

## THE ROLE OF HUMAN RESOURCES IN BUILDING A SUSTAINABLE AND RESPONSIBLE CORPORATE CULTURE

### PERAN SDM DALAM MEMBANGUN BUDAYA PERUSAHAAN YANG BERKELANJUTAN DAN BERTANGGUNG JAWAB

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#### ABSTRACT

*This research aims to examine the influence of HR practices on corporate culture, with sustainability practices and social responsibility as intervening variables at Puskesmas Balik Bukit Lampung Barat. Utilizing a total sampling technique, data was collected from 52 employees through an online questionnaire and analyzed using Smart PLS. The results indicate that HR practices have a strong positive effect on both sustainability practices and social responsibility. Furthermore, sustainability practices significantly influence corporate culture and act as a mediator between HR practices and corporate culture, while social responsibility does not show a significant direct or mediating effect. The findings highlight the crucial role of HR practices in fostering sustainability, which in turn shapes the corporate culture. This study provides valuable insights for healthcare organizations to improve their corporate culture and service delivery through strategic HR practices focused on sustainability and social responsibility.*

**Keywords:** *HR Practices; Corporate Culture; Sustainability Practices; Social Responsibility*

#### ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh praktik SDM terhadap budaya perusahaan, dengan praktik keberlanjutan dan tanggung jawab sosial sebagai variabel intervening di Puskesmas Balik Bukit Lampung Barat. Dengan menggunakan teknik total sampling, data dikumpulkan dari 52 karyawan melalui kuesioner online dan dianalisis menggunakan Smart PLS. Hasil penelitian menunjukkan bahwa praktik SDM memiliki pengaruh positif yang kuat terhadap praktik keberlanjutan dan tanggung jawab sosial. Lebih lanjut, praktik keberlanjutan secara signifikan mempengaruhi budaya perusahaan dan bertindak sebagai mediator antara praktik SDM dan budaya perusahaan, sementara tanggung jawab sosial tidak menunjukkan efek langsung atau mediasi yang signifikan. Temuan ini menyoroti peran penting praktik SDM dalam mendorong keberlanjutan, yang pada gilirannya membentuk budaya perusahaan. Studi ini memberikan wawasan yang berharga bagi organisasi layanan kesehatan untuk meningkatkan budaya perusahaan dan penyediaan layanan mereka melalui praktik-praktik SDM strategis yang berfokus pada keberlanjutan dan tanggung jawab sosial.

**Kata kunci:** *Praktik SDM; Budaya Perusahaan; Praktik Keberlanjutan; Tanggung Jawab Sosial*

## INTRODUCTION

In today's business landscape, the role of Human Resources (HR) extends far beyond traditional functions, as companies are increasingly focusing on building a sustainable and socially responsible corporate culture (1). HR departments are now tasked with not only managing talent but also fostering an environment that prioritizes ethical practices, sustainability, and corporate social responsibility (2). These evolving expectations are driven by a growing awareness of the long-term benefits that sustainable practices bring, both to the organization's success and its reputation (3). By aligning HR strategies with broader social and environmental goals, companies can create a workplace culture that promotes inclusivity, accountability, and long-term value creation for all stakeholders (4).

Corporate culture serves as the backbone of an organization, shaping the behaviors, values, and attitudes of its employees while guiding the company's overall direction. It reflects the shared beliefs and norms that influence how individuals interact, make decisions, and contribute to the organization's goals (5). A strong corporate culture fosters unity and purpose, aligning employee actions with the company's mission and values (6). When a culture emphasizes sustainability and social responsibility, it not only enhances internal cohesion but also projects a positive image to external stakeholders, including customers and partners (7). As businesses face increasing pressure to address environmental and social issues, cultivating a corporate culture that integrates ethical, sustainable practices becomes essential for long-term resilience and competitive advantage (8).

HR practices play a pivotal role in shaping and maintaining a company's corporate culture, particularly in the context of sustainability and social responsibility (9). These practices encompass a wide range of functions, from

recruitment and training to employee development and performance management, all of which directly influence how employees engage with the company's values and objectives (10). By integrating sustainability into HR processes—such as hiring individuals who align with ethical values, providing training on environmental practices, or promoting a culture of accountability—HR can drive a deeper commitment to corporate social responsibility. Moreover, HR practices that encourage diversity, inclusion, and ethical leadership further strengthen the foundation of a socially responsible corporate culture (11). Ultimately, strategic HR practices ensure that the workforce is not only skilled and motivated but also aligned with the company's broader goals of sustainability and social impact (12).

Sustainability practices are integral to building a corporate culture that prioritizes long-term environmental and social well-being alongside profitability (13). These practices involve adopting strategies and initiatives that reduce environmental impact, promote resource efficiency, and ensure the well-being of future generations (14). In the workplace, sustainability can take various forms, such as reducing carbon emissions, minimizing waste, adopting energy-efficient technologies, and creating sustainable supply chains. When sustainability is embedded into everyday business operations and decision-making, it influences how employees approach their work and encourages them to be more conscious of their actions (15). By promoting sustainability through HR initiatives—such as training programs, performance incentives, and sustainable leadership—companies not only demonstrate their commitment to environmental stewardship but also enhance employee engagement and satisfaction. In turn, these efforts strengthen the company's reputation, foster innovation, and contribute to long-

term resilience in an increasingly eco-conscious market (16).

Social responsibility is a core component of a sustainable corporate culture, reflecting a company's commitment to ethical practices and its broader impact on society. It encompasses initiatives aimed at improving the well-being of employees, communities, and the environment, often through philanthropy, ethical business operations, and community engagement (17). By fostering social responsibility, organizations not only meet regulatory expectations but also build trust and credibility with stakeholders. HR practices play a key role in embedding social responsibility by promoting volunteer programs, supporting diversity and inclusion, and ensuring fair labor practices (18). When employees feel that their organization genuinely cares about its social impact, it enhances their sense of purpose and loyalty, leading to higher levels of engagement and productivity (19). As companies strive to integrate social responsibility into their operations, they create a more ethical and compassionate corporate culture that resonates with both employees and the broader community, driving sustainable growth and positive societal change (20).

In the context of Puskesmas Balik Bukit Lampung Barat, the research variables—HR Practices, Corporate Culture, Sustainability Practices, and Social Responsibility—play a critical role in shaping the healthcare center's operational and social effectiveness. HR Practices at the Puskesmas are essential for recruiting, training, and managing healthcare staff to align with the organization's values, particularly in delivering high-quality and ethical healthcare services. Corporate Culture reflects the collective behaviors and norms within the healthcare environment, influencing teamwork, patient care, and overall service quality. Sustainability Practices involve integrating eco-friendly

initiatives, such as waste management and resource conservation, into daily operations to ensure long-term health outcomes for the community and the environment. Lastly, Social Responsibility emphasizes the Puskesmas' role in addressing public health needs, engaging with the local community, and promoting inclusive, fair healthcare services. Together, these variables create a framework for fostering a sustainable, ethical, and socially responsible healthcare institution.

Given that Kabupaten Lampung Barat is home to approximately 290,388 residents spread across 15 districts, and considering that Puskesmas Balik Bukit reported 3,866 patient visits in 2022, the need for optimal and efficient healthcare services is evident. With 52 employees tasked with diverse roles within the Puskesmas, there is an imperative for high performance to effectively manage the healthcare needs of the Balik Bukit community. This situation highlights a critical phenomenon: the challenge of delivering exceptional healthcare services amidst a significant patient load and a large population base. The diverse HR practices, corporate culture, sustainability practices, and social responsibility efforts at Puskesmas Balik Bukit are crucial in ensuring that the healthcare center can provide effective and responsive care, meeting the growing demands of the local population and addressing the broader public health needs.

Despite extensive research on healthcare service quality and organizational performance, gaps remain in understanding how specific HR practices and corporate culture impact the efficacy of healthcare delivery in public health centers. Recent studies have highlighted the importance of sustainable practices and social responsibility in enhancing organizational effectiveness (21). However, there is limited empirical evidence on how these factors interact

specifically within the context of public health centers like Puskesmas Balik Bukit, particularly in regions with diverse and high patient volumes (22). Additionally, while the role of HR in shaping corporate culture has been widely explored (23), its direct influence on healthcare service outcomes in under-resourced settings remains under-researched. This research aims to fill this gap by examining how HR practices and corporate culture at Puskesmas Balik Bukit affect service quality and patient satisfaction in a high-demand environment.

The aim of this research is to investigate how various HR practices and corporate culture dimensions influence the quality of healthcare services and patient satisfaction at Puskesmas Balik Bukit in Kabupaten Lampung Barat. By exploring the interplay between HR practices, sustainability efforts, and social responsibility, the study seeks to identify the key factors that contribute to effective healthcare delivery in a high-demand public health setting. Specifically, the research intends to analyze how these elements impact employee performance and patient care outcomes, ultimately providing insights into optimizing service quality and enhancing overall healthcare effectiveness in the region. This understanding will offer valuable guidance

for improving management strategies and operational practices within similar healthcare centers.

## METHODOLOGY

The research methodology employs a total sampling technique, encompassing all 52 employees at Puskesmas Balik Bukit Lampung Barat to ensure comprehensive representation. Data is collected through an online questionnaire designed to assess various aspects of HR practices, corporate culture, sustainability practices, and social responsibility. The study uses a quantitative research design, with Smart PLS (Partial Least Squares) as the primary analytical tool to evaluate the relationships between variables. Specifically, Corporate Culture serves as the dependent variable, while HR Practices acts as the independent variable. Sustainability Practices and Social Responsibility function as intervening variables, influencing the relationship between HR Practices and Corporate Culture. This methodological approach allows for a thorough analysis of how HR practices and intervening factors impact the overall corporate culture within the healthcare setting.

The following is the framework of thought in this research:

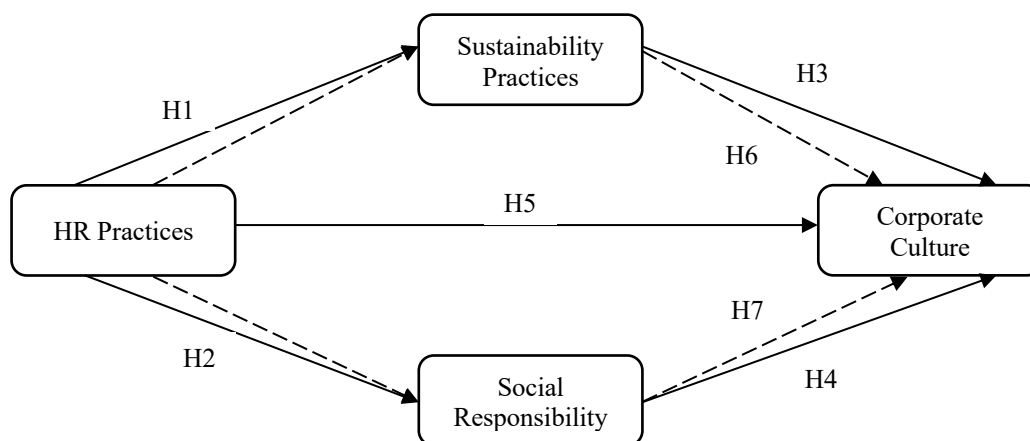


Figure 1 Framework

## RESULTS AND DISCUSSION

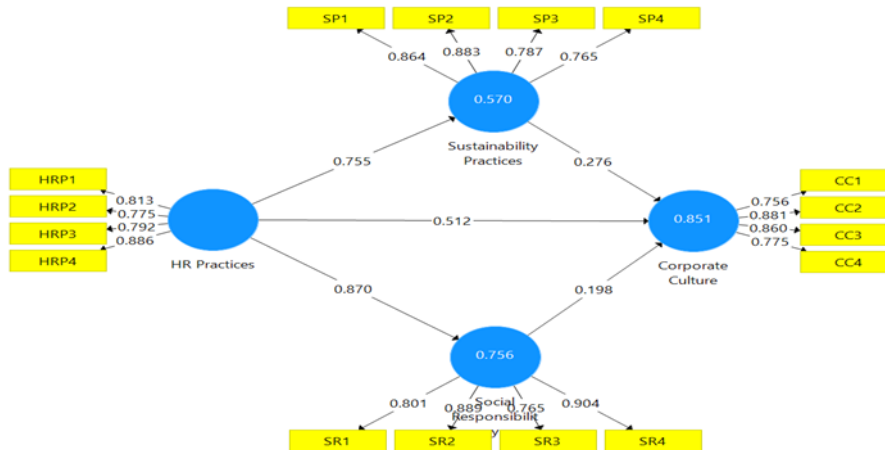


Figure 2 Validity and Reliability

After conducting the tests using Smart PLS, the results for validity and reliability indicate that the data meet the required thresholds. The next step in the analysis is to proceed with hypothesis testing. This phase will examine the relationships between the research variables—HR Practices, Corporate Culture, Sustainability Practices, and Social

Responsibility—to determine their significance and influence within the context of Puskesmas Balik Bukit Lampung Barat. The hypothesis testing aims to provide insights into how these factors interact and impact employee performance and overall organizational effectiveness in delivering quality healthcare services.

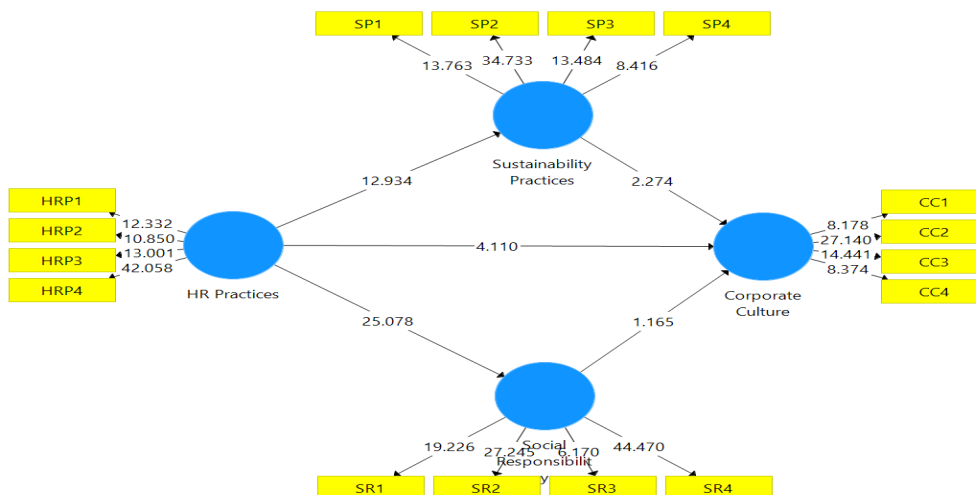


Figure 3 Hypothesis Testing

The following are the results of the hypothesis testing presented in table form:

**Table 1 Hypothesis Testing**

Hypothesis	Original Sample (O)	Sample Mean	Standard Deviation	T Statistic	P Values
HR Practices -> Sustainability Practices	0,755	0,776	0,058	12,934	0,000
HR Practices -> Social Responsibility	0,870	0,880	0,035	25,078	0,000
HR Practices -> Corporate Culture	0,512	0,497	0,124	4,110	0,000
Sustainability Practices -> Corporate Culture	0,276	0,269	0,121	2,274	0,023
Social Responsibility -> Corporate Culture	0,198	0,213	0,170	1,165	0,245
HR Practices -> Sustainability Practices -> Corporate Culture	0,208	0,210	0,099	2,093	0,037
HR Practices -> Social Responsibility -> Corporate Culture	0,172	0,189	0,153	1,124	0,262

The hypothesis testing results from the Smart PLS analysis provide insightful findings on the relationships between HR Practices, Sustainability Practices, Social Responsibility, and Corporate Culture at Puskesmas Balik Bukit Lampung Barat. The first hypothesis, which examines the impact of HR Practices on Sustainability Practices, shows a strong positive relationship, with a sample original (O) value of 0.755 and a significant t-statistic of 12.934 ( $p = 0.000$ ). This indicates that effective HR practices directly influence the implementation of sustainability practices within the organization. Previous studies have also highlighted the critical role of HR in embedding sustainable practices by encouraging eco-conscious behaviors and training employees to prioritize environmental considerations (12). The strong statistical support suggests that HR functions at the Puskesmas, such as employee training and development, play a significant role in fostering a sustainable work environment, aligning with broader organizational goals of sustainability.

Furthermore, the second hypothesis, which investigates the relationship

between HR Practices and Social Responsibility, also shows a very strong positive relationship, with an O value of 0.870 and a t-statistic of 25.078 ( $p = 0.000$ ). This demonstrates that HR practices significantly influence the organization's commitment to social responsibility. HR practices such as fostering ethical behavior, encouraging community engagement, and promoting corporate social responsibility (CSR) initiatives are essential in shaping the social responsibility culture within healthcare organizations. Studies suggest that HR's role in promoting CSR is crucial for building a socially responsible workforce, one that actively contributes to the well-being of the community and promotes inclusive healthcare (23). Therefore, the results affirm that effective HR practices at Puskesmas Balik Bukit not only drive sustainability but also enhance the organization's social responsibility efforts.

Moving to the direct influence of HR Practices on Corporate Culture, the analysis reveals a moderate yet significant relationship, with an O value of 0.512 and a t-statistic of 4.110 ( $p = 0.000$ ). This supports the idea that HR practices directly shape the corporate culture at Puskesmas

Balik Bukit. As noted in prior research, HR policies and practices are the foundation for establishing corporate culture, as they dictate how employees perceive their roles and responsibilities within the organization (17). The findings suggest that by implementing structured HR practices, such as clear communication, performance management, and employee engagement initiatives, Puskesmas Balik Bukit can cultivate a positive corporate culture that aligns with its mission to deliver quality healthcare. This aligns with existing literature that emphasizes the importance of HR in creating a culture that fosters organizational success.

The next hypothesis, focusing on the relationship between Sustainability Practices and Corporate Culture, shows a positive and significant influence, with an O value of 0.276 and a t-statistic of 2.274 ( $p = 0.023$ ). This indicates that sustainability practices contribute to shaping the corporate culture at Puskesmas Balik Bukit, reinforcing the organization's commitment to long-term environmental and social goals. Previous research supports the notion that integrating sustainability into organizational practices can transform corporate culture by fostering a sense of responsibility and shared values among employees (9). By embedding sustainability into everyday operations, Puskesmas can not only reduce its environmental footprint but also cultivate a culture that values sustainability, further driving employee engagement and organizational success.

However, the hypothesis that tests the relationship between Social Responsibility and Corporate Culture does not show a statistically significant result, with an O value of 0.198, a t-statistic of 1.165, and a p-value of 0.245. This indicates that, while social responsibility is important, it may not directly impact corporate culture as strongly as other factors, such as HR practices and sustainability. Prior studies suggest that while social responsibility

initiatives are essential for external reputation and stakeholder engagement, they may not always directly influence internal corporate culture unless actively reinforced by organizational policies and HR strategies (4). This finding highlights the need for Puskesmas Balik Bukit to integrate social responsibility more deeply into its internal practices and culture to see a more pronounced effect.

The analysis of the mediating role of Sustainability Practices between HR Practices and Corporate Culture shows a significant indirect effect, with an O value of 0.208 and a t-statistic of 2.093 ( $p = 0.037$ ). This suggests that sustainability practices serve as an important mediating factor in the relationship between HR practices and corporate culture. In other words, effective HR practices lead to improved sustainability efforts, which in turn positively impact the corporate culture. This aligns with research that emphasizes the importance of HR in promoting sustainability within organizations, as HR can play a pivotal role in embedding sustainable values into corporate culture through training, policies, and employee engagement (20). The significant mediating effect underscores the importance of sustainability as a bridge between HR practices and a strong corporate culture at Puskesmas.

Finally, the mediating role of Social Responsibility between HR Practices and Corporate Culture does not yield a significant result, with an O value of 0.172, a t-statistic of 1.124, and a p-value of 0.262. This suggests that social responsibility does not mediate the relationship between HR practices and corporate culture as effectively as sustainability practices. While HR practices can directly foster a culture of social responsibility, the findings indicate that social responsibility alone may not be sufficient to drive changes in corporate culture without the support of other factors like sustainability and ethical leadership.

Existing literature also points to the fact that social responsibility is more impactful when it is embedded into the strategic goals of the organization and reinforced by HR policies that align with those goals (13). This result suggests that Puskesmas Balik Bukit may need to more deeply integrate social responsibility into its broader HR and organizational strategies to see a more significant cultural impact.

### CONCLUSIONS AND NEWNESS

The conclusion of this research highlights the significant impact of HR practices on shaping sustainability practices, social responsibility, and corporate culture at Puskesmas Balik Bukit Lampung Barat. The findings reveal that HR practices play a crucial role in fostering both sustainability and social responsibility within the organization, with sustainability having a more pronounced effect on corporate culture. While social responsibility is important, its influence on corporate culture appears to be less direct compared to sustainability practices. Additionally, the mediating role of sustainability between HR practices and corporate culture is evident, suggesting that sustainable initiatives are essential for enhancing organizational culture. These insights underscore the need for Puskesmas Balik Bukit to continue integrating sustainability and social responsibility into their HR strategies to foster a more cohesive and effective corporate culture, ultimately improving healthcare service delivery.

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