A Welcome Note from the Managing Editors:

We proudly present to you a new issue of *International Journal of Business Strategy* (IJBS), Volume 13, Number 4, 2013, a publication of the International Academy of Business and Economics. In this issue, we publish papers on various topics in the business strategy and hope you will find them useful. IJBS is sponsored by the California State University Channel Islands, California. IJBS is listed in the Cabell’s Directories of Refereed Publications 2005-14 Edition. The Journal is also listed in the Ulrich’s International Periodicals Directory since 2004. The IJBS has the ISSN (ISSN: 1553-9563) issued by the Library of Congress, Washington. *International Journal of Business Strategy* (IJBS) is a Registered Trademark of the International Academy of Business and Economics. IJBS is available online at EBSCO Publishing and at the Cengage/Gale Publishing.

The academic foundations and real-world applications related to business and economics are rapidly changing. Globalization is accelerating. Challenges for everyone are increasing daily. IJBS presents an analytical perspective on these developments with a special focus on the strategic responses of organizations facing such developments.

The response to this volume has been very gratifying. We wish to thank all authors who submitted such an excellent selection of papers.

All submitted work to the Journal goes through a rigorous double blind review process of experts in the functional area. We wish to thank the scholars who contributed their time and expertise as reviewers for this issue. We are grateful to them and to our board members for donating their time for the cause of academics and research that makes this Journal possible. Our reviewers are a diverse group, from many academic areas and from many countries. We appreciate their dedication and especially for their work under very tight deadlines.

This issue is dedicated to our contributors’ active participation in development of conceptual and applied work for the international arena of business and economy.

We are indebted to California State University Channel-Islands for sponsoring this inaugural issue and providing the invaluable editorial support necessary to the successful birth of the IJBS.

Our website, www.iabe.eu, is completely redesigned for online paper submission, checking status of your paper, and more. We invite you to visit our website and create your member account.

We welcome your comments and suggestions on this issue. We look forward to your paper submissions for future issues.

Best regards,

William P. Cordeiro, Ph.D.
Tahi J. Gnepa, Ph.D.

Managing Editors
THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY ORIENTATION IN HUMAN RESOURCE MANAGEMENT AND EFFECTIVENESS OF PRIVATE HOSPITAL IN THAILAND

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Kannika Janepuengporn, Mahasarakham Business School, Mahasarakham University, Thailand

ABSTRACT

The purpose in this study is to examine the relationships between corporate social responsibility orientation (economic, moral, social, environment and legal) in HRM and organizational effectiveness via organizational trust, organizational commitment and organizational citizenship behavior. Here, 131 private hospitals in Thailand are chosen as the sample of the study. According to medical service business in Thailand, the results of OLS regression analysis indicate that five dimensions of CSR in HRM have significant influence on organizational trust, organizational commitment, organizational citizenship behavior and organizational effectiveness. Potential discussion with the research results is effectively implemented in the research. Theoretical and managerial contributions are explicitly provided. Conclusion and directions of the future research are highlighted.

Keywords: Corporate Social Responsibility, Human Resource Management, Organizational Trust, Organizational Commitment, Organizational Citizenship behavior, and Organizational Effectiveness.

1. INTRODUCTION

Corporate Social Responsibility (CSR) is broadly acknowledged as key success factors for the completion of social and environmental initiative. CSR topics are being combined into all aspects of business operations and are merged into the visions, mission and value statements of many companies around the world. Nowadays, firms are increasing pressure to pursue socially responsible behavior from a variety of stakeholder group (Lee et al., 2013). Most of CSR concepts are influenced by social or environmental issues. Carroll (1999) offers a general approximation of social responsible HRM in terms of a moral management. Human resource is vitaly important for utilizing ethical corporate behavior in daily working life of the company. Branco and Rodriges (2006) suggest that the CSR activities may increase employee moral, employee ethics and corporate reputation. Although CSR has been studied in different discipline, it seems to be limited research regarding the implications of CSR in human resource management. Moreover, CSR can be inspired by human resource management to become stakeholder-accountable organization (Simmons, 2008).

Many researchers claim that the important components of CSR are economics, moral, social, environment and legal perspectives (Carroll, 1991; Perrini et al., 2007; Lee et al., 2013). From organizational point of view, a number of academics have recognized that CSR in HRM directly affects employee motivation (Skudiena and Auraskeviciene, 2012) and organizational performance (Buciuiane and Kazlauskaite, 2012). Even though CSR has been widely applied to various researches, only few researches clearly explain internal CSR such as how and why CSR in HRM can achieve organizational effectiveness. Consequently, the interpretation of direct and indirect effects between CSR in HRM and organizational outcomes should be considered. Thus, the objective of this research is to clarify both direct and indirect relationships between CSR in HRM and organizational effectiveness. The main research question is how CSR orientation in HRM affects organizational effectiveness. It is believed that development of CSR model specific to the health care sector is particularly significant because of the high degree of management complexity with stakeholder, in which professional skills, know-how, ethics and morality are a symbol of an important driving force in achieving high performance (Simmons, 2008).

Hence, the private hospitals in Thailand were chosen to be investigated for this study as they are a part of medical service business that can generate tremendous revenue for the country by using CSR in HRM as organizational effectiveness in order to gain better business performance. Consequently, this paper contributes to existing literature by providing the evidence of the impact of CSR in HRM on organizational effectiveness in medical service business sector.
Here, CSR orientation in HRM is defined as the strategic way in which a company's operating human resource practices (policies, process, and procedures) to its employees by the art of doing well and its components are economics, moral, social, environment and legal perspectives. In this paper we limit to employee in part of their business HR practice. We focus on internal CSR activities especially in function of human resource management. The several themes see CSR as actions that contribute to sustain development through the company's core business activities. As mentioned earlier, we concluded that CSR activities enhance as a critical business success factors and close relative to organizational outcome.

This research is outlined as follows: The first part presents the literature reviews on CSR orientation in HRM that leads to organizational trust, organizational commitment, organizational citizenship behavior and organizational effectiveness. The second details research methods, including data collection, measurement, statistics, and results are discussed and shown. Consequently, contributions, limitations, future directions, and conclusion are presented.

2. RELEVANT LITERATURE REVIEWS AND RESEARCH HYPOTHESES DEVELOPMENT

![Conceptual Model of Corporate Social Responsibility Orientation in Human Resource Management and Effectiveness of Private Hospital in Thailand](image)

The stakeholder theory as the theoretical lens explains how CSR orientation in HRM as the most important internal stakeholders to be really effective and affect value of organizational effectiveness (Lee et al., 2013). Moreover, CSR in HRM is viewed as the stock of knowledge assets that are owned by organization and drive organizational value. In this research, CSR orientation in HRM consists of five dimensions as economics, moral, social, environment and legal responsibilities. The strength of CSR in HRM has potential to convert organizational well-being, and transform into employee values. The research of Lee et al., (2013) explained that employee perception of CSR activities plays a critical role in both increasing loyalty and lower turnover rate. Thus, firms with high CSR orientation in HRM as a key success factor to improve productivity and tend to enhance organizational trust (Aguilera et al., 2007) organizational commitment (Srammer et al., 2007) organizational citizenship behavior (Heslin and Ochoa, 2008) and lastly, achieve organizational effectiveness (Buculiene and Kazlauskaite, 2012). Accordingly, a conceptual model of this research is shown in Figure 1.

2.1 Corporate Social Responsibility Orientation in Human Resource Management

Baron (2001) defined CSR as private provision of a public good. Waddock and Bodwell (2004: 25) defined CSR *as the way in which a company's operating practices (policies, process, and procedures)*
affect its stakeholders and the natural environment. In general sense, CSR is as "the art of doing well by doing good" (Aguilera, 2007: 179) whereas HRM strategy is equally concerned with ethics as effectiveness (Simmons, 2008). The best practice of HRM view people as sources of competitive advantage and behaves ethically toward them. Most academics point out that CSR is composed of four dimensions as economics, moral, legal and philanthropic perspectives (Carroll, 1991). However, Basu and Palazzo (2008) allocated CSR into three categories: community involvement, customer orientation and employee orientation. The number of research indicated that HRM is related to CSR activities (i.e. Vountisjarvi, 2005; Simmons, 2008). The study of Vountisjarvi (2005) explained eight groups of HRM-related CSR activities: values and principle, training and staff development, employee involvement, job security, employees health and well-being, equal opportunity, work-life balance and integration of disadvantage group into workforce. In addition, Perrin et al, (2007) studied CSR in HRM in ten activities such as 1) training activities 2) safeguarding employee health 3) local community development 4) support of cultural activities 5) product safety 6) controlling environmental impacts of products 7) support of sport activities 8) employee services 9) environmental protection activities and 10) customer satisfaction. From the categorization mentioned above, there are different definitions and classifications CSR due to different research backgrounds. In this research, CSR orientation in HRM is defined the strategic way in which a company's operating human resource practices (policies, process, and procedures) to its employees by the art of doing well and its components are economics, moral, social, environment and legal perspectives, following CSR aspects of Caroll, 1991 and Bucicriente and Kazlauskaite, 2012; Celina et al., 2012).

Economic Responsibility (ECR). The term CSR of HRM in economic perspectives refers to the responsibilities of human resource on the capability and the accomplishment of economic well-being such as providing equitable wage system, profit sharing, fair compensation to productivity, worthwhile reward and benefits. The study of Orlikzky et al (2003) confirms that CSR is the way to achieve the success of maximize benefits in long term of business performance. Furthermore, Heslin and Ochoa (2008) suggest that some of employees are willing to get low pay salaries for a chance to work for a socially responsible company. In addition Aguilera et al., (2007) indicated that perceived of fair treatment in workplace can enhance employees' commitment and trustworthiness. The study of Weber (2008) asserts that CSR can improve competitiveness and related to economic success. Thus, the hypothesis is proposed as follows:

Hypothesis 1a-1d: In economic perspective, CSR in HRM is positively associated with (a) organizational trust, (b) organizational commitment, (c) organizational citizenship behavior and (d) organizational effectiveness.

Moral Responsibility (MOR). The term CSR of HRM in moral perspectives refers to the ethical responsibilities based on norms, values, standards, and expectations to fix practices in human resource function including standard, transparency and accountability of recruitment, selection and performance assessment. Well-doing and the goodwill of image and reputation attract positive acceptance from key stakeholders that contribute overall success of the firm. The image of CSR activities can directly stimulate employee because they work in a better workplace situation and can convince employees to participate in CSR activities. Aguilera et al., (2007) show that CSR aspects are the most priorities of job's seekers and the main criteria choosing the company. Furthermore, good corporate establish and maintain a loyal relationship with customer (Poorthong, 2009). CSR activities should be ethical and provide social value and accountability, accepting the right of stakeholders and responsible for its wider impact on society. In CSR effect, a good reputation can increase employee motivation (Dzansi and Pretorius, 2009) and affect employee recruitment and retention which can reduce human resource cost in long, and loyalty to the firm (Lindgreen, Swaan and Johnston, 2009; Virakul, 2009; Weber, 2008). Based on such considerations, accordingly, the following hypothesis is formulated:

Hypothesis 2a-2d: In moral perspective, CSR in HRM is positively associated with (a) organizational trust, (b) organizational commitment, (c) organizational citizenship behavior and (d) organizational effectiveness.

Social Responsibility (SOR). The term CSR of HRM in social perspectives refers to the values to which employee perceive a company support HR activities such as training, career development, education
related to a social cause and the relationships between an organization and its stakeholders (Celma et al., 2012). Relationships between employee activities such as training, career development, education related to a social cause and stimulate the creation, acquisition, and exploitation of knowledge, while intra-firm relationships are a source of knowledge development and exchange (Longo et al., 2005). The external advantage of CSR with good social responsibility reputation is that they may affect attractiveness for better employee or increase positive image with stakeholder and, in turn, improve performance (Branco and Rodrigues, 2006). The actual role and challenge of HRD is to implement CSR practices by the specific CSR training program that indicate attitude CSR principle to sense of HR and enable employee to be socially responsible (Fenwick and Bierena, 2008). Also, employee development was extended policies in ethics for all employees, responsibility and diversity beyond job performance. Likewise, Lindgreen, Swaen and Johnson (2009) showed that CSR practices in HRM appear to increase organizational performance in terms of corporate image, a potential employee and social health. Hence, the following hypothesis is formulated:

**Hypothesis 3a-3d:** In social perspective, CSR in HRM is positively associated with (a) organizational trust, (b) organizational commitment, (c) organizational citizenship behavior and (4) organizational effectiveness.

**Environmental Responsibility (ENR).** The term CSR of HRM in environmental perspectives refers to the degree to which employee perceive a company protect and improve health and safety at work including job security, balance of work-life quality, well-being and satisfaction of worker, quality of work, and participation in decision. It is noted that CSR policies and practices by taking better care of their employees and continuously seeking to improve their working condition in everyday work may increase organizational performance outcomes (Bucuniene and Kazlauskaite, 2012). In addition, Aguilera et al., (2007) show that the CSR-related HRM practices with job security, employee health and well-being, equal opportunities and work-life balance is related with higher employee commitment and lower turnover. Likewise, the study of Celma et al., (2012) shows that environmental working condition affects employee involvement. Hence, the following hypothesis is formulated:

**Hypothesis 4a-4d:** In environmental perspective, CSR in HRM is positively associated with (a) organizational trust, (b) organizational commitment, (c) organizational citizenship behavior and (4) organizational effectiveness.

**Legal Responsibilities (LER).** The term CSR of HRM in legal perspectives refers to the degree to which employee perceive a company operating under the rules and few such as compliance with law, respect for the rights of employees and good governance. It has also laid down certain ground rules under which business is expected to pursue its economic role. Law reflects a kind of "codified ethics" in society in the sense that it embodies basic notions of fairness or business righteousness, at least as agreed upon by our legislators (Carroll, 1999). Furthermore, good corporate establish and maintain a loyal relationship with customer (Poomthong, 2009). Thus, the organization which respect to legal responsibilities include ethical norms regarding correctness and justice can enhance individual and organizational performance. Hence, the following hypothesis is formulated:

**Hypothesis 5a-5d:** In legal perspective, CSR in HRM is positively associated with (a) organizational trust, (b) organizational commitment, (c) organizational citizenship behavior and (4) organizational effectiveness.

### 2.2 Organizational Trust (ORT)

Trust is defined as the person’s degree of confidence in the words and actions of another (Lewicki, McAllister, and Bies, 1998). Trust in organizational authorities has been shown to influence a variety of subordinate’s work attitudes and behavior (Brockner, Siegel, Daly, Tyler and Martin, 1997). Trust can be viewed as stable confidence based on honesty, ability and type of personality. When trust levels are high, employees are supportive and committed to organization. The research of Guo and Zhou (2013) and Taleghani and Mehr (2013) report that trust has a positive effect on OCB. In a similar vein, Tabarsa et al., (2010) shows a positive relationship between organizational trust and organizational effectiveness. Hence, the following hypothesis is formulated:
Hypothesis 6a-6b: Organizational trust is positively associated with (a) organizational citizenship behavior and (b) organizational effectiveness.

2.3 Organizational Commitment (ORC)

Organizational commitment is defined as the relative strength of individuals with their organization, characterized by strong identification with the organization and a desire to contribute to the accomplishment of organizational goals (Meyer et al., 1993). Meyer and Allen (1993) proposed three characteristics of organizational commitment namely 1) affective commitment is a belief and acceptance of the values and goals of the organization, 2) continuance commitment is a strong willingness to put in effort for the organization, and 3) normative commitment is the ethical responsibility to remain with the organization. Previous studies state that highly committed employees are more satisfied with their work and ultimately, increase job performance (Chen and Francesco, 2003). Likewise, a number of research show that organizational commitment is positively related to organizational citizenship behavior (Allameh et al., 2011; Bakhshi et al., 2011) and organizational effectiveness (Shahid and Azhar, 2013). As described above, the hypothesis is proposed as follows:

Hypothesis 7a-7b: Organizational commitment is positively associated with (a) organizational citizenship behavior and (b) organizational effectiveness.

2.4 Organizational Citizenship Behavior (OCB)

Organizational Citizenship Behavior is defined as a behavior helping to maintain and increase a spiritual, psychological and social concept which increases performance (Van Beurden, 2008). In Prior study has proposed four dimensions to clarify OCB namely: social exchange, identification, impression management and positive relationship which are positive behavior with other employees (Blatt, 2008). In addition, Podsakoff et al., (2000) explain OCB component as 1) Helping Behavior, (2) Sportsmanship, (3) Organizational Loyalty, (4) Organizational Compliance, (5) Individual Initiative, (6) Civic Virtue, and (7) Self Development. A number of researches found out that OCB is positively related to both individual and organizational effectiveness (Podsakoff et al., 2000; Yen et al., 2004; Alizadeh et al., 2012). Hence, the following hypotheses are formulated:

Hypothesis 8: Organizational citizenship behavior is positively associated with organizational effectiveness.

3. RESEARCH METHODS

3.1 Sample and Data Collection Procedure

The population and sample of this research are 384 private hospitals in Thailand chosen from data file of the Department of Business Development, Ministry of Commerce, Thailand. (http://knowledgebase.dbd.go.th/DBD/Main/login.aspx, 6 May, 2013). The key participants in this study are executive director, HRM director or HRM manager of each firm.

A mail survey was used for data collection. The questionnaires were sent to 384 private hospitals. With regard to the questionnaire mailing, 5 surveys were undeliverable because some firms were no longer in business, address errors or had moved to unknown locations. Removing the undeliverable from the original 384 mailed, the valid mailing was 379 surveys, from which 136 responses were received. Due to 5 incomplete questionnaires, they were deducted from further analysis. Of the surveys completed and received, only 131 are usable. The effective response rate is approximately 34.66%. According to Aaker et al., (2001), the response rate for a mail survey, without an appropriate follow-up procedure if greater than 20%, is considered acceptable.

Finally, the non-response was tested for independent two samples. A comparison of early responses and late responses data is recommended by Armstrong and Overton (1977). T-tests comparing the first 67 survey responses received with the last 66 survey responses across firm’s four characteristics (i.e. number of employees, number of years in business, amount of capital invested, and sale revenue) did not
find any significant differences between the two groups. Thus, it appears that non-response bias does not pose a significant problem for this research.

3.2 Questionnaire Development and Variable Measurement

3.2.1 Questionnaire Development
To examine the relationships mentioned earlier, the questionnaire of this study was developed to assess the dimensions of CSR orientation in HRM, and outcomes. There are five parts in a questionnaire. Part one asks for personal information. Part two asks about private hospital information. Part three and four, all questions deal with the measurement of CSR in HRM and the outcomes. Lastly, an open-ended question for suggestions and opinion is included.

3.2.2 Variable measurement
In the conceptual model, all of variables were measured on five point Likert scale, ranging from '1 = strong disagree' to '5 = strong agree', except control variable. The variable measurements of dependent, independent, and control variables are described as below:

Organizational Effectiveness is the dependent variable of this research. It is measured by employee turnover, organizational productivity, outstanding service over competitor and customer acceptance. This construct is adapted from Sananamengtha Isong and Ussahawanitchakit (2010) including four-item scale. Economic Responsibility is measured by the capability and the accomplishment of economic well-being such as providing equitable wage system, profit sharing, fair compensation to productivity, worthwhile reward and benefits. This construct is adapted from Bucuinei and Kazauskaite (2012) including four-item scale. Moral Responsibility is measured by a link of firm's potential to apply fix practices in human resource function including standard, transparency and accountability of recruitment, selection and performance assessment which is a new measurement including four-item scale. Social Responsibility is measured by activities such as training, career development, education related to a social cause and the relationships between an organization and the firm being able to cooperate and cultivate a good friendship with stakeholders. This construct is adapted from Bucuinei and Kazauskaite (2012) including three-item scale. Environmental responsibility is measured by employee perceive a company protect and improve health and safety at work including job security, balance of work-life quality, well-being and satisfaction of worker, quality of work, and participation in decision. This construct is adapted Bucuinei and Kazauskaite (2012) including three-item scale. Legal Responsibility is measured by the degree to which employees perceive a company operating under the rules and law such as compliance with law, respect for the rights of employees and good governance. This construct is new measurement including three-item scale. Organizational Trust is measured by the extent to which the person's degree of confidence in the words and actions of another. This construct is adapted from Mishra and Mishra's (1994) including three-item scale. Organizational Commitment is measured as the relative strength of individuals with their organization, characterized by strong identification with the organization and a desire to contribute to the accomplishment of organizational goals. This construct is adapted from Meyer et al., (1993) including three-item scale. Organizational citizenship behavior is measured by a behavior helping to maintain and increase a spiritual, psychological and social concept which increases performance. This construct is adapted from Podsakoff et al., (1997) including four-item scale.

The control variables are also likely to affect the relationships. In this research, there are two of them including firm size and firm capital; because different size may affect CSR in HRM practices (Celma et al., 2012). This study defines firm size as the number of patient beds in hospital has been established. Also, firm capital may impact the capacity of a firm to implement business strategies in order to achieve superior performance (Ussahawanitchakit, 2007). It is measured by amount of capital invested.

3.3 Validity and Reliability
With respect to the confirmatory factor analysis, this analysis has a high potential to inflate the component loadings. Factor analysis was utilized for construct validity. This analysis has a high potential to expand the component loadings. Hence, a cut-off at 0.40 was adopted (Nunnally and Bernstein, 1994). All factor loadings in this research are greater than the 0.40 cut-off and are statistically significant. The reliability of the measurements in this research was evaluated by Cronbach alpha coefficients. In the scale reliability,
Cronbach alpha coefficients are greater than 0.70 (Nunnally and Bernstein, 1994). The scale of all measurement appears to produce internally consistent results; thus, these measures are deemed appropriate for future analysis as they express an accepted validity and reliability. Table 1 shows the results for both factor loadings score between 0.7-0.9 signifying that there is construct validity, and Cronbach alpha for all variables are shown between 0.7-0.9 indicating that there is reliability.

**TABLE 1**

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor Loadings</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Effectiveness (ORE)</td>
<td>.852-.912</td>
<td>.902</td>
</tr>
<tr>
<td>Economic Responsibilities (ECR)</td>
<td>.815-.919</td>
<td>.888</td>
</tr>
<tr>
<td>Moral Responsibilities (MOR)</td>
<td>.820-.867</td>
<td>.851</td>
</tr>
<tr>
<td>Social Responsibility (SOR)</td>
<td>.773-.857</td>
<td>.737</td>
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<tr>
<td>Environmental Responsibilities (ENR)</td>
<td>.831-.909</td>
<td>.809</td>
</tr>
<tr>
<td>Legal Responsibilities (LER)</td>
<td>.893-.907</td>
<td>.848</td>
</tr>
<tr>
<td>Organizational Trust (ORT)</td>
<td>.837-.874</td>
<td>.879</td>
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<tr>
<td>Organizational Commitment (ORC)</td>
<td>.814-.938</td>
<td>.914</td>
</tr>
<tr>
<td>Organizational Citizenship Behavior (OCB)</td>
<td>.831-.918</td>
<td>.907</td>
</tr>
</tbody>
</table>

3.4 Statistic Test

The Ordinary Least Square (OLS) is utilized to assess all hypotheses in this study. Because both dependent and independent variables in this study were neither nominal data nor categorical data, OLS is an appropriate method for examining the hypothesized (Hair et al., 2006). After all is said and done, the model of the relationships mentioned above is shown below.

**Equation 1:**  
\[ ORT = \beta_{01} + \beta_{1} FA + \beta_{2} FC + \beta_{3} ECR + \beta_{4} MOR + \beta_{5} SOR + \beta_{6} ENR + \beta_{7} LER + \epsilon \]

**Equation 2:**  
\[ ORC = \beta_{02} + \beta_{9} FA + \beta_{10} FC + \beta_{11} ECR + \beta_{12} MOR + \beta_{13} SOR + \beta_{14} ENR + \beta_{15} LER + \epsilon \]

**Equation 3:**  
\[ OCB = \beta_{03} + \beta_{16} FA + \beta_{17} FC + \beta_{18} ECR + \beta_{19} MOR + \beta_{20} SOR + \beta_{21} ENR + \beta_{22} LER + \epsilon \]

**Equation 4:**  
\[ ORE = \beta_{04} + \beta_{23} FA + \beta_{24} FC + \beta_{25} ECR + \beta_{26} MOR + \beta_{27} SOR + \beta_{28} ENR + \beta_{29} LER + \epsilon \]

**Equation 5:**  
\[ OCB = \beta_{05} + \beta_{29} FA + \beta_{30} FC + \beta_{31} ORT + \beta_{32} ORC + \epsilon \]

**Equation 6:**  
\[ ORE = \beta_{06} + \beta_{33} FA + \beta_{34} FC + \beta_{35} ORT + \beta_{36} ORC + \beta_{37} OCB + \epsilon \]

4. RESULTS AND DISCUSSION

The descriptive statistics and correlation matrix for all variables are shown in Table 2. With respect to possible problems relating to multicollinearity, all the correlation coefficients of independent variables are smaller than 0.8. The problem of multicollinearity of independent variables in this model is therefore not significant (Hair et al., 2006). Variance Inflation Factors (VIF’s) was used to check multicollinearity problem among independent variables. The VIF’s ranged from 2.639 – 4.651 are below the cut-off value of 10 recommended by Hair et al., (2006) meaning that the independent variables are not correlated with each other. Therefore, there are no substantial multicollinearity problems encountered in this study. In addition, Table 2 shows the correlation matrix for all variables used in the regression analysis.
TABLE 2
DESCRIPTIVE STATISTICS AND CORRELATION METRIX FOR ALL CONSTRUCTS

<table>
<thead>
<tr>
<th>Variables</th>
<th>ECR</th>
<th>MOR</th>
<th>SOR</th>
<th>ENR</th>
<th>LER</th>
<th>ORT</th>
<th>ORC</th>
<th>OCB</th>
<th>ORE</th>
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<tbody>
<tr>
<td>S.D</td>
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<td>0.665</td>
<td>0.634</td>
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<tr>
<td>MOR</td>
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<tr>
<td>SOR</td>
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<td>.769*</td>
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<tr>
<td>ENR</td>
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<td>.744*</td>
<td>.684*</td>
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<tr>
<td>LER</td>
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<td>.788*</td>
<td>.760*</td>
<td>.760*</td>
<td></td>
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<tr>
<td>ORT</td>
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<td>.725**</td>
<td>.800**</td>
<td>.723**</td>
<td>.770**</td>
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<tr>
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<td>.640**</td>
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<td>OCB</td>
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<td>.736**</td>
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<td>.799**</td>
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**p < 0.01

4.1 Influence of CSR in HRM and consequences

Table 3 presents the OLS regression analysis of CSR in HRM (economic, moral, social, environment, and legal responsibilities) on organizational outcomes. The results reveal that economic responsibility has a significant positive impact on organizational trust (b3 = 0.191, p < 0.05), organizational commitment (b10 = 0.266, p < 0.01) organizational citizenship (b17 = 0.160, p < 0.10) and organizational effectiveness (b2 = 0.326, p < 0.01). Therefore, Hypotheses 1a, 1b, 1c and 1d are supported. All in all, Hypothesis 1 is fully supported consistent with prior literatures. The later, moral responsibility shows no significant influence on organizational trust (b4 = -0.082, p > 0.10), organizational commitment (b14 = 0.073, p > 0.10) organizational citizenship (b18 = -0.145, p > 0.10) and organizational effectiveness (b25 = -0.157, p > 0.10). Therefore, Hypotheses 2 is not supported. Surprisingly, the finding shows that moral responsibility has no significant impact on organizational outcomes. The contrast result may explain by the influence of original culture of Thai in respect to patronage system. This result may due to the fact that an organization should take into consideration of multiple stakeholders which Lindgreen et al., (2009) suggest that CSR practices depend on the stakeholders that organization consider relevant, in turn, leading to organizational performance outcomes. Next, social responsibility has a positive effect on organizational trust (b6 = 0.418, p < 0.01), organizational commitment (b12 = 0.428, p < 0.01) organizational citizenship (b16 = 0.427, p < 0.01) and organizational effectiveness (b26 = 0.245, p < 0.05). All in all, Hypothesis 3 is fully supported consistent with previous literatures. Next, environment responsibility has a significant positive impact on organizational commitment (b13 = 0.210, p < 0.05) and organizational citizenship (b20 = 0.208, p < 0.10) but has no significant with organizational trust (b8 = 0.088, p > 0.10) and organizational effectiveness (b20 = 0.102, p > 0.10). Following the previous literature of social responsibility, this result provides that social responsibility has an indirect effect on organizational effectiveness through organizational commitment and organizational citizenship. Thus, Hypotheses 4b and 4c are supported but hypothesis 4a and 4d are not. Consequently, legal responsibility has a positive effect on organizational trust (b7 = 0.319, p < 0.01), organizational citizenship (b21 = 0.205, p < 0.10) and organizational effectiveness (b28 = 0.303, p < 0.01), but no significant effect on organizational commitment (b14 = 0.046, p > 0.10). Thus, Hypotheses 5a, 5c and 5d are supported but hypothesis 5b is not.

Subsequently, the results in Table 3 show that organizational trust has a significant positive influences on organizational citizenship (b31 = 0.386, p < 0.01), and organizational effectiveness (b29 = 0.356, p < 0.01). Therefore, Hypotheses 6a and 6b are strongly supported. Likewise, organizational commitment has a significant positive influences on organizational citizenship (b29 = 0.554, p < 0.01), and organizational effectiveness (b25 = 0.261, p < 0.01), following the results of numerous literature. Hence, Hypotheses 7a and 7b are strongly supported. Similar to literatures earlier, the finding reveals that
organizational citizenship is positively associated with organizational effectiveness ($b_{32} = 0.243$, $p < .05$). Thus, Hypothesis 8 is supported.

### TABLE 3
RESULTS OF OLS REGRESSION ANALYSIS *

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>1 ORT</th>
<th>2 ORC</th>
<th>3 OCB</th>
<th>4 ORE</th>
<th>5 ORE</th>
<th>6 ORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Responsibilities (ECSR)</td>
<td>.911**</td>
<td>.268***</td>
<td>.160*</td>
<td>.328***</td>
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<td></td>
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<tr>
<td>Moral Responsibilities (MOR)</td>
<td>-.082</td>
<td>-1.073</td>
<td>-1.145</td>
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<td>Social Responsibilities (SOC)</td>
<td>.418***</td>
<td>.422***</td>
<td>.427***</td>
<td>.248**</td>
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<td></td>
</tr>
<tr>
<td>Environmental Responsibility (ENR)</td>
<td>.086</td>
<td>.210**</td>
<td>.209*</td>
<td>.102</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Responsibility (LER)</td>
<td>.319***</td>
<td>.046</td>
<td>.205*</td>
<td>.303***</td>
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<td></td>
</tr>
<tr>
<td>Organizational Trust (ORT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.389***</td>
<td>.356***</td>
</tr>
<tr>
<td>Organizational Commitment (ORC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.554***</td>
<td>.251***</td>
</tr>
<tr>
<td>Organizational Citizenship Behavior (OCB)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.068</td>
<td>.082</td>
</tr>
<tr>
<td>FS</td>
<td>.223**</td>
<td>.067</td>
<td>.021</td>
<td>.456</td>
<td>-.069</td>
<td>.344***</td>
</tr>
<tr>
<td>FC</td>
<td>(.088)</td>
<td>(.103)</td>
<td>(.107)</td>
<td>(.103)</td>
<td>(.104)</td>
<td>(.101)</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
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<td>.687</td>
<td>.593</td>
<td>.622</td>
<td>.780</td>
<td>.730</td>
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<tr>
<td>VIF</td>
<td>4.122</td>
<td>4.651</td>
<td>4.651</td>
<td>4.651</td>
<td>2.639</td>
<td>4.689</td>
</tr>
</tbody>
</table>

*Beta coefficients with standard errors in parenthesis. ** $p < 0.01$, *** $p < 0.001$, * $p < 0.10$

5. CONTRIBUTIONS AND DIRECTIONS FOR FUTURE RESEARCH

5.1 Theoretical Contribution and Directions for Future Research

This research is intended to provide a clearer understanding of the relationships among CSR in HRM, organizational trust, organizational commitment, organizational citizenship behavior and organizational effectiveness. CSR in HRM orientation consists of five dimensions, namely, economics, moral, social, environment and legal responsibilities. It provides unique theoretical contribution expanding on previous knowledge and literature of CSR in HRM. Findings of this research confirm some proof of better linkage between CSR in HRM and organizational performance outcomes.

With respect to the results, element of CSR in HRM has a direct effect on organizational effectiveness and indirect effect via organizational trust, organizational commitment, organizational citizenship. However, moral responsibility is not significant in the relationships.

Then, future research needed to conceptualize the measurement to find out why moral responsibilities is not fully related the aforementioned relationships.

5.2 Managerial Contribution

This research provides some relevant managerial implications. For medical service businesses, they should understand, manage, and prioritize CSR in HRM to provide organizational trust, organizational commitment, organizational citizenship behavior to increase organizational effectiveness.

The findings imply that economic, social and legal responsibilities appear to impact directly on the organizational effectiveness of medical service business of Thailand whereas environmental responsibility appears to impact indirectly via organizational commitment and organizational citizenship.
These findings show that organization with better developed CSR in HRM will have better performance outcomes. In contrast, moral responsibility has no effect with organizational performance outcomes. However, these findings should be interpreted with caution. Thus, medical service executives should understand more about CSR in HRM and its critical role in exposing value creation. The findings of this research suggest that organizations should consider the fact that CSR in HRM become a more proactive managerial response in the labor environment and social concern. This in turn has a positive impact on organizational performance outcomes.

5.3 Limitations and Future Research Directions
This research has some limitations that should be mentioned. Firstly, the data obtained only from private hospital businesses in Thailand. Future research is needed to collect data from different groups of sample and/or a comparative population such as public hospital in order to verify the generalizability of the study and increase the level of reliability.

Secondly, this research is conducted on a small sample size. If with larger sample size, it is expected to make the results more distinct. Lastly and surprisingly, moral responsibility is no effect on the relationship in this research that needs future research to apparently reconfirm.

6. CONCLUSION

CSR is increasingly recognized as an important tool for create organizational effectiveness. Our results underline the importance of CSR in HRM for enhancing organizational performance outcomes in medical service business in Thailand. The purpose in this study is to examine the relationship between CSR in HRM and organizational effectiveness via organizational trust, organizational commitment, and organizational citizenship as mediators.

The model is tested using data collected from mail survey of 131 private hospitals in Thailand. On the whole, the results of the OLS analysis largely confirm our conceptual framework and hypotheses. All in all, the empirical results indicate that mostly of CSR in HRM dimensions has positive impact on organizational trust, organizational commitment, organizational citizenship and organizational effectiveness. Research findings show that economic, social and legal responsibility has direct impact the organizational effectiveness of medical service business of Thailand.

On the other hand, environment responsibility has an indirect effect on organizational effectiveness via organizational commitment and organizational citizenship. Furthermore, the findings conclude that economic and social responsibility is the most important CSR in HRM to explain the effects of organizational performance outcomes. The results of this study support the notion that firms which actively nurture and increase their CSR in HRM are likely to obtain superior performance.

Our findings have important implications for developing countries to describe CSR in HRM which being increasingly recognized as the major driver of corporate growth. Additionally, further study may consider finding practical reasons why some constructs were found with no relationships supporting hypotheses by reviewing extensive literature, or collecting data from a larger sample.

In summary, this research contributes significantly toward understanding how medical service business in Thailand generates CSR orientation in HRM to increase organizational trust, organizational commitment, organizational citizenship and organizational effectiveness.

REFERENCES:


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