruitment and employee performance.

4.9.6 The Moderating Role of CSR in the Relationship between Employee Empowerment and Sustainable Employee Performance

Similarly, CSR does not significantly moderate the relationship between Employee Empowerment and Sustainable Employee Performance (β = 0.024, p = 0.809). This result indicates that perceived CSR did not significantly strengthen or weaken the association between employee empowerment and Sustainable Employee Performance in the sampled SMEs. The interaction also has a negligible effect size (f^2 = 0.001), indicating little additional contribution to the explained variance.

The finding suggests that the presence of perceived organisational responsibility toward social and environmental issues did not materially change how employees' perceptions of autonomy, participation, authority, and confidence were related to their Sustainable Employee Performance. From a SET perspective, CSR may constitute an additional organisational resource or signal, but its presence alone may not be sufficient to alter the exchange mechanism associated with Employee Empowerment (Rupp et al., 2018).

The non-significant interaction indicates that perceived CSR did not statistically alter the association between Employee Empowerment and SEP in the present sample. This finding does not establish that CSR cannot influence empowerment-related outcomes in other settings. The study did not directly assess whether employees perceived CSR as connected to empowerment practices or whether CSR implementation was sufficiently integrated into employees' work experiences. Future research could examine these relationships using more specific measures of CSR implementation and employee empowerment, while empirically testing whether their alignment conditions employee performance outcomes.

4.9.7 The Moderating Role of CSR in the Relationship between Job Satisfaction and Sustainable Employee Performance

The moderating effect of CSR on the relationship between Job Satisfaction and Sustainable Employee Performance is also not statistically significant (β = 0.116, p = 0.177). This finding indicates that the positive association between Job Satisfaction and Sustainable Employee Performance did not significantly vary according to employees' perceptions of CSR in the

present sample. The interaction has a negligible effect size ($f^2 = 0.013$), which remains below the threshold for a small effect.

From the perspective of SET, Job Satisfaction represents employees' evaluation of their work relationship and organisational experience, whereas CSR reflects broader organisational practices and responsibilities. Although CSR may contribute to employees' perceptions of the organisation, the results suggest that perceived CSR did not provide a statistically significant condition under which the relationship between Job Satisfaction and Sustainable Employee Performance became stronger or weaker.

The non-significant interaction indicates that the association between Job Satisfaction and SEP did not vary significantly with employees' perceptions of CSR in the present sample. This result should not be interpreted as evidence that Job Satisfaction operates independently of all organisational conditions. Rather, the specific CSR measure used in this study did not provide statistical evidence of a moderating effect. Because the study did not examine specific mechanisms linking CSR with employees' job experiences, the reasons for this result remain undetermined. Future research could investigate whether employee-oriented or internally visible CSR practices condition the relationship between Job Satisfaction and employee performance.

Taken together, the three non-significant interaction effects provide boundary evidence regarding the assumption that general employee perceptions of CSR necessarily strengthen the relationships between HR-related factors, employee attitudes, and Sustainable Employee Performance (SEP). In the primary model, CSR did not significantly condition the relationships of Green Recruitment, Employee Empowerment, or Job Satisfaction with SEP. The corresponding interaction effect sizes were also negligible, indicating little incremental contribution to the explained variance in this sample. These findings therefore do not support the proposed moderating role of aggregate perceived CSR in the relationships examined, although they do not establish that CSR cannot moderate employee-related relationships in other contexts.

One possible theoretical consideration is that an aggregate CSR measure may combine activities that differ in their relevance to employees' immediate work experiences. External or community-oriented CSR may communicate organisational responsibility without necessarily being perceived as directly connected to recruitment practices, empowerment, or job satisfaction. Internal or employee-oriented CSR may have a closer conceptual connection to these employee-level factors. However, because the present study did not distinguish between these CSR dimensions or independently assess their implementation, this possibility cannot be established as the explanation for the non-significant interaction effects. It should instead be treated as a proposition for future empirical investigation.

The supplementary two-domain analysis further suggests that the interpretation of CSR may depend on the specification of the employee-performance outcome. The CSR × Job Satisfaction interaction was statistically significant for Sustainability-Oriented Employee Contribution but not for Task-Related Employee Performance, whereas the interaction was not significant in the primary SEP model. Nevertheless, the HTMT value of 1.065 indicates that discriminant validity between the two proposed domains was not established. The alternative result therefore provides a preliminary indication of specification sensitivity rather than conclusive evidence that CSR has a distinct moderating effect on sustainability-oriented contributions. Taken together, the findings support a more conditional interpretation of CSR's potential relevance and highlight the need to distinguish CSR dimensions and validate employee-

performance outcomes before drawing stronger conclusions about domain-specific moderation.

4.9.8 Sustainable Employee Performance Specification and the Sensitivity of the CSR Moderation Result

The alternative model raises an important conceptual question concerning the scope of Sustainable Employee Performance (SEP). Task-related performance and sustainability-oriented employee contribution represent conceptually distinguishable aspects of employee behaviour: the former concerns the performance of work-related tasks, whereas the latter concerns contributions to organisational sustainability initiatives. Although both may be relevant to a broader understanding of sustainable employee performance, their conceptual relevance does not automatically establish that they are interchangeable manifestations of a single latent construct.

The measurement results of the alternative model require particular caution. The HTMT value of 1.065 indicates that discriminant validity between Task-Related Employee Performance and Sustainability-Oriented Employee Contribution was not established in the present sample. This result limits the empirical justification for interpreting the two domains as distinct constructs within the tested specification. However, it does not independently demonstrate that a single first-order reflective construct is theoretically optimal. The appropriate measurement structure must also be justified by the conceptual definition of SEP and the theoretical relationships among its indicators and dimensions.

The difference in the CSR × Job Satisfaction interaction across the model specifications further illustrates why this issue matters substantively. In the primary model, the interaction was not statistically significant ($\beta = 0.116$, $p = 0.177$). In the alternative specification, the interaction was statistically significant for Sustainability-Oriented Employee Contribution ($\beta = 0.200$, $p = 0.029$), but not for Task-Related Employee Performance ($\beta = 0.018$, $p = 0.815$). This pattern is consistent with the possibility that the relationship between CSR and employee outcomes may depend on the particular performance domain being examined. However, the difference in statistical significance across specifications should not itself be interpreted as proof that the interaction effects differ significantly from one another. Moreover, the failure to establish discriminant validity between the two alternative domains limits the strength of any domain-specific interpretation.

Consequently, the alternative results are best understood as evidence of specification sensitivity rather than definitive evidence that CSR moderates the relationship between Job Satisfaction and sustainability-oriented employee contribution but not task-related performance. The primary SEP model is retained for the main hypothesis assessment, while the alternative results identify an important avenue for further investigation. Future research should clarify the conceptual boundaries of SEP and compare theoretically justified unidimensional, multidimensional, and higher-order measurement structures where appropriate. Such comparisons should use validated measures and assess both measurement quality and the robustness of structural relationships across specifications. Longitudinal or multi-source designs could also help establish whether task-related performance and sustainability-oriented contributions exhibit different relationships with CSR and Job Satisfaction over time.

4.9.9 Theoretical Implications

This study contributes to the literature in several ways.

First, the findings provide a contextual application and qualification of Social Exchange Theory. The results show that organisational practices and employee attitudes do not exhibit

equivalent associations with Sustainable Employee Performance. Employee Empowerment and CSR can be interpreted within an exchange perspective because they represent organisational conditions that may signal trust, support, or responsibility. However, Green Recruitment and Job Satisfaction involve additional mechanisms that are not fully captured by a reciprocal-exchange explanation. Green Recruitment operates primarily at the employee-entry stage and is therefore also relevant to value alignment and attraction-selection processes, whereas Job Satisfaction represents an employee attitudinal evaluation that may be related to performance through psychological and motivational processes. SET therefore provides an overarching relational perspective rather than a complete explanation for all relationships examined. Second, the findings suggest that Green Recruitment may be better understood through a combination of organisational sustainability signalling and person–organisation fit perspectives. Because recruitment occurs before or at the point of organisational entry, its relationship with employee performance cannot be understood solely as a reciprocal response to an organisational resource. Communicating environmental values during recruitment may instead contribute to value alignment between employees and the organisation. The present study does not directly test person–organisation fit or attraction-selection mechanisms; therefore, this interpretation represents a theoretical direction for future research rather than an empirically established mediation mechanism**.** Third, the significant association between Job Satisfaction and Sustainable Employee Performance highlights the relevance of employee-level psychological processes alongside organisational practices. Job Satisfaction is an attitudinal evaluation rather than an organisational resource, suggesting that its relationship with performance may involve motivational, affective, or attitudinal mechanisms in addition to reciprocal exchange. Future research could examine these mechanisms directly through mediating variables such as work motivation, organisational commitment, or work engagement.

Fourth, the study contributes to sustainability-oriented HRM research by examining Sustainable Employee Performance as an employee-level outcome that incorporates both sustained work effectiveness and sustainability-oriented contributions. The positive associations observed for Green Recruitment and Job Satisfaction indicate that both organisational HR practices and employee work experiences are relevant to this broader performance outcome. This provides a basis for considering sustainability-oriented employee performance beyond conventional task performance alone.

Fifth, the findings provide a more qualified understanding of the role of Employee Empowerment. Although empowerment is theoretically expected to support positive employee outcomes, its non-significant association with Sustainable Employee Performance in the present sample suggests that the relationship may depend on the organisational conditions surrounding empowerment. The finding therefore encourages further examination of the resources, support, leadership, and implementation conditions that may enable empowerment to translate into employee performance.

Finally, the study provides boundary evidence concerning the proposed role of perceived Corporate Social Responsibility (CSR) as a contextual moderator of employee-level relationships. Although CSR was theoretically expected to reinforce reciprocal responses within the Social Exchange Theory framework, none of the three hypothesised interaction effects was statistically supported in the primary SEP model, and the estimated interaction effect sizes were negligible. The findings therefore qualify the assumption that aggregate CSR perceptions necessarily strengthen the relationships between Green Recruitment, Employee Empowerment, Job Satisfaction, and employee performance. Rather than establishing that

CSR is ineffective, the results indicate that the moderating role of CSR cannot be assumed to operate uniformly across employee-level relationships. The conceptual breadth of the CSR measure may be relevant because external or community-oriented CSR and internal or employee-oriented CSR may differ in their perceived connection to employees' work experiences. However, these dimensions were not separately measured in the present study, and their role remains to be tested. The supplementary two-domain SEP analysis also indicates that moderation findings may be sensitive to outcome specification, although the lack of established discriminant validity between the two domains limits domain-specific conclusions. Together, these findings identify the conceptual specificity of CSR and the operationalisation of employee performance as important boundary conditions for future research.

4.9.10 Practical Implications

From a managerial perspective, the findings offer several implications for culinary SMEs.

First, the positive association between Job Satisfaction and Sustainable Employee Performance indicates the relevance of maintaining a positive employee work experience. Managers may therefore pay attention to working conditions, recognition, communication, interpersonal relationships, and other aspects of the work environment that contribute to employee satisfaction. Such efforts should be considered alongside, rather than as substitutes for, sustainability-oriented HR practices. Because the study is cross-sectional, these implications should be understood as areas for managerial attention rather than evidence that increasing satisfaction will necessarily produce higher performance.

Second, the significant association between Green Recruitment and Sustainable Employee Performance suggests that sustainability considerations can be incorporated into recruitment processes. SMEs may communicate environmental values in job advertisements, consider environmental awareness during selection, and seek alignment between candidates' sustainability orientations and organisational values. However, recruitment should be accompanied by subsequent organisational practices that enable employees to apply these values in their work.

Third, the non-significant relationship between Employee Empowerment and Sustainable Employee Performance suggests that autonomy or decision authority alone may not be sufficient to produce measurable employee-level performance differences in the present context. SMEs should consider whether employees also receive adequate information, resources, guidance, and support to exercise their responsibilities effectively. Empowerment practices may be more meaningful when discretion is accompanied by the organisational conditions necessary for employees to use it productively.

Fourth, the non-significant direct relationship between CSR and Sustainable Employee Performance, together with the absence of significant CSR moderation, suggests that CSR activities should not automatically be expected to strengthen the associations between HR practices, Job Satisfaction, and employee performance. Managers may therefore evaluate CSR alongside other employee-related organisational practices rather than assuming that CSR will amplify their effects. Because the present study did not assess specific CSR implementation mechanisms, decisions regarding CSR should be based on the organisation’s own objectives, stakeholder requirements, and employee-related priorities rather than inferred from the non-significant moderation results alone.

Overall, the findings indicate that Sustainable Employee Performance in the sampled culinary SMEs is associated with both organisational practices and employee work experiences. Green Recruitment and Job Satisfaction demonstrate significant positive associations with the

outcome, whereas Employee Empowerment and CSR do not demonstrate statistically significant direct associations, and none of the proposed CSR moderating effects is statistically supported. These findings highlight the importance of considering the specific organisational context and the way employees experience sustainability-oriented practices rather than assuming that all HR or CSR practices will exhibit equivalent employee-level relationships.

5. Conclusion

This study examined the relationships between Green Recruitment, Employee Empowerment, Job Satisfaction, and Sustainable Employee Performance (SEP), as well as the direct and moderating effects of Corporate Social Responsibility (CSR), among culinary SMEs in Balikpapan, Indonesia. Three main findings emerge from the analysis. First, Job Satisfaction was positively and significantly associated with SEP and had the largest estimated standardized path coefficient among the direct predictors in the model. Second, Green Recruitment was also positively and significantly associated with SEP, whereas Employee Empowerment did not exhibit a statistically significant association with the outcome. These findings highlight the relevance of employee job attitudes and environmentally oriented recruitment practices to understanding sustainable employee performance in the sampled SMEs, without establishing causal relationships.

Third, the direct association between perceived Corporate Social Responsibility (CSR) and SEP was not statistically significant ($\beta = 0.073$, $p = 0.331$), and none of the three proposed CSR moderating effects was supported in the primary model. The interaction effects were negligible, with confidence intervals that included zero. These findings provide boundary evidence against assuming that aggregate employee perceptions of CSR necessarily strengthen the relationships between Green Recruitment, Employee Empowerment, Job Satisfaction, and SEP. They do not establish that CSR is generally ineffective; rather, they indicate that the proposed direct and moderating relationships were not statistically supported in the present sample and model.

The study's contribution lies in examining these relationships within a specific employee-perceived and sustainability-oriented performance framework. The supplementary two-domain analysis produced a significant CSR × Job Satisfaction interaction for Sustainability-Oriented Employee Contribution, but not for Task-Related Employee Performance. However, because discriminant validity between these two domains was not established (HTMT = 1.065), this result should be treated as preliminary evidence of specification sensitivity rather than conclusive evidence of an outcome-specific moderating effect. Future research should distinguish between external and employee-oriented CSR, assess organisational practices using multiple information sources, and validate theoretically justified multidimensional or higher-order SEP measurement structures before drawing stronger conclusions about the conditions under which CSR may be relevant to employee outcomes.

6. Limitations and Future Research

Despite its contributions, this study has several limitations that should be considered when interpreting the findings. First, the cross-sectional design limits the ability to establish temporal ordering or causal relationships among the constructs. The observed associations were measured at a single point in time; therefore, alternative explanations and reverse ordering cannot be ruled out. For example, the association between Job Satisfaction and Sustainable Employee Performance (SEP) may reflect reciprocal relationships rather than a unidirectional process. Longitudinal research would provide stronger evidence regarding the

temporal relationships among employee attitudes, perceived organisational practices, and employee performance.

Second, the study relies on self-reported employee perceptions collected through a single questionnaire, creating the possibility of common-method variance and affective-halo effects. Respondents with generally favourable evaluations of their work may rate Job Satisfaction, Employee Empowerment, Green Recruitment, CSR, and SEP more positively, potentially inflating observed associations. Reverse ordering is also plausible, particularly for Job Satisfaction and SEP, because employees who perceive themselves as performing well may subsequently evaluate their work experiences more positively. The present cross-sectional, single-source design cannot empirically distinguish these alternative explanations. Although the measurement model demonstrates satisfactory reliability and discriminant validity for the constructs assessed, these results do not, by themselves, rule out common-method variance. Future research should combine employee-reported attitudes with supervisor-rated or objective performance measures and, where feasible, assess organisational practices using managerial reports, documented policies, or other independent sources of information.

Third, the sampling structure and geographical scope constrain the generalisability of the findings. The study obtained 168 valid responses from employees representing 168 different culinary SMEs in Balikpapan, Indonesia, with one eligible employee recruited from each participating SME. This design avoids the potential within-SME clustering associated with sampling multiple employees from the same organisation. However, each SME is represented by only one employee's perspective, preventing an assessment of within-organisation variation in employee perceptions or the extent to which individual reports reflect shared organisational conditions. In addition, purposive sampling within a single city limits the extent to which the findings can be generalised to culinary SMEs in other Indonesian regions, other industries, or different institutional and organisational contexts.

Fourth, the validity of employee reports of Green Recruitment and Corporate Social Responsibility (CSR) as indicators of organisational practices warrants particular consideration. Although respondents were required to have at least one year of work experience and general familiarity with environmental and CSR practices, these eligibility criteria do not establish direct knowledge of recruitment procedures, involvement in recruitment decisions, or knowledge of CSR implementation. Consequently, the reported measures capture employees' perceptions of organisational practices rather than independently verified evidence of actual SME-level practices. Furthermore, information about respondents' occupational positions, managerial responsibilities, and direct involvement in recruitment or CSR activities was not available for assessing differences in their organisational knowledge. The study therefore cannot determine whether respondents with greater organisational responsibility would have provided different assessments or whether the observed relationships would remain consistent among employees with more direct knowledge of these practices. Future research should strengthen key-informant validity by obtaining information about Green Recruitment and CSR from SME owners, managers, HR personnel, or individuals directly involved in these activities. Triangulating such reports with organisational records, documented policies, and information from multiple knowledgeable informants would also help distinguish perceived organisational signals from independently documented practices.

Fifth, the conceptual and measurement specification of SEP warrants further investigation. The primary model treats SEP as a single first-order reflective construct, whereas the supplementary two-domain model distinguishes Task-Related Employee Performance (TREP)

from Sustainability-Oriented Employee Contribution (SOEC). However, the HTMT value of 1.065 indicates that discriminant validity between the two proposed domains was not established in the alternative model. This result does not, by itself, establish that the single-construct specification is theoretically superior, nor does it resolve whether task-related performance and sustainability-oriented contributions are interchangeable manifestations of the same underlying construct. In addition, the CSR × Job Satisfaction interaction was not statistically significant in the primary SEP model but was statistically significant for SOEC, and not for TREP, in the alternative specification. This variation highlights the sensitivity of the moderation finding to the operationalisation of the outcome, although the differences in statistical significance do not establish that the interaction coefficients differ significantly from one another. Future research should clarify the conceptual boundaries of SEP and compare theoretically justified unidimensional, multidimensional, or higher-order measurement structures using validated instruments. Such research should evaluate measurement quality and structural relationships jointly to determine whether the proposed dimensions are empirically distinguishable and whether the structural findings remain robust across alternative specifications.

The findings also suggest several directions for future research concerning CSR and employee outcomes. Given that none of the three proposed moderating effects of CSR was statistically significant in the primary model, future studies could investigate whether the relationships between perceived organisational practices and employee outcomes depend on the specific nature, visibility, and perceived relevance of CSR activities. Distinguishing between substantive and symbolic CSR, or examining specific employee-oriented CSR dimensions, may help clarify whether different forms of perceived CSR are associated with employee attitudes and performance in different ways. However, these distinctions should be examined empirically rather than assumed to explain the non-significant results in the present study. Future research could also investigate alternative mediating or moderating mechanisms, including organisational culture, leadership, and green psychological climate, to examine how employee perceptions of sustainability-oriented organisational practices relate to employee outcomes.

Finally, comparative research across Indonesian cities, regions, industries, and organisational contexts would help determine whether the observed relationships are context-specific or more consistent across settings. Longitudinal and multi-source research would be particularly valuable for examining temporal relationships while distinguishing employee perceptions from organisational-level practices. Where future studies collect data from multiple employees within the same SME, multilevel research designs should be considered to distinguish employee-level associations from organisation-level effects. Combining organisational information from owners, managers, or documentary sources with employee- or supervisor-reported outcomes would provide a stronger basis for examining how organisational practices and employee perceptions jointly relate to sustainable employee performance.

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Declaration of AI and AI-assisted Technologies in the Writing Process

During the preparation of this manuscript, the authors used ChatGPT (OpenAI) to assist with language editing, grammatical refinement, and improvement of the clarity and academic presentation of the manuscript. The authors independently reviewed and critically evaluated all AI-assisted outputs and made revisions where necessary. The authors take full responsibility for the content, accuracy, interpretation of the results, and conclusions presented in this publication.

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