

HR practices and Corporate environmental citizenship: Mediating role of organizational ethical climate

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Abstract

This study primarily aims to investigate the link between ability-, motivation-, and opportunity-enhancing human resource management (HRM) practices with organizational ethical climate and corporate environmental citizenship of the telecommunication industry in Indonesia. This study also investigates the role of organizational ethical climate as a mediator. This study theorizes that organizational ethical climate, as demonstrated by the recycling and reduction of waste, enhances corporate environmental citizenship. Employees are more driven to become environmentally friendly when there is a written environmental policy in place. This current study hypothesizes that the effect of organizational ethical climate on corporate environmental citizenship can be enhanced by organizational learning capability, which has the potential of maximizing the possibility of gathering, utilizing, and dispersing knowledge derived from the environmental policy. The authors claim that organizational ethical climate affects employee commitment as it helps generate creative and innovative ideas for the production of green products and processes. An organization that intends to improve its green innovation performance needs to improve its ethical climate. One instance is when employees provide innovative solutions for reducing waste and pollution as part of their organization's ethical values in protecting the environment. For testing the hypothesis of the present study and for evaluating the model's quality (that is, measurement model MM and structural model SM), the study uses the smart PLS-SEM software.

Keywords: HR Practices, organizational ethical climates, and corporate ethical climate

1.0. Introduction

Research shows that organizational learning capability plays a moderating role in studies on organizational behavior (Ayuso & Navarrete, 2018; Madaleno, Varum, & Horta, 2018). In their study on the effect of international experience on environmental strategies, Ayuso and Navarrete (2018) demonstrate how the former positively affects the latter via the years spent operating in foreign markets. An organization's environmental information becomes even more valuable when it operates in a foreign market for longer, which enhances its ability to respond to environmental challenges. This study theorizes that an organization's ethical climate i.e. its green policies, practices and procedures will affect corporate environmental citizenship as moderated by its learning capability. The

organization's learning capability helps it in assimilating, integrating and exploiting the environmental knowledge derived from its current ethical policies, procedures and values towards improving its corporate environmental citizenship. In their study on the effect of internationalization practices on corporate performance, Madaleno et al. (2018) found that organizational learning capability poses a moderating effect in the link between management practices and corporate performance. Internationalization practices improve corporate performance via an increase in foreign market sales. The link between internationalization practices and corporate performance is enhanced by organizational learning capability via the market knowledge accumulated from foreign market sales. The organizational ethical climate is demonstrated by

the recycling and reduction of wastes which enhances corporate environmental citizenship. Employees are more inclined to go green when they are guided by a written environmental policy. This current study hypothesizes that the correlation between organizational ethical climate and corporate environmental citizenship can be enhanced by organizational learning capability, which maximizes the gathering, usage, and dissemination of knowledge derived from the environmental policy.

This study seeks to analyses the impact of HR practices on creating motivation, opportunity, and ability to sense and handle the environmental issues on corporate environmental citizenship in the Telecommunication industry in Indonesia (Lydeka & Tauraitè, 2020). Indonesia is the largest economy in Southeast Asia. It is a developing upper-middle-income country and the world's 15th largest economy in terms of nominal gross domestic product (GDP) as well as the world's 7th largest country in terms of purchasing par parity. The country's estimated nominal GDP is \$1.15 trillion in 2021, while GDP (PPP) is

\$3.50 trillion in 2021. Indonesia is one of the fastest developing telecommunication markets across the world. The growth in both the mobile or fixed broadband subscriptions has driven the Indonesian telecommunication market. These subscriptions are forecasted to continue to grow both in terms of nature and quality of services and revenue. The telecommunication industry accounts for a considerable portion of the GDP of the country. The use of energy resources in the telecommunication industry leads to an increase in amount of harmful gases like CO₂ released into the atmosphere. The increasing importance of the telecommunication industry in Indonesia forces relevant organizations to pay attention to negative impacts on the environment and try to handle the environmental issues (Migdadi, Zaid, Yousif, Almestarihi, & Al-Hyari, 2017). These organizations improve HRM performance and, thus, corporate environmental citizenship. The communication sector contributes only 4 per cent in the GDP of the country and ranks on the eighth number in terms of sector contribution to the country's economy of the country. These statistics are shown in Figure 1.

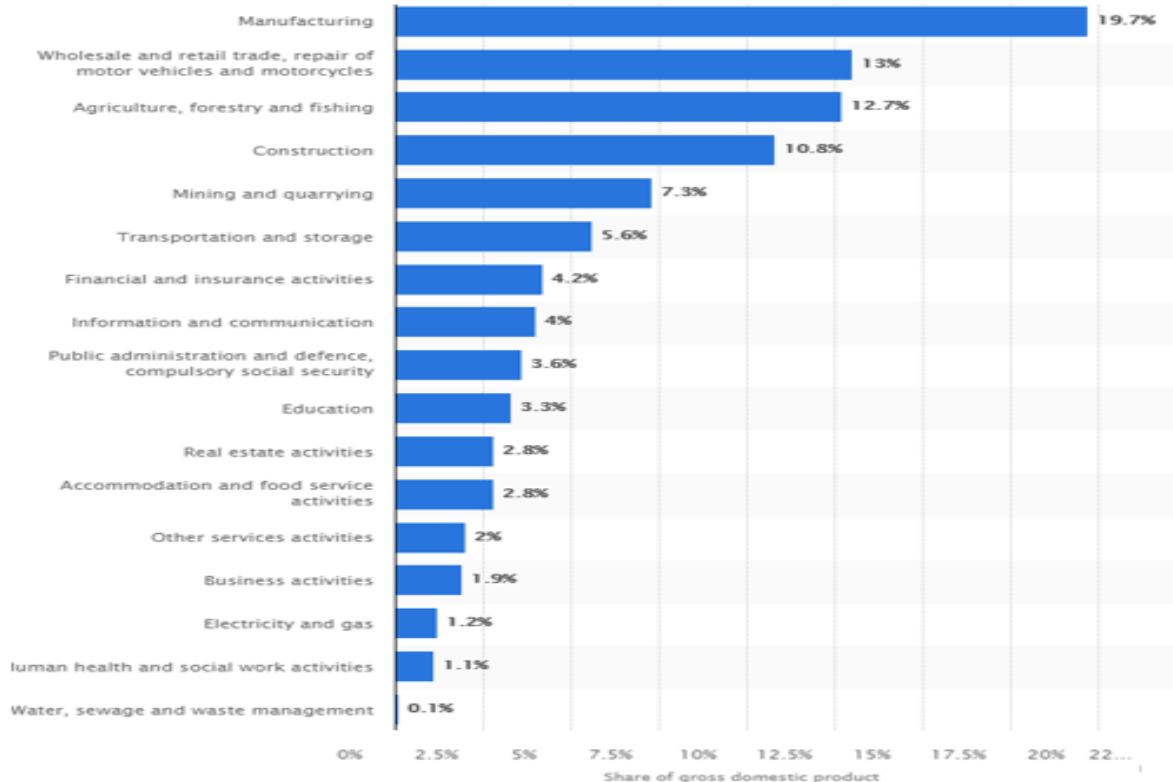


Figure 1: Sector Wise Contribution in GDP

Past research has shown the moderating role of organizational learning capability in studies on organizational behavior relationships (Ayuso & Navarrete, 2018; Madaleno et al., 2018). Ayuso and Navarrete (2018), Pratama et al. (2019) argue that international experience improves environmental strategies via the years spent in foreign markets. Organizations that have been operating for a long time in foreign markets would have gathered highly valuable environmental information that would help them to better respond to environmental challenges. This study theorizes that an organization's ethical climate i.e. its green policies, practices and procedures can improve its corporate environmental citizenship as moderated by its learning capability, which in turn facilitates the assimilation, integration, and exploitation of its environmental knowledge derived from its current ethical policies, procedures, and values. A high level of learning capability will facilitate the organization in using and exploiting its green, ethical knowledge towards enhancing its corporate environmental citizenship. Madaleno et al. (2018), Sujianto et al. (2020) found that organizational learning capability moderates the relationship between internationalization practices, specifically management practices, and corporate performance via increase in foreign market sales. Organizational learning capability enhances the correlation between internationalization practices and corporate performance on the basis of the accumulated market knowledge derived from the foreign market sales.

There are mixed findings with regards to the correlation between organizational ethical climate and corporate environmental citizenship (Chin, Yean, & Yahya, 2018; Schaltegger & Burritt, 2018; Tay, 2017). The said relationship was found to be significant by Jin and McDonald (2017) and Brammer and Mellahi (2015), but insignificant by Zaman (2017), TODARO et al. (2018), and Hörisch et al. (2020), Atrizka et al. (2020) When such inconsistency exists, a moderator is used in testing the relationship, as proposed by Baron and Kenny (1986). Therefore, in the context of this study, organizational learning capability is used as a moderator in the relationship between

organizational ethical climate and corporate environmental citizenship as it has been proven to aid organizational performance and innovation capacity (Gomes & Wojahn, 2017; Hameed, Basheer, & Anwar, 2018). Based on the literature review, past studies have mostly neglected the role of organizational learning capabilities in improving corporate environmental citizenship (Aisyah, Sukoco, & Anshori, 2019; Tay, 2017). Some other studies, however, have proven the moderating effect of organizational learning capability (Ayuso & Navarrete, 2018; Nisar, Prabhakar, & Strakova, 2019). For instance, Ayuso and Navarrete (2018) found that organizational learning capability moderates the relationship between international experience and environmental strategies. Likewise, Nisar et al. (2019) show that organizational learning moderates the correlation between potential absorptive capacity and realized absorptive capacity. Therefore, this current study explores the mediating role of organizational ethical climate in improving corporate environmental citizenship.

As the country's population is increasing and with the industrial sector of the economy growing, the community has to face environmental problems. In such a situation, corporate environmental citizenship is not only helpful in reducing the negative environmental impacts of the organization but also in improving environmental conditions. Thus, there is an increasing need to investigate corporate environmental citizenship. The main objective of this study is to analyze the relationship between the HR practices designed and implemented to develop work motivation, success opportunities, workability, and the development of corporate environmental citizenship. One of its main objectives is also to shed light on the mediating influences of HR practices such as motivation, opportunities and ability, and corporate environmental citizenship (Nikiforova, 2018). Past researchers and scholar have largely been focusing on the nexus between HR practices such as motivation, opportunities and ability, and corporate environmental citizenship, but only a few studies have given a detailed insight into the role of HR practices in creating work opportunities for the employees, and developing

work motivation and abilities among employees towards corporate environmental citizenship.

2.0. Literature Review

Past studies highlight the significance of HRM practices that enhance the organisation's capacity vis-vis corporate environmental citizenship (Cassells & Lewis, 2017; Chin, Yean, & Yahya, 2017; Nguyen, Beeton, & Halog, 2015). Among such HRM practices is employee recruitment and selection, whereby candidate employees are selected among those with environmental cognizance (Chin et al., 2017) because candidates with an awareness of green practices such as recycling can better promote corporate environmental citizenship. The environmentally-oriented organizations of today incorporate green awareness and conduct as part of their employee recruitment specifications because candidates that are passionate about the environment can help improve corporate environmental citizenship (Gómez Soler, Bernal Nisperuza, & Herrera Idárraga, 2020). To do so, environmental standards are needed as they represent the organization's environmental responsibility (Ullah, 2017). Ullah (2017), Sibuea (2021) outline how numerous organizations apply environmental standards (i.e., ISO 14001 and organic labeling) when recruiting environmentally aware employees. Such environmental standards serve as an indication of an environmentally friendly work environment. Scholars posit that green organizations attract environmentally-oriented potential employees by putting up their green activities on their corporate website (Ruiz, Peña, Navarro, & Grigorescu, 2014). Selection will be based on the candidates' level of environmental awareness as prevalent in their daily green practices. Hired candidates will display and take part in environmentally-oriented behaviors, therefore improving the corporate environmental citizenship of the organization. Another form of ability-augmenting HRM practice is training development which increases the organizational members' green consciousness and facilitates the organization in achieving improved environmental citizenship (Snieska, Navickas, & Jegelaviciute, 2019).

H1: ABL has a significant impact on the CEC.

According to Yu, Ramanathan, and Nath (2017), environmental training improves environmental practices as it facilitates the building and development of organizational capacity and the needed capabilities for adopting environmental practices. Likewise, Cassells and Lewis (2017) indicate how environmental training drives preemptive environmental strategies. Environmental training improves the employees' green skills and knowledge, thus permitting them to suggest innovative and creative ideas in implementing preemptive environmental approaches (Meyer & Hamilton, 2020). Jabbour and Jabbour (2016) highlight that the adoption of green practices necessitates advanced organizational skills, which can only be achieved via environmental training. For example, environmental training programs coach employees about energy conservation as well as waste and pollution reduction methods. Becoming good environmental citizens requires this green knowledge and skillset. Meanwhile, some other studies outline the effect of motivation-driving HRM practices on corporate environmental citizenship (Kuei, Madu, & Chow, 2015; Paillé, Valéau, & Renwick, 2020).

H2: MOT has a significant impact on the CEC.

The author states that financial rewards (e.g., bonuses, pay increase, profit sharing) and non-financial rewards (recognition programs, paid vacations, recognition certificates, praises) are often utilized to boost employees' commitment towards environmental behavior. For instance, organizations that present awards of recognition for innovative environmental ideas to their employees can improve their corporate environmental citizenship (Matthews & Mokoena, 2020). Performance appraisals can also improve corporate environmental citizenship via the incorporation of environmental performance standards into the performance appraisal system. Such standards motivate employees to practice sustainable approaches, thus directly improving the organization's corporate environmental citizenship.

H3: OPP has a significant impact on the CEC.

Masri and Jaaron (2017) suggest the use of green criteria in assessing and giving feedback to the

employees' job performance towards developing environmentally-oriented performance appraisals. Meanwhile, certain organizations use negative reinforcements (e.g., wage delays, warnings, and criticisms) as a method to affect the employees' environmental behavior. In the context of environmental management practices in hotels, Chan, Hon, and Chan (2017) indicate how employees who failed to carry out the stipulated environmental management practices would be reprimanded. This proves that negative reinforcements are applicable in guiding employee behavior towards improving corporate environmental citizenship.

H4: OEC has a significant impact on the CEC.

Lastly, in improving corporate environmental citizenship, Roscoe, Jabbour, and Chong (2019) indicate the significance of opportunity-enhancing HRM practices, which align the employees' goals, capabilities, commitment, and perceptions with the organization's environmental practices (Cesarec, Mikac, & Spevec, 2020). Opportunity-enhancing HRM practices are demonstrated by the employees' engagement in environmental management practices. Cassells and Lewis (2017) highlight how employees are driven to enhance corporate environmental citizenship through the efficient use of resources and reduction of wastes and pollution at the workplace. Such engagement in environmental behavior can be encouraged via empowerment which affects corporate environmental citizenship when employees are allowed to contribute ideas with regards to environmental matters. According to Ukil (2016), empowered employees are more willing to contribute ideas with regards to environmental improvements due to the autonomy accorded to them to do so, and this, in turn, can lead to improved corporate environmental citizenship (Yulong & Jing, 2020).

Likewise, Hashemi and Ram (2017) suggest that empowerment can be encouraged via the solicitation of green ideas from all levels of employees. They also suggest that the scope of empowerment with regards to green issues can be widened by introducing schemes for the contribution of ideas (Hashemi & Ram, 2017) in which employees who do so will be rewarded

financially (e.g., sponsored vacations) or non-financially (e.g., accolades). Such formal recognition could drive the employees to engage in environmental behaviors, which in turn is expected to lead to improved corporate environmental citizenship.

H5: ABL has a significant impact on the OEC.

Past researches have acknowledged the significance of ability-enhancing HRM practices, i.e., recruitment and selection as well as training and development in enhancing organizational ethical climate (Casey & Sieber, 2016; Essien, Kostopoulos, & Lodorfos, 2019; Tamunomiebi, 2018; Zhong, Wayne, & Liden, 2016). Guerci and Radaelli (2015) state that an organization promotes an organizational ethical climate via the recruitment and selection of new employees with an exceptional level of ethical perception and interpretation, which renders them capable of preserving environmental practices. Sabiu, Mei, and Joarder (2016) supported the notion by stating that proper employee recruitment and selection can lead to the creation and retention of organizational ethical climate. For instance, an organization only selects and employs employees who fulfill the organization's green and ethical standards via behavioral-oriented interviews (i.e., where the candidates are screened for environmentally-oriented behaviors).

Park, Kim, and Song (2015) show that training and development practices could enhance organizational ethical climate. In this current study, environmental-based education and training aim at developing employee awareness with respect to ethical and green issues where they are trained on how to respond to environmental issues and implement green practices at work. Such training and development programs lead to the establishment of a solid organizational ethical climate for the protection of the environment. Casey and Sieber (2016) show that organizational development practices improve employee capabilities in achieving ethical objectives and enhancing their own ethical knowledge. In short, ethics development programs offer guidelines with regards to environmental conservation so that employees can carry out their duties in an environmentally friendly way.

H6: MOT has a significant impact on the OEC.

Sabiu et al. (2016) and Essien et al. (2019) all agree that motivation-enhancing HRM practices, namely rewards systems, and performance appraisal can improve the organizational ethical climate. Guerçi and Radaelli (2015) state that motivation-enhancing practices could improve organizational ethical climate via the introduction of punishments, sanctions, and benefits. According to Sabiu et al. (2016), organizational ethical climate can be enhanced when employees are rewarded for practicing ethical behavior. On the other hand, they will be punished with salary suspensions, for example, when they defy green, ethical rules and regulations set by the organization. Therefore, unethical behaviours such as resource wastage can be curbed, leading to improved organizational ethical climate.

Performance appraisal is another motivation-enhancing practice that can improve organizational ethical climate (Guerçi & Radaelli, 2015). Annual performance appraisals can incorporate environmental rating components, which can drive employees' green behavior, resulting in an improved organizational ethical climate. Additionally, organizations can also give environmental performance feedbacks all year-round instead of only at certain times; such a move will likely result in an improved organizational ethical climate. Sabiu et al. (2016) highlight that numerous organizations incorporate their employees' ethical behavior in their performance appraisal system where the employees' green knowledge and capability are rated. By doing so, the employees are motivated to engage further in green behaviors and hence, improve the organizational ethical climate. According to Essien et al. (2019), performance appraisals drive organizational ethical climate via the incorporation of ethical behavior as the main principle in establishing a solid organizational ethical climate.

H7: OPP has a significant impact on the OEC.

Opportunity-enhancing practices can significantly contribute to organizational ethical climate via the provision of openings for ethical behavior engagement among the employees (Guerçi & Radaelli, 2015). Such practices also

drive the maximization of the employees' involvement in ethical issues. For instance, employees can be prompted to report unethical behaviors such as resource wastage at work, thus leading to the creation of ethical awareness among them and ultimately improving organizational ethical climate.

Past studies have demonstrated the effect of organizational ethical climate on corporate environmental citizenship. Dyck, Walker, and Caza (2019) indicate that organizational ethical climate affects corporate environmental sustainability via the emphasis on efficiency values, i.e., waste and redundancy elimination in the operation process. For instance, an organization can integrate the call for energy and waste reduction in its ethical standards to prompt employees to turn off unneeded lights, switch off their computers after working hours, and utilize recycled papers. Such reduction initiatives can help improve corporate environmental citizenship.

H8: OEC mediates the relationship between the ABL and CEC.

According to Chin et al. (2018), the organizational ethical climate is significant in terms of inhibiting the loss of value for investments in environmental strategies. Chin et al. (2018) state that organizational ethical climate is a key determinant of the participation of organizations in environmental management improvement projects such as clean production. Organizational ethical climate affects corporate environmental citizenship via the integration of the organizations' green values, beliefs, and assumptions. For instance, an organization's core value in natural environmental protection can improve the ethical climate for preserving the natural environment, which leads to improved corporate environmental citizenship. Paillé and Meija-Morelos (2019) indicated that corporate environmental citizenship is driven by the organization's ethical judgments and perceptions as mirrored in its policy, vision, and mission statement, which in turn will determine the employees' actions and behavior. Organizations would be more prone to engaging in corporate environmental behavior when ethical policies, vision, and mission statements are in place.

Resultantly, they will avoid polluting the environment or using toxic substances in their production process so as to improve their environmental citizenship. Schaltegger and Burritt (2018) also discover a positive relationship between organizational ethical climate and organizational performance, specifically in green innovation. The authors state that organizational ethical climate affects employee commitment in generating creative and innovative ideas for the production of green products and processes. An organization that intends to improve its green innovation performance will need to first improve its ethical climate. One instance is when the employees provide innovative solutions for reducing waste and pollution as part of their organization's ethical values in protecting the environment.

Likewise, Jin and McDonald (2017) state that the code of ethics, i.e., the organizational ethical climate affects corporate philanthropy, i.e., corporate environmental citizenship. Code of ethics is part of the organization's ethical values and norms for driving organizational ethical behavior. Hence, an effective code of ethics enhances organizational ethical climate and ultimately improves corporate philanthropy. Truong and Mazloomi (2020) show that ethical climate affects corporate environmental practices as it drives employees to respond to green issues. Organizational ethical climate values, including universalism, respect, genuine care for the natural environment, and self-transcendence, can significantly affect corporate environmental practices as the said values provide green guidelines for the employees to follow. Cabana and Kaptein (2019) found that organizational ethical values, i.e., organizational ethical climate demonstrated via organizational systems, policies, and codes, can affect organizational citizenship behaviors. Organizations maintain their ethical values by continuously engaging in and rewarding ethical behaviors and punishing unethical behaviors so as to improve organizational citizenship behaviors. Hence, organizational ethical values prompt employees to behave according to the set ethical values.

H9: OEC mediates the relationship between the MOT and CEC.

Past research has demonstrated that organizational learning plays a moderating role in studies on organizational behavior (Ayuso & Navarrete, 2018; Madaleno et al., 2018). Ayuso and Navarrete (2018) indicate that international experience improves environmental strategies based on the number of years spent in the foreign market. An organization gathers even more valuable environmental information if it operates in a foreign market for long, which improves its capability to respond to environmental challenges. This current study theorizes that organizational ethical climate, i.e., an organization's green policies, practices, and procedures, affects corporate environmental citizenship as moderated by organizational learning capability (Basheer, Hafeez, Hassan, & Haroon, 2018), which facilitates the organization in assimilating, integrating and exploiting the environmental knowledge derived from prevailing green policies, procedures and values. A high level of organizational learning capability can facilitate the utilization and exploitation of green knowledge towards improving corporate environmental citizenship. Madaleno et al. (2018) found that internationalization practices, specifically management practices affect corporate performance as moderated by organizational learning capability. Internationalization practices drive corporate performance through an increase in foreign market sales. Organizational learning capability solidifies the effect of internationalization practices on corporate performance via the accumulated market knowledge derived from foreign market sales.

In the context of this study, the organizational ethical climate is demonstrated by the recycling and reduction of wastes which improves corporate environmental citizenship. Employees tend to become even more environmentally friendly when a written policy is in place to guide their behavior. As theorized in this study, organizational learning capability can solidify the effect of organizational ethical climate on corporate environmental citizenship by maximizing the possibilities of gathering, utilizing, and distributing the knowledge derived from the environmental policies to boost corporate environmental citizenship.

H10: OEC mediates the relationship between the OPP and CEC.

3.0. Methods

In this study, we had distributed a total of 400 questionnaires among the listed firms in the Indonesian stock exchange. Out of 400 questionnaires, 312 were returned, while only 280 were used for data analysis, whereas we rejected the remaining 32 questionnaires because they were incomplete or had missing data. Therefore, the response rate for the current study was 70%. We have also done the data screening

before the data analysis procedure to make sure that the distribution of data will not affect the results (Ong & Puteh, 2017).

4.0. Results

For testing the hypothesis of the present study and evaluating the model's quality (that is, measurement model MM and structural model SM), we have used the smart PLS-SEM. Because PLS is not strict about the normal distribution of data. We have also used data screening for checking the multicollinearity, normality, linearity, outliers, and missing data.

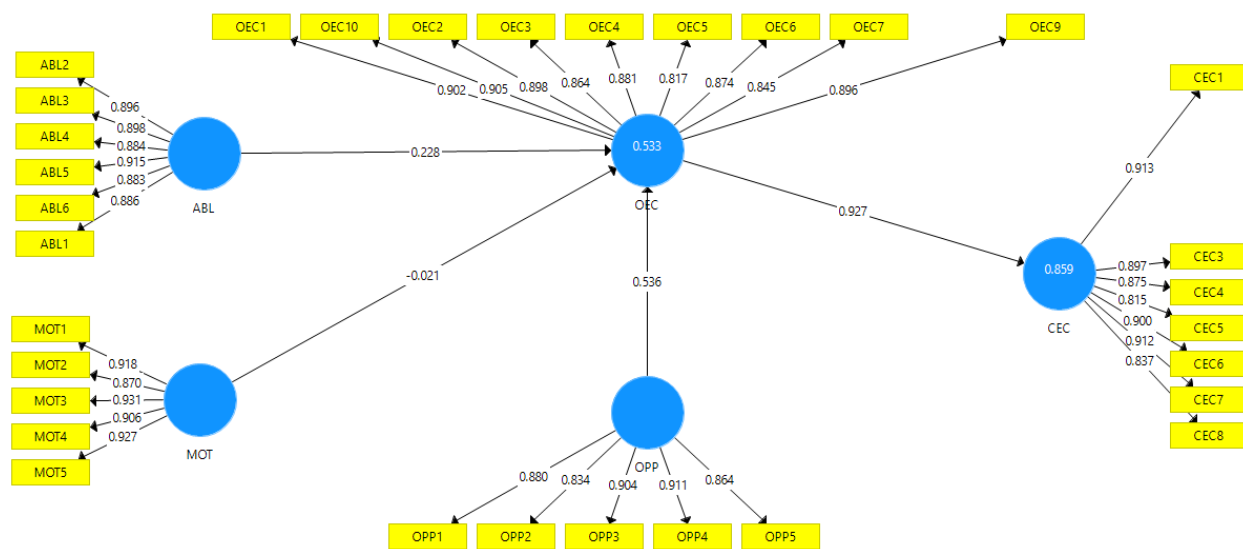


Figure 2: Measurement Model

The factor loading test is the most important in MM. We use this test for the examination of each item loading on their individual constructs. If the items of constructs are consistent, the high factor loadings will be there. The results of the factor

loading must be equal to or greater than 0.70. If the factor loading value is greater than 0.70, it indicates strong consistency between the construct measures (Hair, Matthews, Matthews, & Sarstedt, 2017).

Table 1: Cross Loadings

	ABL	CEC	MOT	OEC	OPP
ABL1	0.886	0.608		0.824	0.608
ABL2	0.896	0.592		0.763	0.631
ABL3	0.898	0.594		0.798	0.595
ABL4	0.884	0.593		0.751	0.611
ABL5	0.915	0.688		0.834	0.679
ABL6	0.883	0.604		0.809	0.609
CEC1	0.654	0.913		0.668	0.884

CEC3	0.587	0.897	0.612	0.804	0.636
CEC4	0.591	0.875	0.651	0.774	0.617
CEC5	0.553	0.815	0.533	0.754	0.578
CEC6	0.611	0.900	0.586	0.850	0.649
CEC7	0.638	0.912	0.628	0.822	0.675
CEC8	0.584	0.837	0.576	0.804	0.653
MOT1	0.831	0.634	0.918	0.632	0.860
MOT2	0.780	0.563	0.870	0.543	0.776
MOT3	0.821	0.650	0.931	0.641	0.836
MOT4	0.815	0.635	0.906	0.598	0.837
MOT5	0.812	0.662	0.927	0.642	0.853
OEC1	0.636	0.818	0.571	0.902	0.617
OEC10	0.623	0.844	0.637	0.905	0.704
OEC2	0.624	0.801	0.599	0.898	0.622
OEC3	0.599	0.818	0.582	0.864	0.626
OEC4	0.634	0.796	0.600	0.881	0.647
OEC5	0.572	0.751	0.530	0.817	0.577
OEC6	0.587	0.794	0.573	0.874	0.623
OEC7	0.553	0.792	0.532	0.845	0.601
OEC9	0.661	0.885	0.669	0.896	0.683
OPP1	0.777	0.627	0.796	0.638	0.880
OPP2	0.786	0.630	0.766	0.585	0.834
OPP3	0.808	0.656	0.797	0.668	0.904
OPP4	0.831	0.683	0.815	0.686	0.911
OPP5	0.800	0.628	0.852	0.599	0.864

The composite reliability (CR) is the degree to which the similar latent construct is explained by the consistent item. Basically, it measures a set of diverse but comparable items. The value of CR lies between 0 to 1. The high values show the high

Table 2: Reliability

concentrations of reliability, which means that the latent variable is reflected by the construct indicator. The value of CR must be equal to or greater than 0.7.

	Cronbach's Alpha	rho_A	CR	(AVE)
ABL	0.950	0.951	0.960	0.799
CEC	0.951	0.952	0.960	0.773
MOT	0.948	0.951	0.960	0.829
OEC	0.962	0.963	0.967	0.768
OPP	0.926	0.930	0.944	0.773

For the establishment of convergent validity (CV), the most commonly used measure is average variance extracted (AVE). It denotes the average proportion of change between observed

variables (Hair et al., 2017). For examining the inter-item consistency of measured items, this study has used the value of Cronbach's alpha coefficient. Hair, Hult, and Ringle (2016) have

suggested that the minimum value of Cronbach alpha should be equal to or greater than 0.7. On the construct level, for the establishment of convergent validity, the most commonly used measure is the AVE. It denotes the average proportion of the variance extracted commonly

among the observed variables of a construct (Hair et al., 2017). Cronbach's alpha coefficient value was used in this study to examine the inter-item consistency of the measurement items. According to Hair et al. (2016), the value of Cronbach's alpha must be higher than 0.70.

Table 3: Validity

	ABL	CEC	MOT	OEC	OPP
ABL	0.894				
CEC	0.887	0.879			
MOT	0.892	0.792	0.811		
OEC	0.697	0.727	0.673	0.876	
OPP	0.710	0.734	0.615	0.724	0.879

For the evaluation of the construct validity, we have used Discriminant validity (DV) as an indicator. It refers to the extent to which, on empirical standards, a construct is totally different from the other constructs. Therefore, the establishment of DV indicates that the uniqueness of the construct and its ability to capture the occurrence, which is not exemplified by other constructs of the model (Hair et al., 2017). By using the Fornell-Larcker criterion, we can assess the DV, which helps in assessing the correlations

of the latent variable with the square root of AVE. Discriminant validity can be assessed by the Fornell-Larcker criterion, which assesses the square root of the AVE values with the correlations of the latent variable. After assessing the MM in the next step, we have also assessed the structural model, which indicates the examination of the predictive capabilities and their relations among the constructs (Hair et al., 2017).

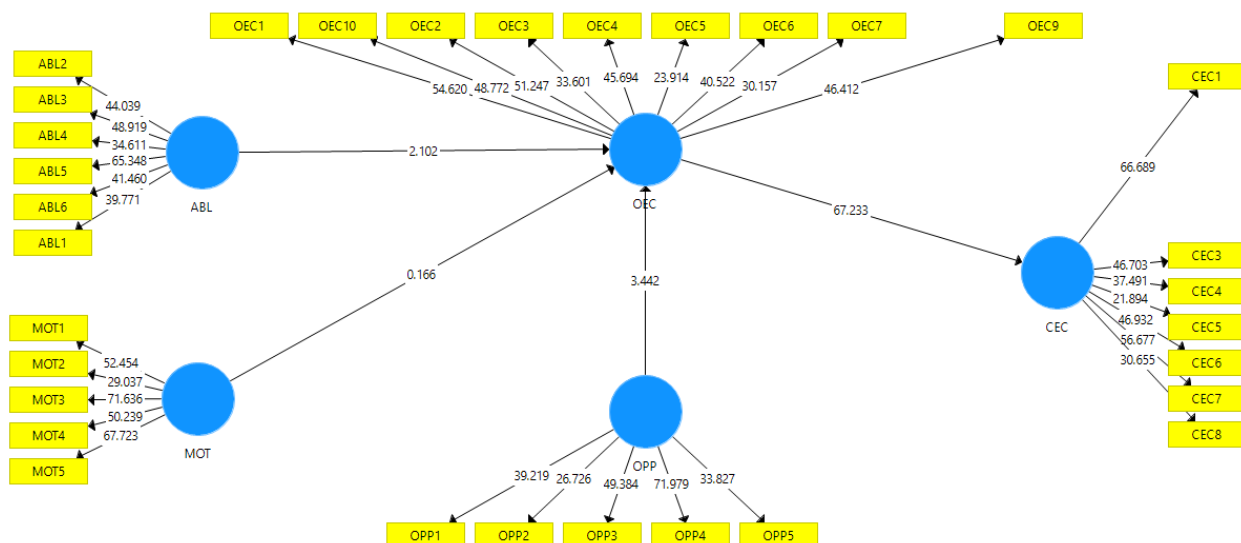


Figure 3: Structural Model

With the help of bootstrapping procedure, we can examine the significance of the path coefficient

model (Hair et al., 2017). The standard error for each path coefficient of the model was presented

by all the bootstrap samples. The outcomes and the significance of path model relations were

assessed by an associated t-test (Ringle, Sarstedt, & Mitchell, 2018).

Table 4: Direct Relationships

	(O)	(M)	(STDEV)	(O/STDEV)	P Values
ABL -> CEC	0.212	0.214	0.100	2.109	0.035
ABL -> OEC	0.228	0.231	0.109	2.102	0.036
MOT -> CEC	-0.019	-0.007	0.116	0.267	0.231
MOT -> OEC	-0.021	-0.007	0.125	0.166	0.868
OEC -> CEC	0.927	0.926	0.014	67.233	0.000
OPP -> CEC	0.496	0.484	0.146	3.407	0.001
OPP -> OEC	0.536	0.523	0.156	3.442	0.001

Table 5: Mediation

	(O)	(M)	(STDEV)	(O/STDEV)	P Values
ABL -> OEC -> CEC	0.212	0.214	0.100	2.109	0.035
MOT -> OEC -> CEC	-0.019	-0.007	0.116	0.167	0.868
OPP -> OEC -> CEC	0.496	0.484	0.146	3.407	0.001

In PLS, we use the effect size to explain the variance in the value of r-square to differentiate whether the consequence of some specific

endogenous latent variable by exogenous latent variable has a substantial effect or not.

Table 6: R-Square

	R Square	f-Square
CEC	0.859	0.351
OEC	0.533	0.271

The blindfolding procedure can be used only with endogenous latent constructs, which have a reflective specification of the measurement

model (Hair et al., 2017; Henseler, 2018; Ringle et al., 2018).

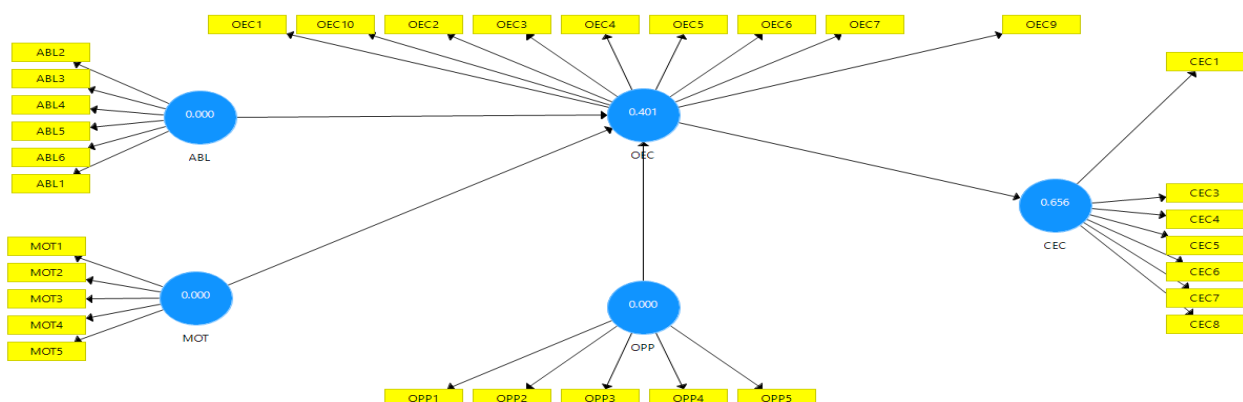


Figure 4: Blindfolding

We can apply the value of Q square in two types. The first one is cross-validated commonality, whereas the second is cross-validated redundancy. According to different researchers,

if cross-validated redundancy or the value of q square the endogenous latent construct is higher than 0, it means evidence of predictive relevance is provided by the explanatory latent construct.

Table 7: Q-Square

	SSO	SSE	Q ² (=1-SSE/SSO)
ABL	1302.000	1302.000	
CEC	1519.000	522.116	0.656
MOT	1085.000	1085.000	
OEC	1953.000	1169.402	0.401
OPP	1085.000	1085.000	

5.0. Discussions

The study results have indicated that the HR practices needed to create work abilities are significantly linked with corporate environmental citizenship. These results are supported by the past study of Luu (2019), which indicates that when the HR management designs its policies in such a way as to create abilities in the employees to handle the environmental issues, they successfully develop corporate environmental citizenship. The study results have also indicated that the HR practices for creating opportunities for employees have significant impacts on corporate citizenship. These results are also supported by the previous study of Luu (2018), which shows when the HR management shows serious concern in creating or providing opportunities to the employees to develop skills specific to environmental matters, and show their efficiency; it develops corporate environmental citizenship. The study findings have also shown that organizational ethical climate plays a mediating role between the HR practices aiming to create ability and corporate environmental citizenship. These results are in line with the past study of Anwar et al. (2020), which shows that the formation and execution of HR practices to develop the ability in the employees to sense and handle the environmental issues helps create an organizational ethical climate that encourages environmental citizenship. In addition, the study results have also shown that organizational ethical climate is a significant mediator between HR practices for developing opportunities and

corporate citizenship behavior. These results are supported by the past study of Jerónimo, Henriques, de Lacerda, da Silva, and Vieira (2020), which states that the organizational ethical climate is developed by HR practices for creating opportunities which further encourages corporate environmental citizenship.

5.1. Conclusion

This study primarily aims to investigate the link between ability-, motivation-, and opportunity-enhancing human resource management (HRM) practices with organizational ethical climate and corporate environmental citizenship. These are found to be positively related to corporate environmental citizenship but not motivation enhancing HRM practices. Thus, the present study urges regulators to increase their focus on the motivation part of HR practices that must improve the corporate environmental citizenship. All other HR practices are perfectly managed by the telecommunication industry in Indonesia, but lack of focus on the motivation practices of HR needs to improve particularly. There are many theoretical implications offered by this study. First of all, this study has attempted to fill the research gaps by assessing the effect of AMO-enhancing HRM practices on corporate environmental citizenship. Past researches such as those by Jabbour and Jabbour (2016) and Ullah (2017) found that ability-enhancing HRM practices such as recruitment, rewards and compensation, and environmental-related pieces of training can boost corporate environmental

citizenship as employees are equipped with the necessary knowledge for identifying environmental issues and subsequently taking appropriate measures to tackle them. For instance, the recruitment of employees with high environmental practice sensitivity such as recycling and energy-saving showcases the organization's positive environmentally-friendly behavior. In terms of opportunity-enhancing HRM practices, the study found that such practices can improve the likelihood of employees contributing to corporate environmental citizenship. Among other examples of how to increase employee engagement in environmental processes is the usage of suggestion boxes and meetings. The second contribution of this study is that it examines the AMO-enhancing HRM practices based on the AMO theory that contributes to improving corporate-environmental citizenship. Drawing on the AMO theory, organizations are urged to integrate the AMO elements into corporate environmental citizenship as they can help align employee behaviors with the environmental objectives set by the organization (Roscoe & Chong, 2019). For example, the motivational element can improve employee commitment through contingent rewards and performance management practices.

5.2. Limitations and Future Directions

This study is supported by the practical analysis of corporate environmental citizenship on account of the implementation of five HR practices, that is, motivation, opportunities, and abilities, in the economy of Indonesia; an emerging upper-middle-income country. This study cannot be equally valid in other developed or lower-middle-income economies. For this reason, future researchers are recommended and encouraged to conduct a similar investigation into the association of motivation, opportunities, and abilities with corporate environmental citizenship for developed, upper-middle-income, and lower-middle-income countries in order to ensure greater reliability and validity of the study outcomes. This study is not comprehensive as it should be as it acquires data through the use of a single source. For a more comprehensive study,

authors in the future must use multiple sources for data collection.

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