The Impact of Internal CSR towards Employee Engagement and Affective Commitment in XYZ Hotel Surabaya

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ABSTRACT

Employees as one of the business partners play an important role to increase company's performance. By having good employees' performance on work will impact the short-term and long-term result of the business. This phenomenon happens when the employees basically engage and committed with their company. The greater the engagement and commitment employees have, the greater their willingness to go extra mile and deliver excellent performance. They will be also satisfied and proud to be a part of the company. This study aims to analyze the impact of internal Corporate Social Responsibility (CSR) which are training and education, health and safety, human rights, work-life balance, as well as workplace diversity on employee engagement and affective commitment. Data was gathered from 90 employees in XYZ Hotel Surabaya by using simple random sampling and multiple regression analysis was utilized as the analytical tool. The result showed that health and safety was the strong predictor in effecting both employee engagement and affective commitment.

Keywords: Employee, internal CSR, employee engagement, affective commitment.

ABSTRAK

Karyawan sebagai salah satu mitra bisnis yang mempunyai peran penting untuk meningkatkan kinerja perusahaan. Karyawan yang memiliki kinerja yang baik akan berdampak pada hasil bisnis yang baik dalam jangka pendek dan panjang. Fenomena ini terjadi ketika karyawan pada dasarnya terikat dan berkomitmen pada perusahaan mereka. Semakin besar keterikatan dan komitmen karyawan, semakin besar keinginan mereka untuk berusaha lebih baik dan memberikan kinerja yang bermutu tinggi. Mereka juga puas dan bangga menjadi bagian dari perusahaan mereka. Penelitian ini bertujuan untuk menganalisis dampak Corporate Social Responsibility (CSR) internal yaitu pelatihan dan pendidikan, kesehatan dan keselamatan, hak asasi manusia, keseimbangan kehidupan kerja, serta keragaman di tempat kerja pada keterikatan karyawan dan komitmen yang berpengaruh. Data dikumpulkan dari 90 karyawan di XYZ Hotel Surabaya dan analisis regresi berganda digunakan sebagai sarana penelitian ini. Hasil penelitian menunjukkan bahwa kesehatan dan keselamatan adalah prediktor yang kuat dalam mempengaruhi baik keterikatan karyawan dan komitmen yang berpengaruh.

Kata Kunci: Pegawai, CSR Internal, keterikatan pegawai, komitmen yang berpengaruh.

INTRODUCTION

Engaged and committed employee is crucial for company to gain sustainable business result. They just not feel satisfy with the work and proud to be a part of the company but also the extent to which employees enjoy what they are doing. According to Ramsay and Finney (2006) research in Intuit, found that engaged employees are 1.3 times more likely to give high performance than less engaged employees and the highly engaged employees are also five times less likely to voluntarily leave the company. Both engagement and commitment should be integrated to be able to deliver excellent performance toward organization success. Thus, company needs to have highly engaged yet committed employees to get advantage especially to increase the business performance by utilizing the employees' skills, knowledge and abilities.

According to Towers Perrin (2003), the definition of employee engagement is "the extent to which employees put discretionary effort into their work, beyond the required minimum to get the job done, in the form of extra time, brain power or

energy". There are many factors that will influence and increase engagement such as company practices, total rewards, opportunities (career opportunities and learning & development), people, work, and quality of life (Hewitt, 2013, p. 4).

Furthermore, According to Allen & Meyer (1990), commitment is divided to three component models which are affective commitment, continuance commitment and normative commitment. In detail, affective commitment refers to an emotional attachment towards organization; continuance commitment refers to recognition of costs associated with leaving an organization; and normative commitment refers to a moral obligation to remain with an organization. Not all commitments actually give positive impact to the company, only affective commitment which gives outcome of interest to company such as turnover intentions, absenteeism, and job performance (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002).

There are many ways that company can do to increase employee engagement and commitment such as giving equitable wages, job security, working condition, appreciation and respect, communication as well as personal and career development (Foley & Maunders, 1977; Eweje & Bentley 2006). Those factors are considered as internal CSR according to ISO 26000 since it focused on taking care of company's employees. However, the problem is that scholars less pay attention to internal CSR (Cornelius et al. 2008). Most of scholars only focus on area of external CSR, the social impact on the communities and external stakeholders. Therefore, it is necessary to investigate and have better understanding the relationship between employee engagement and affective commitment as well as internal CSR.

Having engaged and committed employee prevail for all companies in all industries, including XYZ Hotel Surabaya. Moreover, the data showed that tourist' arrival in Indonesia is expected to increase from 250 million in 2012 to an estimated 400 million by 2023 (Ling, Susilo, & Yeo, 2013). XYZ Hotel Surabaya as the part of the biggest international hotel chain in the world should prepare for this competition by giving excellence performance to serve the tourist better and gain sustainable business result. Therefore, having engaged and committed employee will help XYZ Hotel Surabaya to stay competitive since they will lead to high service, quality, and productivity which turn out to increase customer satisfaction (Kruse, 2012; Randall, Fedor, & Longenecker, 1990).

However, in XYZ Hotel Surabaya, there is a problem in having and keeping engaged as well as committed employee. According to the data from financial summary of XYZ Hotel Surabaya, employee turnover in 2013 keep increasing, from 0.46% in January to 10.1% in December. One of the causes of having high employee turnover is because of disengaged and uncommitted employee since the disengaged and uncommitted employee will increase the absenteeism, have higher intention to leave company, have less commitment toward the jobs which lead to lower productivity that reduce the profit of the company (Markos & Sridevi, 2010). If the number of employee turnover keeps increasing the near future, the company will suffer. Therefore, it is essential for XYZ Hotel Surabaya to understand what factors that affecting employee engagement and commitment in order to reduce the employee turnover. Through this study, writer will investigate the impact of internal CSR which are training and education, health and safety, human rights, work-life balance, and workplace diversity to know which factor will significantly give impact on employee engagement and affective commitment.

LITERATURE REVIEW

Corporate Social Responsibility

According to Werther and Chandler's (2006), they defined CSR as both a means and an end. CSR is a means because it "is an integral element of the firm's strategy; the way a firm goes about delivering its products or services to markets" (2006, p. 8). CSR is an end because it "is a way of maintaining the legitimacy of its actions in the larger society by bringing stakeholder concerns to the foreground" (2006, p. 8). CSR talks about both process and outcome; it is not only focused merely on financial but also the impacts on stakeholders.

In addition, Coombs and Holladay (2012) defined CSR is "the voluntary actions that a corporation implements as it pursues its mission and fulfills its perceived obligations to stakeholders, including employees, communities, the environment, and society as a whole" (2012, p. 8). Thus, if the CSR is done by fulfilling the requirement of the law not by voluntary action, it cannot be considered as CSR.

Types of Corporate Social Responsibility (CSR)

According to Pietersz (2011), CSR is divided into two which are external and internal CSR. External CSR is defined as the actions of company to promote the pursuit of positive impact on society and environment. Whilst internal CSR is focused within the organization, what can be done by the company to improve the well-being of their employees and their productivity as well their impact on profitability. It is believe that CSR strategy which is aligned with company's core business and mission can lead to several benefits for the company such as increase employee motivation and retention, higher productivity, reduced absenteeism, more efficient and many more. In this research, writer will focus more on the internal CSR since the study will investigate how internal CSR give impact on employee engagement and affective commitment.

Internal CSR

According to Ehnert, Harry, and Zink (2014, p. 363) internal CSR action is company's activity to satisfy the expectation of their workers and employees such as health and welfare, training, participation, work-family balance, and equality. Furthermore, Amann and Stachowicz-Stanusch (2013, p. 443) add some actions which company can do as internal CSR such as workplace health and safety, work environment, development of worker skills, equitable wage and reward system, and open as well as flexible communication system. It is believed that internal CSR gives concrete outcome benefits for company in employee retention as well as commitment (Amann & Stachowicz-Stanusch, 2013, p. 444).

Types of Internal CSR

In this study, writer will adopt the types of internal CSR from Albdour and Altarawneh (2012). Therefore, the components in the internal CSR will be training and education, health and safety, human rights, work-life balance and workplace diversity.

Training and Education

Buckley and Caple (2009), training and education are included in learning process in organization. According to them, training is "a planned and systematic effort to modify or develop knowledge / skill / attitude through learning experience to achieve effective performance." The purpose of training is to enable an individual to acquire abilities in order to perform better in a given task and realize their potential. Whilst education is "a process and a series of activities which aim at enabling an individual to assimilate and develop knowledge, skills, values and understanding that allows a broad range of problems to be defined, analyzed and solved."

Health and Safety

According to Friend and Kohn (2010, p. 2), health and safety is "concerned with preserving and protecting human and facility resources in the workplace." In the simplest way, health and safety in workplace is one of company responsibility to try prevent deaths and injuries that might happen to their employees. In addition, health and safety also concern with improving organizational quality and efficiency (p. 3). In addition, according to Act of 14. December 2012 No. 80, a company should provide health and safety work environment. Here, work environment is divided into two which are psychosocial and physical. The psychosocial work environment is related with employee's integrity and dignity; how organization enables open communication with other employees; how employees feel safe (no harassment or other improper conduct). While on the other hand, physical working environment is related with building and equipment, climate, lighting, noise and radiation.

Human Rights

According to United Nations Human Rights, the definition of human rights are "rights inherent to all human being, regardless nationality, place if residence, sex, ethnic origin, religion, language, or any other status." Human rights are universal (applicable everywhere), inalienable (cannot be taken away except for specific situations e.g. found guilty of crime), interdependent (a part of complementary framework) and indivisible (cannot be denied because it is "less important" or "non-essential").

In this research, there are nine main merited inclusions on the human rights instrument which are equal opportunities, salary, compensation, and remuneration, working hours, holidays, overtime, training and freedom of speech (Albdour; Ali; Nasruddin; & Lin, 2010).

Work-life Balance

Work-life balance is a concept that support and enable the employees to split their time and energy between work and other important aspect of their lives such as family, friends, community, personal growth, self care and spirituality (Heathfield, n.d.). The purpose of work-life balance is to reduce the stress and unhappiness experience of employees since they spend majority of their hours on work-related activities which lead to unproductive employees
The way of company deal with work-life balance isby taking initiatives to adopt flexible working arrangements such as job sharing, flexible work schedules, paid time off (PTO) policies (e.g. sick days, vacation days, and personal days) and company-sponsored family events & activities (Manfredi & Holliday, 2004; Heathfield, n.d.)

Workplace Diversity

According to Chartered Institute of Personnel Development (CIFD, 2005), workplace diversity is "consist of visible and non-visible factors such as sex, race, age, background, culture, disability, personality and work style." Furthermore, Linge (n.d)) added that workplace diversity consist of two dimensions: primary and secondary. Primary dimensions consist of race, ethnicity, gender, age, religion, disability, and sexual orientation (referred as "REGARDS") while secondary dimension consists of communication style, work style, organizational role/level, economic status, and geographic origin. When companies recognize and value diversity it will enhance individual productivity, organizational effectiveness and sustained competitiveness

Employee Engagement

Gallup Organization (2013, p. 17) mentioned that there are three categories of employee engagement which are as following:
1. *'Engaged employee'* : employees who work with passion, enthusiasm, and committed to their

jobs. They feel profound connection to their company. Moreover, they are the people in organization who drive innovation and move the organization forward.

2. *'Not engaged'* : employees who work without energy and passion into their work. They focus on accomplishing task only and don't have any good intention to move the organization forward.

3. *'Actively disengaged'*: employees who aren't just unhappy but also busy acting out their unhappiness. They always undermine what their engaged employees accomplish. They mess up everything and can cause great damage to organization.

Furthermore, Hewitt Associates (2013) defined employee engagement as the state in which individuals are emotionally and intellectually committed to the organization or group. There are three attributes of engaged employees: say, stay, and strive. These three attributes extent to which employees will speak positively about the company, have a sense of belonging as well as desire to be a part of the company, and give discretionary effort toward success in their job for the company. Therefore, employees need all these three attributes to be fully engaged since all of them are integrated.

Affective Commitment

According to Allen and Meyer (1990), there are three dimensions of commitment which are affective, continuance, and normative commitment. Affective commitment refers to "positive feelings of identification with, attachment to and involvement in the work organization" and continuance commitment as "the extent which employee feel committed to their organization by virtue of the costs that they feel are associated with leaving." Moreover, normative commitment is defined as "the employee's feeling of obligation to remain with the organization."

In this study, writer will adopt the definition from Meyer and Allen (1997) mentioned above especially for affective commitment which is the "positive feelings of identification with, attachment to and involvement in the work organization."

Relationship between Concepts

Highly engaged and committed employees are the asset of a company to achieve sustainability performance in future since engaged employees are willing to put discretionary effort and go extra mile toward company success. There are drivers to increase engagement such as company practices, total rewards, opportunities (career opportunities and learning & development), people, work, and quality of life (Hewitt, 2013, p. 4). In addition, according to Armstrong (2005), training, career opportunities, performance appraisal, and work-life balance also can be drivers to increase affective commitment.

Furthermore, internal CSR also considered as the drivers that are able to increase the engagement as well as affective commitment.
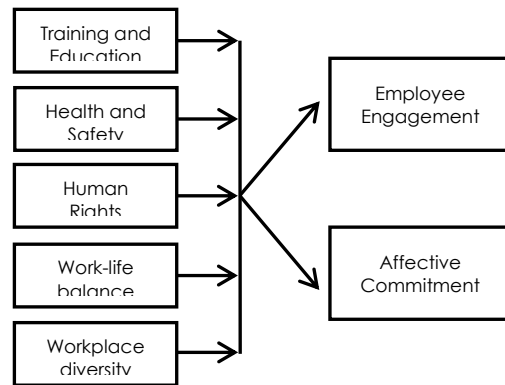

Figure 1. Conceptual Framework

It is proposed that internal CSR is able to increase employee engagement and affective commitment. Therefore, this study suggests that internal CSR could give positive significant impact towards employee engagement as well as affective commitment. Thus, it is hypothesized:

- H_1: Internal CSR simultaneously have significant impact on Employee Engagement and Affective Commitment.

- H_2: Training and Education have significant impact on Employee Engagement and Affective Commitment.

- H_3: Health and Safety has significant impact on the Employee Engagement and Affective Commitment.

- H_4: Human Rights have significant impact on Employee Engagement and Affective Commitment.

- H_5: Work-life Balance has significant impact on the Employee Engagement and Affective Commitment.

- H_6: Workplace diversity has significant impact on Employee Engagement and Affective Commitment.

RESEARCH METHOD

According to Zikmund (2003), causal research is used to identify cause-and-effect relationship among variables. The causal research only can be done when the problem is sharply defined and completely have knowledge about the situation. Thus, since the research objective is to determine the impact of internal CSR (training and education, health and safety, human rights, work-life balance and workplace diversity) on employee engagement as well as affective commitment, writer will adopt causal research. Furthermore, quantitative research method will be utilized since writer will gathering data through questionnaire to XYZ Hotel Surabaya and test the hypothesis.

Internal CSR which is as independent variables in this study will consist of training and education, health and safety, human right, work-life balance, and workplace diversity while dependent variables will be employee engagement and affective commitment. The measurement for both independent and dependent variables is adopted from previous studies by Keraita, Oloko and Elijah (2013), Albdour and Altarawneh (2012), as well as Albdour, Ali, Nasruddin, and Lin (2010). Some of measurement is also adjusted based on the theories which stated in literature review.

In this study, writer will use nominal and interval scale out of four possible types of data to collect certain information that are needed. Nominal scale which only symbolizes identification will cover respondents' profiles such as gender, age, tenure, and department. Furthermore, to cover questions regarding the impact of internal CSR towards employee engagement and affective commitment, writer will utilize likert scale which produces interval data. The respondents are asked to indicate their agreement or disagreement based on 5-point likert scales; 1 represents Strongly Disagree (SDA), 2 represents Disagree (DA), 3 represents Neutral (N), 4 represents Agree (A) and 5 represents Strongly Agree (SA).

Furthermore, writer will use both primary and secondary sources. The primary data of this study is collected through distributing questionnaire to employee of XYZ Hotel Surabaya. Whilst the secondary data is obtained through existing sources such as internet, published journals and text books

Writer will utilize probability sampling method in which every element in the population has a known nonzero probability of selection specifically simple random sampling (Zikmund, 2003). The population is 412 full time employees who come from different department such as front office, sales & marketing, reservation, food and beverage, laundry, kitchen, and so on.

The procedure to determine the sample size is taken from Tabachnick and Fidell (2001) which is formulated N > 50 + 8, where N is sample size and m is number of independent variables. Thus, the minimum sample size is 90.

In order to process and analyze the data that have been collected, the writer will utilize SPSS (Statistical Software Package for Social Science) program version 20.0. Writer will conduct validity and reliability test in order to fulfill the criteria needed of good measurement. Furthermore, multiple regression is chosen as analytical tool since this research aim to determine the impact of independent variables toward dependent variable. Thus, Classic Assumption test has to be conducted which consists of multicollinearity, autocorrelation, homoscedasticity and normality test to know whether the model generated by multiple regressions can be relied upon.

In multiple regression analysis, there are three criteria need to be looked at which are F-test, t-test, coefficient of determination (R^2) to determine the significant of the statistic model.

RESULTS AND DISCUSSION

The writer distributed 120 questionnaires to respondents who are employee in XYZ Hotel Surabaya. However, only 100 which were able to be collected and 10 of them cannot be used due to the incomplete answer by the respondents. So, there are 90 questionnaires which can be processed further.

In order to check the validity of the data, the test can be performed by comparing the r value of each item (Corrected Item-Total Correlation) with the r table from degree of freedom. Here, the formula for df = n-2 where n is the number of sample. Therefore, df is 88 (90-2) and alpha is 0.05 which has r table value of 0.2072 for two tailed test (Ghozali, 2011). The rule of thumb is if the r value of each item from both independent and dependent is bigger than r-table value, it indicates that the indicators is valid. As the result, the lowest value of each independent variable starting from training and education, health and safety, human rights, work-life balance, and workplace diversity are 0.678, 0.450, 0.393, 0.416, 0.504, 0.612, and 0.449. Thus, it can be concluded that all indicators are valid.

Whilst, in order to check the reliability of the data, it will be assessed through internal consistency since the questionnaire only once distributed to the respondents. Internal consistency is assessed the correlations between different items on the same test and it is used when a measure contains a large number of items (Cooper & Schindler, 2010). The common test for checking the internal consistency is through Cronbach's coefficient alpha. According to Ghozali (2011), the ideal value should be above 0.7. The higher the value indicates indicators have great reliability. As the result, all Cronbach's alpha values are higher than 0.7, starting from training and education, health and safety, human rights, work-life balance, workplace diversity are 0.858, 0.800, 0.728, 0.790, 0.888, and 0.778. Thus, all the indicators are reliable.

Multicollinearity test is conducted to discover collinearity, which refers to condition whether more than two independent variables are highly correlated. Multicollinearity also can be identified by looking at tolerance value or variable inflation factor (VIF) index in "Collinearity Statistic" column. As the rule of thumb, multicollinearity will exist if the tolerance value is smaller than 0.1 or VIF value is bigger than 10 (Cooper & Schindler, 2011). As the result, all tolerance value of independent variables is higher than 0.1 starting from training and education, health and safety, human rights, work-life balance, and workplace diversity which are 0.730, 0.470, 0.350,

0.385, and 0.417. While for VIF, the values for each independent variable consecutively are 1.369, 2.129, 2.856, 2.598, and 2.399. Thus, it can be concluded that multicollineariy does not exist in the research model.

The autocorrelation test can be measured by Durbin-Watson statistical measurement. As the rule of thumb, the value of Durbin-Watson should between upper critical value or d_U and $4 - d_U$ (Gujarati, 2006). The value of d_L (lower critical value) and d_U (upper critical value) can be obtained from Durbin-Watson table at 0.05 significance value, k=5 and n=90, which are 1.542 and 1.776. The result showed that the Durbin-Watson value for both regression model is higher than 1.776 and lower than 2.224 ($4 - 1.776$) which are 1.980 and 1.795

The objective of heterocedasticity test is to examine whether the regression model has consistence variance of residuals or errors across observations. In order to assure that there is no heterocedasticity in both regressions, Park Test will be utilized. As the rule of thumb, if the significance value is higher than 0.05, it indicates there is no heterocedasticity in residuals. The result for first regression with employee engagement as dependent variable show that all significance values for each independent variables starting from training and education, health and safety, human rights, work-life balance and workplace diversity are higher than 0.05, which are 0.217, 0.446, 0.815, 0.448, and 0.342. Moreover, for the second regression model with affective commitment as dependent variable also show that all significance values for each independent variables starting from training and education, health and safety, human rights, work-life balance and workplace diversity are higher than 0.05, which are 0.248, 0.534, 0.337, 0.394, and 0.194. It can be concluded that in both regression model show consistency of variance of residuals.

The objective of normality test is to find out whether residuals in regression model are normally distributed or not. In order to know the distribution of the residuals, K-S test will be utilized. As the rule of thumb, if the significance value is higher than 0.05, it indicates residual are normally distributed. The result showed, that both regression models has significance value higher than 0.05 which are 0.583 and 0.790. Thus, the null hypothesis is accepted and it can be concluded that the residuals are distributed normally.

In regression analysis, there are three components need to be analyzed which are the coefficient of multiple determinations (R^2), the F-test and t-test.

Based on first regression with employee engagement as dependent variable, the Adjusted R Square value is 0.330 or 33%. Thus, it indicates that independent variables which are training and education, health and safety, human rights, work-life balance, and workplace diversity are able to explain

the variance of employee engagement for 33%. While for F-test, the significance value under ANOVA table is 0.000. Thus, it can be said that all independent variables simultaneously have significance impact towards employee engagement. Furthermore, for t-test as depicted in Table 1, there are two independent variables which individually give significance contribution to employee engagement: health and safety with 0.008 as well as workplace diversity with 0.004.

Table 1. Result of Regression Analysis with Employee Engagement as dependent variable

Model	Unstandardized Coefficients		Sig.
	B	Std. Error	
(Constant)	1.600	.471	**.001**
TrainingEducation	-.042	.094	**.657**
HealthSafety	.406	.149	**.008**
HumanRights	-.011	.152	**.943**
WorklifeBalance	-.040	.115	**.727**
WorkplaceDiversity	.351	.118	**.004**

After conducting the analysis, writer found that internal CSR has significance impact on employee engagement. It is proven by the statistical result which showed the Sig. value is 0.000. Therefore, from hypothesis 1, H_0 is rejected.

The formulation for regression model with Employee Engagement as dependent variable based on Table 1 under Unstandardized Coefficients column will be as following:

EmployeeEngagament = 1.6 – 0.042TrainingEducation + 0.406HealthSafety – 0.011HumanRights – 0.040WorklifeBalance + 0.351WorkplaceDiversity

The regression coefficient of each variable indicates how much the dependent variable is expected to increase or decrease when particular independent variable increases by 1 and all other independent variables are constant. For example, the regression coefficient of Health and Safety is 0.406; it indicates that if variable heatlh and safety increases by 1, it will increase the Employee Engagement by 0.406.

Comparing these findings to existing research explained in prior, the first regression model with employee engagement as dependent variable is in line with the findings of Albdour and Altarawneh (2012) which is found that Health and Safety is the strongest predictor in affecting Employee Engagement. It is believed that poor health and safety in the workplace will result in lower productivity and high rate of absenteeism (Boyd, 1997). Furthermore, employees also expect that the company could secure their

healthiness and safety while working especially related with machine and chemical stuff. Once the company can fulfill this expectation, employees will look forward to going to work and enjoys it since they feel safe. Thus, it is important for a company to provide health and safety environment. Furthermore, in this regression model, workplace diversity is the second predictor that significantly influences Employee Engagement. It slightly different comparing the result from Albdour and Altarawneh (2012) which is found that workplace diversity is the third predictor that significantly influence employee engagement after human rights. The possible reason might be because XYZ Hotel Surabaya states that they value diversity and inclusion. They value differences and believe that differences will make a good result.

Based on second regression with affective commitment as dependent variable, the Adjusted R Square value is 0.379 or 37.9%. Thus, it indicates that independent variables which are training and education, health and safety, human rights, work-life balance, and workplace diversity are able to explain the variance of affective commitment for 37.9%. While for F-test, the significance value under ANOVA table is 0.000. Thus, it can be said that all independent variables simultaneously have significance impact towards affective commitment. Furthermore, for t-test as depicted in Table 2 there are single independent variables which individually give significance contribution to affective commitment: health and safety with 0.001.

Table 2. Result of Regression Analysis with Affective Commitment as dependent variable

Model	Unstandardized Coefficients		Sig.
	B	Std. Error	
(Constant)	-.083	.568	**.884**
TrainingEducation	-.077	.113	**.500**
HealthSafety	.615	.180	**.001**
HumanRights	.094	.184	**.611**
WorklifeBalance	.141	.139	**.315**
WorkplaceDiversity	.163	.142	**.255**

After conducting the analysis, writer found that internal CSR has significance impact on affective commitment. It is proven by the statistical result which showed the Sig. value is 0.000. Therefore, from hypothesis 2, H_0 is rejected.

The formulation for regression model with Affective Commitment as dependent variable based on Table 2 under Unstandardized Coefficients column will be as following:

AffectiveCommitment= -.083 − 0.077TrainingEducation + 0.615HealthSafety + 0.094HumanRights + 0.141WorklifeBalance + 0.163WorkplaceDiversity

Furthermore, based on the findings, all independent variables simultaneously give significant impact toward Affective Commitment. However, only Health and Safety as independent variable which affect Affective Commitment individually as well as the strongest predictor with unstandardized coefficient value of 0.615. This finding is confirmed by previous study from Keraita, Oloko and Elijah (2013) as well as Albdour, Ali, Nasruddin, and Lin (2010) which found that health and safety give significant influence to Affective Commitment. When a company could maintain health and safety within the work environment by ensuring the equipments are functioning correctly, employees have adequate space to work and feel safe as well as secure it will increase employees' level of commitment. It is believed that health and safety will reduce turnover, increase job satisfaction, lower degree of job stress, and burnout among employees (Kramer & Schmalenberg, 2008). Pejtersen and Kristensen (2009) stated that health and safety indirectly affect affective commitment. However, if company disregards this factor, it will create dissatisfaction among employees and it may create negative effect on affective commitment since it will increase employee turnover. Therefore, it is important for company to provide health and safety work environment for employees.

Training and Education does not give significant impact individually toward Affective Commitment. This finding is very interesting since writer find similarity and difference with existing research from Keraita, Oloko, and Elijah (2013) as well as research from Albdour, Ali, Nasruddin, and Lin (2010). The first research found that training individually has no impact to commitment. While the third research found that training and education was the second strongest influence factor in affective commitment. This issue still is debated with many researchers. Samuel and Chipunza (2009) found that training and education is a mean of company to build long-life relationship with employees that resulted in increasing retention and reducing turnover. Training and education will enrich and enhance employee's capability, guide and support them to achieve long-term career development as well as competency at work (Pare & Trembley, 2007; Liu, 2004). When employees perceived their company is supportive and caring about them by providing training and education in order to enhance their capabilities as well as help them meet the needs for personal growth, it will increase their commitment toward the organization (Bartlett, 2001). However, there is another fact that researchers found in which training and education somehow increase employee turnover by making them more attractive to move to other company which

indicates that they less committed (Haines, Jalette, & Larose, 2010). When company provides training for employees, it indicates that they want to invest in human capital. Employees who join the training and education will get benefits in terms of skills and knowledge. At that point, they will demand higher salary of position that suitable with what they capable of. If company cannot provide higher salary, it will result in increasing turnover since the employees are willing to move to other company that can provide them with higher salary and they will be less committed to their company (Frazis & Spletzer, 2005).

CONCLUSION

The first regression model with employee engagement as dependent variable, it is proven that the model indicates that internal CSR simultaneously give impact on employee engagement. Furthermore, based on t-test result two out of five independent variables which are health and safety as well as workplace diversity individually give significance impact on Employee Engagement. These findings are in line with existing research from Al-bdour and Altarawneh (2012). XYZ Hotel Surabaya employees value a company which can fulfill their expectation in providing health and safety work environment in where they are able to enjoy the work and feel safe. Moreover, XYZ Hotel Surabaya value diversity and inclusion which should be embraced by all employees in which company respect differences and give equal opportunity in terms of gender, race, and nationality origin

The second regression model with Affective Commitment as dependent variables, it is also proven the model is significant and it indicates that internal CSR simultaneously give impact on Affective Commitment. Based on t-test result, it is showed that one out of five independent variables individually give significance impact on Affective Commitment which is health and safety. This finding is in line with research from Keraita, Oloko and Elijah (2013) as well as Albdour, Ali, Nasruddin, and Lin (2010) which found that health and safety give significant influence to Affective Commitment.

Furthermore, it turns out that Health and Safety always becomes the strong predictor in effecting both Employee Engagement and Affective Commitment. It is indicates that Health and Safety as internal CSR can be considered as important factor in increasing the level of engagement as well as affective commitment for XYZ Hotel Surabaya. This finding is also supported from existing research from Keraita, Oloko and Elijah (2013); Albdour and Altarawneh (2012); as well as Albdour, Ali, Nasruddin, and Lin (2010).

Writer realized there are some limitations in this study which are as following: first, this study adopt cross sectional design which lack of ability to differentiate the cause and effect from simple association and provide an explanation of causality (Mann, 2003); second, this study has small sample size which actually will be better to have larger sample size since it will increase accuracy, represent the population better, and decrease sampling error (Newman & Mcneil, 1998).

Furthermore, there are some suggestions that writer propose as reference for future researchers which are as following: first, adopt longitudinal design in order to sustain the causality between dependent and independent; second, extend internal CSR elements to detect another factors that also able to increase engagement and affective commitment; third, take sample from all divisions to be able to have fully opinion from whole population; forth, adopt both quantitative and qualitative research method.

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