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THE INFLUENCE OF INTERNAL CSR AND THE APPLICATION OF PSAK 24 EMPLOYEE BENEFITS ON EMPLOYEE JOB SATISFACTION

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Abstract. This study aims to examine the effect of internal CSR and the application of PSAK 24 about Employee Benefits on employees' job satisfaction, utilizing quantitative descriptive analysis. The population includes full-time employees of companies throughout Indonesia, from which 200 samples were selected through the purposive sampling of non-probability sampling. This study involves primary data collected through questionnaires, and analyzed by SEM-PLS processed by SmartPLS software version 4.1.0.0. The results indicate that internal CSR and the application of PSAK 24 about employee benefits have a positive and significant effect on job satisfaction, suggesting that the realization of a good internal CSR program and the application of PSAK 24 about employee benefits encourage higher employee satisfaction. The research findings can be of benefit to provide evaluation material for company management or the internal CSR programs of organizations to improve their employee satisfaction under PSAK 24 about Employee Benefits.

Keywords: Internal CSR; PSAK 24 Employee Benefits; Employee Satisfaction

I. INTRODUCTION

Employees play a vital role in the operation of a company, as businesses are built and managed by human resources. Therefore, understanding employee job satisfaction is essential to assess the quality of human capital. Higher job satisfaction can lead to increased productivity and a more positive work environment (Golob & Podnar, 2021). One way to improve satisfaction is by fulfilling employee needs and rights. Internally, companies are expected to address employee well-being, both physically and emotionally, including equality and work-life balance (Miller, 2023). When these needs are met, satisfaction improves. If ignored, it can lead to dissatisfaction, conflict, work stress, high turnover, and decreased performance.

The issue of employee dissatisfaction is still common. A global survey by BambooHR (2020–2023) of over 1,600 companies revealed that employees were less satisfied than at the start of the pandemic. This decline was due to poor work environments, heavy workloads, layoffs, and inadequate compensation. To protect workers' rights, internal corporate social responsibility (CSR) programs and labor regulations have emerged. Internal CSR, also known as micro-CSR, reflects a company's ethical and legal commitment to employee well-being (Kim et al., 2020). In accounting, this is regulated under PSAK 24 on Employee Benefits, which requires companies to report obligations for employee benefits in their financial statements (IAI, 2013). However, implementation in Indonesia remains limited due to weak regulations and low awareness among companies.

Research on internal CSR is still less explored compared to external CSR, especially in terms of compensation and employees' subjective well-being (Golob & Podnar, 2021; Ramdhan et al., 2022). Several studies — including those by Manalu & Premananto (2022), Cheah & Lim (2023), Miethlich et al. (2023), and Kim et al. (2020) — found that internal CSR positively affects job satisfaction. Another study by Muniardiningrum & Nugrahanti (2019) showed that PSAK 24 implementation also contributes to employee satisfaction. This research uses Need Fulfillment Theory, which explains that fulfilling both material and non-material employee needs supports higher satisfaction. Thus, internal CSR and PSAK 24 are viewed as efforts to meet these needs. Based on this background, the research questions are:

1. Does internal CSR affect employee job satisfaction?
2. Does the implementation of PSAK 24 Employee Benefits affect employee job satisfaction?

The purpose of this study is to examine the influence of internal CSR and PSAK 24 implementation on employee job satisfaction. This research contributes to the literature by: (1) addressing the limited focus on employees in CSR studies (Rhou & Singal, 2020), and (2) providing empirical evidence on how internal CSR and PSAK 24 impact job satisfaction. The novelty of this study lies in combining both variables to illustrate companies' efforts in fulfilling employee welfare — which often remains unaddressed — and applying these insights across various industries. Additionally, using Need Fulfillment Theory offers a new perspective compared to commonly used frameworks like Social Identity or Social Exchange Theory. Practically, the findings can be used by company management and organizations to evaluate and enhance internal CSR programs and PSAK 24 implementation to improve employee satisfaction. It is also expected to enrich empirical research and serve as a reference for future studies.

II. LITERATURE REVIEW

A. Need Fulfillment Theory

The theory of fulfillment of needs made (Maslow, 1943) by developing needs based on its hierarchy. humans have basic needs both material and non-material that need to be met to meet other higher needs. The reason for using this theory is that Maslow conveyed his theory that human motivation (employees) can affect the employee's own emotional feelings in the form of satisfaction. Meanwhile, this satisfaction can be determined by the hierarchy of basic needs, where the five basic needs are divided into 5 hierarchical levels, namely physiological needs (physiological) needs, security (safety), social (affiliation), appreciation (esteem), and self-actualization (self-actualization). The first level is the most basic level needed by employees, namely physiological needs including sleep, rest, food. This can be realized by the company by providing minimum wages, health insurance, appropriate workload, and so on. The second level, security needs which include a sense of security, fairness, and certainty can be achieved such as security in the workplace, as well as clear company policies. The third level, social needs. Every employee expects to have a comfortable work environment which means good social relations with coworkers and superiors. The fourth level, regarding appreciation needs. At this level is based on an attitude of respect, respect, and appreciation that can be realized such as by rewarding the best employees, mutual respect between workers, and so on. Furthermore, at the fifth level, namely the need for self-actualization, at this last level employees show all their abilities, innovation, and creativity without caring about prejudice

and free from restrictions (Maslow, 1943). When employees have reached these levels, employee satisfaction and motivation will increase as these factors are realized through policy practices and have a positive impact on the company.

B. Employee Satisfaction

Employee satisfaction is a management tool that involves a person's feelings towards work that has significant implications for the organization such as increasing productivity, which is influenced by organizational and management practices that emphasize positive reinforcement (Hantula, 2015). According to Dadang (in Haris, et al., 2023) defines satisfaction as a form of emotional condition felt by employees, both pleasant and unpleasant. Employees who feel happy in doing their job mean that they have positive job satisfaction, on the other hand, if employees do not feel happy in doing their job, they have negative job satisfaction. Employee satisfaction is a concept that can be influenced by various factors such as work-life balance, positive work environment, health and safety, cognitive development and others. It can vary depending on the extent to which individual needs are met. Satisfied employees will tend to exhibit positive workplace behaviors, such as higher levels of commitment, lower absenteeism, increased productivity and job performance, while dissatisfied employees exhibit negative behaviors. Employees' attitudes towards the Company are shaped by the strategic alignment between the Company's commitment and employees' personal goals (Murshed et al., 2021). Therefore, companies need to focus on creating strategies to increase job satisfaction with the aim of increasing productivity and creating a positive work environment.

C. Internal CSR

The World Business Council for Sustainable Development (WBCSD) defines Corporate Social Responsibility (CSR) as a company's continuous commitment to act ethically, contribute to economic development, and improve the quality of life of employees, their families, local communities, and society. CSR has grown rapidly and is now adopted across various sectors due to its impact and pressure from stakeholders, including employees, customers, communities, and governments. CSR is often associated with environmental or community-focused programs, such as environmental preservation and charitable initiatives. Broadly, CSR is divided into two categories: external and internal CSR (Farooq et al., 2017; Hameed et al., 2016; Ramdhan et al., 2022).

External CSR focuses on the environment and society, while internal CSR relates to initiatives aimed at improving the well-being of employees. Although external CSR is more widely known, internal CSR is equally important as it directly supports employee satisfaction and welfare.

Internal CSR is a micro-level concept that emphasizes how employees perceive and respond to socially responsible actions taken by their employers (Farmaki et al., 2022; Farooq et al., 2017; Cheah & Lim, 2023). It reflects how employees experience these efforts and how they impact their well-being.

Examples of internal CSR practices include employee training and development programs, career advancement opportunities, a safe and healthy working environment, fair treatment, respect for human rights, equal opportunities, and work-life balance (Kim et al., 2020). These programs are considered instrumental activities — initiatives that have a direct, positive impact on employees. While internal CSR practices may vary between organizations, there are several internationally recognized frameworks that provide guidance. These include ISO 26000, UN

Human Rights Norms for Business, OECD Guidelines for Multinational Enterprises, and the Global Reporting Initiative (GRI), which offers sustainability reporting standards focusing on employment practices.

However, there is no single, universally applied standard for internal CSR. According to Miethlich et al. (2023), applying one fixed standard may overlook the unique cultural characteristics of individual organizations, so companies are encouraged to adapt CSR practices based on their specific context.

D. PSAK 24 Employee Benefits

Statement of Financial Accounting Standards 24 (PSAK 24) is an accounting standard regulation regarding employee benefits issued by the Financial Accounting Standards Board (DSAK). Based on the regulations of Law No. 13 of 2003 concerning Manpower, in addition to being obliged to provide salaries for employees, companies are also required to provide other benefits such as compensation, benefits, pension funds, severance pay and other costs. The statement in PSAK 24 requires companies to recognize liabilities if employees have provided services and are entitled to employee benefits that will be paid in the future, and recognize expenses if the company obtains economic benefits from employee services provided and is entitled to employee benefits.

Based on the standard in PSAK 24, the types of employee benefits include: Short-term employee benefits are employee benefits other than severance pay that are due within 12 months after the end of the reporting period in which the employee rendered services. For example, employee salaries, social security contributions, overtime pay, holiday allowances, and other compensation; Post employee benefits are employee benefits payable after the employee has completed the period of employment. For example, pension, death, prolonged illness, retirement benefits, post-employment life insurance, etc.; Other long term employee benefits are employee benefits that are due more than 12 months after the end of the reporting period in which the employee rendered services. For example, holiday leave, jubilee awards that are cashed out; and termination benefits, which are employee benefits payable due to termination of employment by the company (IAI, 2013).

E. Research Framework

Based on the standard in PSAK 24, the types of employee benefits include: Short-term employee benefits are employee benefits other than severance pay that are due within 12 months after the end of the reporting period in which the employee rendered services. For example, employee salaries, social security contributions, overtime pay, holiday allowances, and other compensation; Post employee benefits are employee benefits payable after the employee has completed the period of employment. For example, pension, death, prolonged illness, retirement benefits, post-employment life insurance, etc.; Other long term employee benefits are employee benefits that are due more than 12 months after the end of the reporting period in which the employee rendered services. For example, holiday leave, jubilee awards that are cashed out; and termination benefits, which are employee benefits payable due to termination of employment by the company (IAI, 2013).

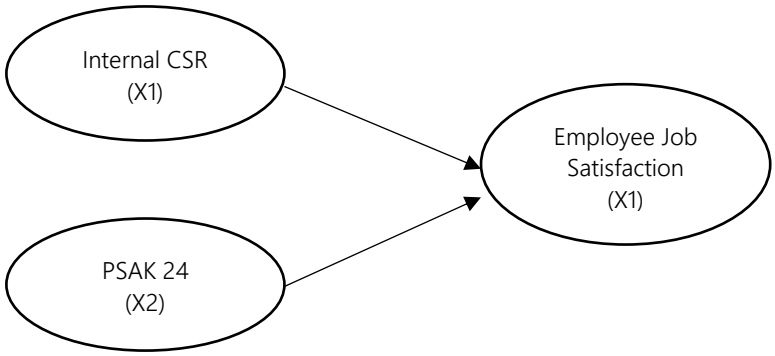

Figure 1 Research Framework

F. Hypothesis Development

The Effect of Internal CSR on Employee Job Satisfaction

Components of employee needs such as appropriate wages, remuneration for services, health, security and safety, work balance, and self-development are need factors that can help employees to fulfill their needs and achieve employee satisfaction. In line with this, CSR that is intended by companies for employees is a way to fulfill this, for example, such as gender equality in employment opportunities, occupational health and safety (K3), employee workshops / training and the like can give employees the perception that the company has treated them well and has a sense of self-satisfaction with the welfare that can be obtained both physically and psychologically. CSR practices play an important role in shaping employee attitudes and behaviors that ultimately impact job satisfaction. Satisfaction from employees indicates that CSR practices that meet employee needs such as human resource training, health and safety assurance and so on have been implemented. Other findings highlight the importance of implementing internal CSR practices within the organization employees will feel satisfied and can improve their work outcomes and employee retention rates (Lee & Chen, 2018).

H1: Internal CSR is positively and significantly related to employee job satisfaction.

The Effect of Implementation of PSAK 24 Employee Benefits on Employee Job Satisfaction

Salaries, allowances, compensation, bonuses, severance pay, and other forms of compensation as a form of reciprocity for the services provided by employees in their work are very important to them, therefore PSAK 24 which regulates the disclosure obligations regarding employee benefits, be it short-term, long-term, post-employment, to the benefits obtained when terminating employment need to be considered for companies. Fair compensation is more appreciated by them and is able to increase job satisfaction without distinguishing the high and low levels of employee positions. (Muniardiningrum & Nugrahanti, 2019) supports the above statement that employee satisfaction is inseparable from the factor of providing work rewards such as salary, allowances, compensation, bonuses, severance pay, and others will be able to increase motivation to work and feel satisfied. In addition, work rewards are sufficient to attract and retain qualified employees and a fair payroll system for all levels of employees.

H2: The implementation of PSAK 24 Employee Benefits is positively and significantly related to employee job satisfaction.

III. RESEARCH METHODOLOGY

A. Type of Research

This research uses a quantitative approach, where the data collected is numerical and analyzed as it is to describe the relationship between variables in a particular phenomenon. The purpose of this approach is to test the relationship between variables objectively using data that can be measured statistically.

B. Research Object

The objects in this study are permanent employees of various companies in Indonesia that have Corporate Social Responsibility (CSR) programs. The selection of respondents was carried out using non-probability sampling techniques, precisely the purposive sampling method, which is a sampling technique based on certain considerations and criteria set by the researcher (Sugiyono, 2018). The sample criteria used are permanent employees and work in companies that run CSR programs. Because the number of populations that meet these criteria is not known with certainty, the determination of the sample size refers to the opinion of Hair et al. (2018) which suggests a minimum sample size of 5-10 times the number of indicators used in the study. With a total of 28 indicators, the number of samples required ranges from 140 to 280 respondents. Another recommendation from Hair also states that a good sample size is in the range of 100-200 respondents.

C. Data Source and Collection Method

The data used in this study is primary data, which was obtained directly from respondents through the distribution of questionnaires. The questionnaire was prepared in the form of a Google Form and distributed online through various media, such as social media, the researcher's internship, and personal networks such as parents' workplaces and closest colleagues. The process of distributing and collecting data was carried out for approximately three weeks or for 21 days.

D. Operational Definition and Measurement of Variables

The operational definition of a variable is a definition that explains any variable that the researcher decides to study by giving meaning, determining actions, or determining the operations needed for the measurement of the variable (Sugiyono, 2019). Variable operations aim to make it easier to identify variables and avoid differences in perception. The variables determined in this study consist of dependent variables, namely variables that are affected and independent variables that affect the dependent variable. Based on the hypothesis developed, the dependent variable of this study is employee job satisfaction (KKK) and the independent variables of this study are Internal CSR (CSRI) and the application of PSAK 24 employee benefits (PSAK). The following is an explanation and measurement of each variable.

Dependent Variable

The dependent variable or dependent variable in this study is employee job satisfaction (KKK). Employee job satisfaction is defined as an emotional form of employee feelings, such as whether work is comfortable, enjoyable, and makes them feel important at work (Cheah & Lim, 2023). Measurement of employee job satisfaction is measured by adopting 4 items based on

research by Kim et al. (2020), namely satisfied with work, comfortable with work, the role of employees in work, and fun work. The variable measurement scale is measured using a Likert scale ranging from 1 to 5 with an assessment of Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Agree (5).

Independent Variable

Independent variables or independent variables that cause changes in the influence on the dependent variable. The first independent variable in this study is employee CSR (CSRI), which is defined as a form of company commitment through programs and policies in meeting the needs and preferences of internal stakeholders to improve quality of life (Ginder et al., 2021). Internal CSR measurement is measured by adapting 10 items from Turker's (2009) research by taking the employee CSR scale, namely indirect benefits, commensurate salaries and bonuses, safe work environment, support for additional education, skill development, career development, work-life balance, employee needs and desires, fair decisions, and opportunities for all employees.

Furthermore, the application of PSAK 24 employee benefits (PSAK) is the second independent variable of this study. PSAK 24 employee benefits is defined by IAI (2013) as all forms of compensation provided by an entity in exchange for services provided by workers or for termination of employment contracts. Measurement of the application of PSAK 24 is measured by developing the types of employee benefits themselves into 14 items, namely: salaries, wages, social security contributions, paid annual leave, paid sick leave, profit sharing and bonuses, nonmonetary benefits, retirement benefits, post-employment health care, post-employment life insurance, long-term paid leave, long service awards, permanent disability/death benefits, and severance pay. Both independent variables use a Likert scale ranging from 1 to 5 with Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Agree (5) as the measurement scale.

E. Data Analysis Method

Researchers use Structural Equation Modeling (SEM) with a Variance Based approach or known as Partial Least Square (PLS) as a data analysis method. Data processing was carried out with the help of SmartPLS software version 4.1.0.0. The reason for using SEM-PLS is because this approach is a suitable alternative to research that includes many constructs / indicators / relationship models, then when the population is very small or very large, and does not require normally distributed data (Hair et al., 2019). The first stage of testing is the evaluation of the measurement model (Outer Model) to test the level of validity and reliability of indicators which aims to check the feasibility of measurement to be measured. This evaluation includes convergent validity, discriminant validity, and reliability tests. The second stage of testing is the evaluation of the structural model (Inner Model) to test the strength of the estimation between latent variables or constructs and the level of significance of the influence between latent variables. This evaluation includes the coefficient of determination/R-Square (R2) test, effect size (F2) test, Q-Square (Q2) test, and Goodness of Fit (GoF) test. The third stage is testing the fit of the model (Model Fit) to measure the goodness or how the research model fits through the SRMR test and the PLS predict test. The next stage is hypothesis testing with the bootstrapping test to test the effect of the independent variable on the dependent variable.

IV. RESULT AND DISCUSSION

A. Pilot Test Results

The pilot-test was conducted by distributing questionnaires to 30 people with the same criteria, namely permanent employees of companies that have CSR programs. The questionnaire was distributed online and returned in the same number as those distributed. The data obtained is then processed to conduct validity and reliability tests. Validity can be declared acceptable according to (Hair et al, 2017) if the outer loadings have a value> 0.70 and Average Variance Extracted (AVE)≥ 0.5 while Reliability is accepted if the composite reliability value is> 0.70. Table 1 shows that the research instrument has met the criteria so that it is valid and reliable.

Table 1. Validity and Reliability Test Results

Item Variable	Outer Loadings	Composite Reliability	AVE
X1.1	0.887	0.980	0.841
X1.2	0.909		
X1.3	0.939		
X1.4	0.905		
X1.5	0.909		
X1.6	0.918		
X1.7	0.950		
X1.8	0.922		
X1.9	0.903		
X1.10	0.930		
X2.1	0.928	0.985	0.833
X2.2	0.865		
X2.3	0.910		
X2.4	0.918		
X2.5	0.935		
X2.6	0.921		
X2.7	0.841		
X2.8	0.924		
X2.9	0.931		
X2.10	0.930		
X2.11	0.941		
X2.12	0.919		
X2.13	0.900		
X2.14	0.907		
Y1.1	0.906	0.949	0.866
Y1.2	0.943		
Y1.3	0.939		
Y1.4	0.935		

Source: Primary Data Processing (2024)

B. Respondent Characteristics

The population in this study are employees of companies throughout Indonesia with purposive sampling technique selected criteria, namely permanent employees of companies that have CSR programs and obtained a sample of 200 respondents with a description of the characteristics that can be seen in table 2 below.

Table 2. Respondent Characteristics

Description	Options	Frequency	Percentage
Gender	Female	117	58.5%
	Male	83	41.5%
Marriage Status	Unmarried	105	52.5%
	Married	95	47.5%
Age	<20 Years	17	8.5%
	20-29 Years	93	46.5%
	30-39 Years	35	17.5%
	40-49 Years	31	15.5%
	>50 Years	24	12%
Education	HIGH SCHOOL	34	17%
	Diploma	17	8.5%
	Bachelor	135	67.5%
	Postgraduate	14	7%
Length of Service	<1 Year	45	22.5%
	1-3 Years	62	31%
	4-6 Years	27	13.5%
	7-9 Years	10	5%
	>10 Years	56	28%
Company Type	Extractive Company	6	3%
	Manufacturing/Industry	54	27%
	Agrarian Company	4	2%
	Service Company	64	32%
	Trading Company	17	8.5%
	More	55	27.5%
Position Level	General Manager	13	6.5%
	General Manager Assistant	9	4.5%
	Department Manager	29	14.5%
	Supervisorial	24	12%
	Staff	90	5%
	More	35	17.5%

Source: Primary Data Processing (2024)

C. Data Analysis Results

Hypothesis testing was carried out after the questionnaire was distributed back to the sample and the answers of 200 respondents were received. The data is then processed through the testing stages in SEM-PLS, namely the results of descriptive statistics of respondents, the results of the analysis of the measurement model testing (Outer Model), structural model

testing (Inner model), model fit testing, and hypothesis testing with bootstraping test. The results of the data analysis used are as follows.

D. Descriptive Statistics Results

Researchers conducted a descriptive analysis of one dependent variable, namely employee job satisfaction (Y) and 2 independent variables including Internal CSR (X1) and PSAK 24 employee benefits (X2). The results of descriptive analysis were carried out to identify respondents' answers to each variable, such as knowing the lowest value and the highest value given by each respondent to the statement items in the questionnaire. The results of descriptive statistical calculations show that the minimum value is 1 (strongly disagree) and the maximum value is 5 (strongly agree) for the Internal CSR variable (CSRI), PSAK 24 employee benefits (PSAK), and employee job satisfaction (KKK). Furthermore, the average value (mean) was identified to see the average answers given by respondents and the standard deviation to measure deviations in the questionnaire. The results of the descriptive analysis are shown in table 3.

Table 3. Descriptive Statistics Test Results

Variables	N	Min	Max	Mean	Std. Deviation
(CSRI)	200	1	5	4,22	0,76
(PSAK)	200	1	5	4,17	0,79
(KKK)	200	1	5	4,24	0,73

Source: Primary Data Processing (2024)

E. Outer Model Evaluation Test Results

In this study, the measurement model/outer model evaluation test consisting of convergent validity test, discriminant validity test, and reliability test was carried out on a research model that analyzed the effect of independent variables on the dependent. Meanwhile, this study analyzes the effect of the Internal CSR variable (X1) and the effect of the PSAK 24 employee benefits variable (X2) on the employee job satisfaction variable (Y). Measurement model testing shows how the relationship between constructs and their corresponding indicator variables (Hair et al., 2017). This model is also called measuring the validity and reliability of a study. The following are the results of the testing stages in the measurement model evaluation.

F. Convergent Validity Test

The convergent validity test aims to determine the extent to which an indicator correlates positively with other indicators of the same construct so that the statement items on each variable in the questionnaire can be understood by respondents (Hair et al., 2017). The convergent validity test can be seen through the loading factor value. The loading factor value can be said to be very good if it has a value> 0.70, but it can still be considered if the value is between 0.40 and 0.70 (Hair et al., 2021). Then, another method for assessing convergent validity is through Average Variance Extracted (AVE). ≥An AVE value of 0.5 indicates that the construct explains more than half of the variance of its indicators so that it passes the convergent validity test. The following is the value of loading factors and AVE obtained from processing research data.

Table 4. Convergent Validity Test Results

Variables	Item Variable	Loading Factor	AVE
CSRI	X1.1	0,765	0,670
	X1.2	0,831	
	X1.3	0,825	
	X1.4	0,785	
	X1.5	0,815	
	X1.6	0,858	
	X1.7	0,824	
	X1.8	0,817	
	X1.9	0,844	
	X1.10	0,815	
PSAK	X2.1	0,804	0,725
	X2.2	0,756	
	X2.3	0,791	
	X2.4	0,767	
	X2.5	0,767	
	X2.6	0,834	
	X2.7	0,778	
	X2.8	0,821	
	X2.9	0,800	
	X2.10	0,833	
	X2.11	0,853	
	X2.12	0,816	
	X2.13	0,778	
	X2.14	0,823	
KKK	Y1.1	0,876	0,643
	Y1.2	0,873	
	Y1.3	0,834	
	Y1.4	0,822	

Source: Primary Data Processing (2024)

Based on table 4, the results of convergent validity testing show that the loading factor value of all indicators in the study is considered valid because it meets the criteria for applicable provisions, namely the value> 0.70 which means very good and the entire AVE value of more than> 0.50. The Internal CSR variable shows a value of 0.670, the PSAK 24 variable is 0.725, and the employee job satisfaction variable is 0.643. Therefore, all indicators of each variable can be declared valid so that they can be used in further research testing.

G. Discriminant Validity Test

Discriminant validity test is conducted to measure that a construct is unique or different and captures phenomena that are not represented by other constructs in the research model based on empirical standards. The criteria used to assess discriminant validity are by looking

at the cross loading value if the measurement item correlated with the related construct must be greater than that of other constructs, the fornell-larcker criterion if the AVE root value is greater than the correlation with other constructs, and the Heterotrait-monotrait ratio (HTMT) value if it is less than 0.90. The following is the value of cross loading and fornell-larcker criterion in the results of research data processing.

Table 5. Cross Loading Results

	X1	X2	Y1
X1.1	0,781	0,687	0,682
X1.2	0,831	0,756	0,685
X1.3	0,825	0,736	0,682
X1.4	0,785	0,717	0,627
X1.5	0,815	0,678	0,686
X1.6	0,858	0,754	0,728
X1.7	0,824	0,714	0,709
X1.8	0,817	0,739	0,678
X1.9	0,844	0,765	0,749
X1.10	0,815	0,753	0,662
X2.1	0,765	0,804	0,733
X2.2	0,697	0,783	0,680
X2.3	0,738	0,791	0,671
X2.4	0,667	0,767	0,557
X2.5	0,658	0,767	0,577
X2.6	0,762	0,834	0,680
X2.7	0,659	0,778	0,574
X2.8	0,705	0,821	0,628
X2.9	0,689	0,800	0,561
X2.10	0,744	0,833	0,633
X2.11	0,749	0,853	0,633
X2.12	0,734	0,816	0,653
X2.13	0,710	0,780	0,645
X2.14	0,748	0,823	0,643
Y1.1	0,724	0,697	0,876
Y1.2	0,738	0,693	0,873
Y1.3	0,728	0,697	0,834
Y1.4	0,678	0,614	0,822

Source: Primary Data Processing (2024)

Table 6. Fornell-Larcker Criterion Results

Variables	CSRI	KKK	PSAK
CSRI	0,897		
KKK	0,818	0,802	

PSAK	0,843	0,794	0,852

Source: Primary Data Processing (2024)

Table 7. HTMT Results

	CSR	KKK
CSR		
KKK	0.803	
PSAK	0.794	0.863

Source: Primary Data Processing (2024)

Based on table 5 shows that the processing results of the cross loading value of each measurement item have a correlation value with the construct greater than the other constructs, for example measurement item X1.1 which correlates with construct X1 has a value of 0.781 which is greater than the construct X2 (0.687) and (0.682) and so on. Furthermore, in table 6 the results of Fornell-Larcker criterion processing show that the root AVE value of each variable is greater than that of other constructs, and table 7 shows that the HTMT value of the construct is less than 0.90 so it can be concluded from the three processing results that discriminant validity is acceptable.

H. Reliability Test

The last stage of testing the measurement model in this study is the reliability test. Reliability testing is used to measure constructs from respondents' consistent answers by evaluating through Cronbach's alpha and composite reliability values. The variable is said to be reliable if the Cronbach's alpha value has a value> 0.60 and is considered satisfactory if it has a value between 0.70 and 0.90. Meanwhile, composite reliability is reliable if the value is> 0.70. The following are the results of the reliability test processing from this study.

Table 8. Reliability Test Results

	Cronbach's alpha	Composite reliability
CSRI	0,945	0,946
PSAK	0,957	0,958
KKK	0,873	0,875

Source: Primary Data Processing (2024)

Based on table 8, it can be seen that the value of each construct or variable has a Cronbach's alpha value> 0.60. The Internal CSR variable has a value of 0.945, the PSAK 24 employee benefits variable is 0.957, and the employee job satisfaction variable is 0.873. This means that the value of Cronbach's alpha is satisfactory while the composite reliability value of the Internal CSR variable has a value of 0.946, the PSAK 24 employee benefits variable is 0.958, and the

employee job satisfaction variable is 0.875 which concludes all values > 0.7 and meets the criteria so that this test meets the reliability test because all measurement items consistently measure each variable.

I. Structural Model Testing Results (Inner Model)

Testing the structural model (inner model) is carried out after the validity and discriminant testing stages have been accepted and can be continued for further test analysis. In testing the inner model explains the relationship between latent variables or explains the relationship between models made based on theory. Structural model testing is evaluated using the search for the coefficient of determination or R-square (R2), effect size test (F2), Q-square test (Q2), and Goodness of Fit (Gof) test. The four tests are useful for showing the strength of the estimates between latent variables. The following are the results of the structural model testing stage.

J. Test Coefficient of Determination (R^2)

The coefficient of determination test is the most common measurement that represents the effect of exogenous latent variables on endogenous latent variables or the main research variables. The amount of influence is found if the R-square value of 0.75 and above means that the research model is of strong value, if the R-square value of 0.50 is of moderate or medium value, and the R-square value of 0.25 is of weak value. The R-square value found in this research model is 0.718 which can be seen in table 7. Based on the provisions of the criteria, the R-square value of 0.718 falls into the strong category. This value explains that the employee job satisfaction variable is explained by the Internal CSR variable and the application of PSAK 24 employee benefits by 0.718 or 71.8% and the remaining 0.282 or 28.2% is explained by other variables not included in this study.

Table 9. R Square Test Results (R^2)

	R-square	Adjusted R-square	Description
Job Satisfaction	0,718	0,715	Moderate

Source: Primary Data Processing (2024)

K. Effect Size Test (F^2)

The effect size test is carried out to measure the effect of each exogenous variable on endogenous variables when previously R-square testing was carried out to measure the effect of exogenous variables as a whole. The size of how much influence is determined by the criteria if the F2 value of 0.35 and above has a large influence, if the F2 value of 0.15 and above has a moderate influence, and the F2 value of 0.02 and above has a small influence. The following are the results of each variable influence in this study.

Table 10. R Square Test Results (R^2)

	f-square	Description
CSR -> Job Satisfaction	0,309	Medium

PSAK -> Job Satisfaction	0,026	Small

Source: Primary Data Processing (2024)

Based on the effect size test, the results in table 8 show that the Internal CSR variable has a value> 0.15, which is equal to 0.309, which means that the effect is moderate and almost close to large on employee job satisfaction, while the PSAK 24 work reward variable has a value> 0.02, which is equal to 0.026, which means that it has little effect on employee job satisfaction.

L. Test Q^2

Q-Square testing is used as a measurement of how well the path model can predict the observed value (predictive relevance). Q2 value can be estimated by the blindfolding procedure in SmartPLS. There are two approaches to Q2 assessment, namely the cross-validated redundancy approach and the cross-validated communality approach (Hair et al., 2017) recommends using cross-validated redundancy because it includes a structural model, a key element of the path model, to predict the omitted data points. A Q2 value > 0 states that the model has predictive relevance, that is, exogenous variables are good and can predict endogenous variables. A Q2 value of 0 indicates the exogenous constructs have little predictive relevance, a Q2 value of 0.15 indicates moderate predictive relevance, and a Q2 value of 0.35 indicates great predictive relevance.

Table 11. Blindfolding Test Results (Q^2)

	SSO	SSE	Q^2 (=1-SSE/SSO)
CSR	2000	2000	0
KKK	800	388,832	0,514
PSAK	2800	2800	0

Source: Primary Data Processing (2024)

Based on the results of blindfolding testing, it is found that the Q2 value in this study is 0.514, which means that it meets the criteria for the Q2> 0 value, which indicates that the exogenous constructs in this research model have good and large predictive relevance.

M. Goodness of Fit Test

The next stage is Goodness of Fit (GoF) testing which is carried out to evaluate the entire model, both the measurement model and the structural model with a series of observations. The calculation of Goodness of Fit is done manually by calculating the square root of the average AVE value multiplied by the average R2 value. The Goodness of Fit value criteria are divided into 3, namely the value of 0.1 (low GoF), 0.25 (moderate GoF), and 0.36 (high GoF).

Table 12. Goodness of Fit Test Results

Average value of AVE	Average R-square value	GoF Value
0,679	0,718	0,698

Source: Primary Data Processing (2024)

GoF =√ (AVE x R2)
GoF =√ (0.679 x 0.718)
Gof = 0.698

Based on manual data calculations, the Goodness of Fit value is 0.689 and falls into the high GoF value category, so it can be concluded that this research model has empirical data that is able to explain the measurement model and structural model with a high level of fit so that hypothesis testing can be carried out.

N. Model Fit Test

Model fit testing is done by looking at the standardized root mean square residual (SRMR) value, which is the difference between the data correlation matrix and the estimated model correlation matrix. The criteria for model fit are determined by looking at the SRMR value if it is below 0.08, indicating a model fit or model fit, but a value of 0.08 - 0.10 is acceptable. The result of the SRMR value in the study shown in table 13 is 0.045, which value meets the criteria for model fit, which is below 0.08.

Table 13. SRMR Test Results

	Saturated model	Estimated model
SRMR	0.045	0.045
d_ULS	0.834	0.834
d_G	0.662	0.662
Chi-square	695.310	695.310
NFI	0.863	0.863

Source: Primary Data Processing (2024)

O. PLS Predict Test

The test using SEM-PLS is a test that aims to predict a research model. How to measure the validation form of how well the predictive power of the model under study. To see that the PLS results have a good measure of predictive power, it is necessary to compare the PLS model with the basic model, namely the linear regression model (LM). The PLS model is said to be good if the Root Mean Squared Error (RMSE) and Mean Absolute Error (MAE) values are lower than the RMSE and MAE values of the linear regression model and the PLS model has high predictive power if all PLS model items have lower RMSE and MAE values than the linear regression model. If only most of them have medium predictive power. The results of the PLS predict test in this study show that the PLS model has medium predictive power because there are two values of the MAE of the PLS model whose value is greater than the MAE of the LM model and the rest have a smaller value.

Table 14. PLS Predict Test Results

	PLS		LM	
	RMSE	MAE	RMSE	MAE
Y1.1	0.472	0.397	0.479	0.383
Y1.2	0.498	0.414	0.527	0.426

Y1.3	0.517	0.424	0.542	0.421
Y1.4	0.559	0.457	0.596	0.482

Source: Primary Data Processing (2024)

P. Hypothesis Testing

Bootsrapping Test

Bootstrapping is the final stage of hypothesis testing in this study. It is used to determine whether each hypothesis is accepted or rejected by evaluating the influence and significance of each variable. A hypothesis is considered significant if the t-statistic > 1.96 and the p-value ≤ 0.05 at a 5% significance level. If these criteria are not met, the hypothesis is rejected.

Based on the results in Table 15, the Internal CSR variable shows a significant effect on employee job satisfaction, with a t-statistic of 6.995 and a p-value of 0.000. Similarly, the PSAK 24 employee benefits variable also has a significant effect, with a t-statistic of 2.012 and a p-value of 0.044.

These results indicate that both H1 and H2 are accepted, as they meet the required statistical thresholds. Thus, it can be concluded that internal CSR and the application of PSAK 24 have a positive and significant impact on employee job satisfaction.

Relationship between X and Y Variables

1. The Effect of Internal CSR on Employee Job Satisfaction

Based on the results of hypothesis testing, internal CSR has a significant effect on employee job satisfaction. The statistical test shows a t-statistic of 6.995, which is greater than 1.96, with a p-value of 0.000, below the 5% significance level. This confirms that H1 is accepted — internal CSR is positively and significantly related to employee job satisfaction. This result supports previous studies by Cheah & Lim (2023); Kim et al. (2020); Lee & Chen (2018); and Miller (2023), which found that internal CSR initiatives contribute to higher job satisfaction. According to Kim et al. (2020), internal CSR helps fulfill employees' basic needs, which in turn increases satisfaction. This is also in line with Maslow's Need Fulfillment Theory, which explains that employees seek to fulfill a hierarchy of needs — from basic physiological and safety needs to social belonging, esteem, and self-actualization. These needs can be reflected in company practices such as a safe work environment, fair compensation, and career development. While each company may implement these practices differently, the goal is to address the essential needs of employees, making them feel valued and comfortable at work. In particular, Cheah & Lim (2023) emphasize that when companies prioritize employee well-being, employees are more likely to respond positively — including through increased job satisfaction.

2. The Effect of PSAK 24 Employee Benefits Implementation on Employee Job Satisfaction

The second hypothesis examines whether the implementation of PSAK 24 on employee benefits influences employee job satisfaction. Based on the hypothesis testing, the results show a t-statistic of 2.012, which is greater than 1.96, with a p-value of 0.044, which is below the 0.05 significance level. This indicates that H2 is accepted — the implementation of PSAK 24 employee benefits is positively and significantly related to job satisfaction. This finding aligns with Muniardiningrum & Nugrahanti (2019), who found that providing basic salaries, allowances, bonuses or incentives, health care, life insurance, and severance pay contributes to employee satisfaction. Employees naturally expect to be compensated fairly for their work.

If a company fails to provide timely and appropriate compensation — such as delayed salaries or missing benefits — it can lead to dissatisfaction. The existence of PSAK 24 serves as a guideline to ensure companies properly implement employee benefit obligations. This hypothesis is further supported by Miethlich et al. (2023), who found that financial security, including compensation and benefits, is a key driver of job satisfaction. Stakeholders observe that lack of proper compensation can lead to decreased motivation, burnout, and a negative work environment. Therefore, employee benefits — as essential and mandatory provisions — play a crucial role in enhancing employee satisfaction.

Table 15. Research Hypothesis

Hypothesis	Description	Original sample (O)	Sample mean (M)	T statistics (|O/STDEV|)	P values
H1	Internal CSR has a positive and significant effect on employee job satisfaction (X1 --> Y)	0,668	0,669	6,995	0,000
H2	The application of PSAK 24 employee benefits has a positive and significant effect on employee job satisfaction (X2 -> Y)	0,195	0,192	2,012	0,044

Source: Primary Data Processing (2024)

V. CONCLUSION

Employees are the main stakeholders in the running of the Company. Based on the role of employees, this study aims to examine the effect of internal CSR and the application of PSAK 24 employee benefits as part of a voluntary program and obligations provided by the company for welfare purposes on employee job satisfaction. The research is aimed at permanent employees of companies that have CSR programs throughout Indonesia. The questionnaire instrument has passed the validity and reliability tests. The research sample amounted to 200 respondents with the criteria of all types of companies and position levels. After that, testing was carried out which was processed with SEM-PLS data analysis.

Based on the results of data collection and data processing analysis, it can be concluded that the two independent variables, namely internal CSR and the application of PSAK 24 employee benefits, have a positive and significant influence on job satisfaction. In other words, the realization of a good internal CSR program and the application of PSAK 24 employee benefits will lead to higher employee satisfaction. In addition, the research model from the exogenous variable path to the endogenous variable has a good and high model fit and prediction model so that the construct preparation can be considered appropriate.

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