

Role Of Corporate Social Responsibility For Its Organizational Performance In Indonesian Property.

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Abstract: This paper is a research study that measures the role of Corporate Social Responsibility (CSR) and the achievement of its performance on property companies in Indonesia. The views that arise are views that come from various backgrounds of shareholder members and property stakeholders who are in the circle of residential property supply chain, including property owners and everyone who becomes working and in touch with the property business itself. The data obtained from qualitative and quantitative research give a lot of understanding and input to see the role of CSR and the relation of the performance of property company organization in Indonesia which is generally incorporated in Real Estate Indonesia membership (REI). Property firms provide data representing owners and supply chain properties with careful observation of the company's CSR activities. The fundamental findings found by the researcher is the existence of adequate understanding level of CSR, and still the scarcity of CSR program organizing in the property company that researched causing CSR in the property industry has not got big impact when compared with CSR done in other industries such as mine, oil and gas. In the future, the contribution of CSR is expected to be greater and more effective and have an impact in building the property especially the housing that can be reached by the wider community including informal sector along with the financing scheme which is not convoluted and can fulfill the backlog of public housing which is getting bigger from year to year.

Index Terms: Corporate Social Responsibility (CSR), organizational performance, supply chain, stakeholder, shareholder, property, housing, informal sector.

1 INTRODUCTION

Housing needs always increase along with population growth rate. The number of families who do not have a house (backlog) is still quite large. In 2003 alone, it was estimated that around 6 (six) million units based on BPS (Indonesian Central Statistical Agency) data in 2000 were 4.3 million units. The growth of homes for new families reaches 800,000 units per year. The main problem of housing and flats consists of two main things, namely the upstream is the population growth and the downstream sector is the banking sector in the provision of cheap funds that can be accessed by all levels of society (Tony Prasetyantono, 2009). The Limited Liability Company Law (UU PT) No. 40 of 2007, which requires all companies that manage natural resources to carry out Social and Environmental Responsibility (TJSL). However, the understanding of most people on Corporate Social Responsibility (CSR) or TJSL is still limited to donations (Radyati, 2016). In addition to the above issues related to micro and macro situations. The mandate of district/ municipality governments to provide 30% of green open spaces has been set in PP (Government Regulations) number 15 of 2010. Even if they have Article 36 paragraph (4) the district government's unqualified sanctions are very strict: If public green open space is 30 % Of the city area does not materialize after the validity period of the city spatial plan expires, the local government may be subject to sanctions in accordance with the provisions of legislation. Sanctions stipulated in the regulation are more on the imposition of sanctions to individuals / parties other than governments that violate the rules of spatial.

Until now there are still many district / city governments that have not met the minimum requirements of public space provision (Latif, 2015). Refer to above. the issues or management issues related to the property that can be put forward are: 1). Growth of KPR that can be reached by all circles including Informal Workers; 2). The existence of backlog problems in housing which from year to year chase with the rapid population increase, meanwhile there is no significant breakthrough and 3). Funding issues for buildings and high-rise housing land, where good locations are usually higher.

2 LITERATURE REVIEW

Sloan, in his book *My Years with General Motors*, writes about an organization that contains the concept of empowerment and decentralization, delegation of authority, self-employment unit, changing the paradigm/ factory crew era into a knowledge worker, propose human resources is a non-cost resource, Pride of work (Sloan, 1963). Porter modifies Chandler's dictum of the structure following the strategy by introducing the second level of structure: The organizational structure follows the strategy, which in turn follows the industrial structure. Porter's generic strategy details the interaction between cost minimization strategies, product differentiation strategies, and market focus strategies. In *Resource Based Strategic Management*, the main concern and focus of the company is on building and managing the company's resources into core competencies that create a unique and difficult to compete sustainable competitive advantage (Hoesada, 2013). Good leadership brings good change to the context of shareholders and stakeholders, commonly called organizational governance as well as good organizational or institutional governance. Leadership comes with Bill Gates, Mark Cormack, Rupert Murdoch with the idea of no theory-based management, in his book *Taxonomy of Management Sciences* (Hoesada, 2013). CSR management is not only modeled charity or mercy in the context of the community and larger but has played a significant role in building impacts not only on related companies but also impacts nationally and even

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internationally. Good and effective CSR is what empowers everyone, and creates the ideal corporate model (Radyati, 2016). In relation to the real estate company we focus on in research, the company is in the property. CSR has a significant positive effect on the company's brand credibility and company reputation. Second, the company's brand credibility plays a mediating role on CSR-corporate reputation relationships and the firm's CSR-brand equity relationship (Hur, 2013). These social and environmental responsibilities are not new to the company because they have been implemented long ago without being forced by law. "Corporate social responsibility is a Corporate Social Responsibility commitment to improve community well-being through discretionary business practices and the contribution of corporate resources". (Kotler, 2005). In the context of good CSR reporting relationships with stock prices the relationship is very significant. A study that proves a close relationship between CSR reporting and stock prices. The new study offers definitive evidence that investment in, and subsequent reporting, corporate social responsibility (CSR) increases the company's stock price. Professor CB Bhattacharya, E. Dean of International Relations in Europe ESMT School of Management and Technology, examining the stock market reaction to CSR communications particularly the publication of CSR reports, finds compelling new evidence linking CSR to stock prices. The study is based on a sample of Fortune 500 companies that released CSR reported between 2005 and 2011. Studies show that CSR has a significant positive effect on the company's brand credibility and company reputation. Second, the company's brand credibility plays a mediating role on CSR-corporate reputation relationships and CSR-corporate brand equity relationships. Furthermore, the relationship between CSR and corporate reputation will be mediated by Corporate Brand Credibility. Finally, the relationship between CSR and corporate brand equity is mediated by the company's brand credibility and company reputation. In short, the relationship between CSR and corporate brand equity is fully mediated through the company's brand credibility and company reputation (Hurr,2013).CSR is not a corporate deposit to anybody, but rather begins with corporate compliance with laws and regulations, followed by a commitment to improve the quality of life of employees, family employees, and society, on economic, social and environmental aspects. But the opposite of the above happened in Indonesia, so the government felt the need to make it part of the Law No. 40 of 2007 controversial. (Radyati, 2016). The most phenomenal finding of the transformation of Riaupulp CSR is the establishment of CECOM (Care and Empowerment for Community). A thought transformation of CSR has brought about the consequences of institutional transformation as well. (Mursitama, 2011). From its charitable nature in the form of charity implemented by the company's public relations department, transformed into an independent foundation. Through CECOM, CSR has discovered new forms and concepts, as well as stripping out traditional definitions of CSR, more than a community empowerment project around the factory environment. (Mursitama, 2011).

3 MATERIALS AND METHODS

This study aims to determine the role of Corporate Social Responsibility for the Performance of Companies that have been built so far, especially in the real estate industry in Indonesia, especially in housing developers. To be able to

answer the research question, the researcher has conducted an exploratory study on industry related to this research that is observation and tracing by communicating with businessman related to construction or in this case real estate in Indonesia including some new REI (Real Estate Indonesia) management Inaugurated, the period 2016 to 2019 to come and several other individuals including companies that are associated and listed on the Indonesian stock exchanges. Based on the results of preliminary studies conducted researchers finally created a frame of thought and hypothesis. After passing the important stages above done by quantitative research method in the form of in-depth interviews with 150 data taken from the management of developers (developers) REI members who come from the Provinces of DKI Jakarta, West Java and Banten to reach approximately 300 companies. Quantitative methods are carried forward in the form of surveys conducted at the level of service industries, especially real estate in Indonesia. This method is very important to verify well on CSR and the relation of company performance in Indonesia. The survey contains about 80 items of questions designed to look at the conditions of CSR, and their performance (organizational performance). The measurement of CSR and its performance is based on research journals that have been studied and studied by the researchers carefully. This study paper uses qualitative methods, the discussion concerning the unit of analysis, data collection techniques, with its validity and reliability.

4 RESULTS AND DISCUSSIONS

The question of Corporate Social Responsibility (CSR) is the duty of the CEO and the entire staff of the organization. Answered by 25 respondents who strongly agree and agree to reach 24 (96%) and do not agree only 4% indicates understanding of CSR task quite known by all leaders and employees of the company. Even 25 respondents said that CSR is an investment, where the level of understanding is strongly agreed the largest and reached as many as 14 people (56%). The average also says CSR is an innovation, reaching 96% of a large amount. But has there been any change in how to view CSR? It turned out that the still focused and nuanced charity still reaches 32%. On average, CSR has so far reached 18 people representing real estate owned. (75%) is large enough. Work plan done with complete and detailed counted 19 respondents. Similarly, the work plan is prepared with a participatory approach (bottom up) reached 17 respondents (73.9%). An interesting response and increasingly aware of the role of society itself in participating in building the environment. About the CSR Committee of the incoming respondents, there are about 56% who already understand and even use CSR team approach, even with all its limitations. The special department itself associated with CSR and its leaders is an active driver in building a good and proper CSR, more than half of respondents are doing it. CEO support on CSR issues and community empowerment is done through a special department that handles corporate CSR big enough to reach 8 respondents strongly agree and 14 respondents agree and reach 88%. A very large number compared to the amount of all respondent. So that we can see every leader of the company participate in giving a strong influence in this CSR issue. The CEO is active in communicating with other members and organizations and communities (Leadership) and reach 22 respondents from 25 respondents. So that has not been released at all from the supervision of the leadership of the

company, because it considers CSR is very important and needs to be well coordinated. CSR managers are people who have ability to develop programs and the company reaches 6 respondents strongly agree and 17 who agree (total agreed reach 23%) a significant amount and very influential in carrying CSR message. The CSR board is strongly committed and has a wide network (with other companies, NGOs, government, mass media, social media, local leaders and others) reaching 92%. The average says and almost all say the company owners strongly support CSR reach 92%. Almost the same as the role of CSR management above. The department that manages CSR has a large contribution (both budget, budget, and short, medium and long-term plan). (Investment). In the context of Innovation: Programs of departmental programs managing CSR aimed at strengthening the department directly (Innovation) reaching 22 percent saying strongly agree and agree to this. The department that handles CSR always monitoring the implementation of CSR reached 23 respondents who said strongly agree and agree. Finally, 22 respondents said: The department that handles CSR always do evaluation at the end of the project/ program for the benefits created from the CSR program that has been implemented. CSR program which is appropriate for the property developer, as follow: Empowerment and community development in the regional environment; CSR houses of the people; Training and empowerment; Create jobs, provide scholarships to the less fortunate; Procurement as well as housing finance support for people in need. Provision of free consultation services for communities requiring design of houses and public/ social facilities, taking into account disaster resilience aspects; Training for financial independence; Environmental conservation programs; Making housing composition by not segmenting by economy class; Education and economic empowerment; Entrepreneurial management; Integrated settlements and environments; Providing public facilities such as playgrounds, mini libraries for children, public wells for local people, urban forests to maintain water resources, skills training; Public facility development; Do not know; Providing assistance to the community's needs for instance clean water, lighting, roads; There is no visible; Empowerment of human resources and environment; Before building a property in a certain area should be thought that people who have sold the land will change the profession to what industry The challenges facing companies in doing CSR (Both internal and external corporate-challenges). Sustainable commitment; Program Arrangement; The role of all management and owners; The business condition of the company is not good; Our organization is rooted in the spirit of humanity and nature conservation. However, due to the needs of the organization, in Indonesia has a legal entity in the form of PT (Corporation); Human Resources; Board commitment; Source of funds; Lack of human resources to implement CSR, there is still a misconception about what, why, where, when, who and how (5W + 1H) CSR is; Developing targeted programs; High work load; Lack of funds and planning; Not all employees maximally participate actively participate in advancing CSR programs; With KPI per unit, the cooperation between units already has its own agenda so that to synergize with CSR programs that are not necessarily synergistic will be difficult. A very dynamic aspiration; Program Objectives; Beneficiaries; Community Environment companies that do not want to go forward; Still using a foreign identity; Public expectations; Rules of law;

Society participation; Public opinion that considers CSR is for the money, public suspicion of the purpose of CSR; Evaluate planned activities; People's suspicions; Lack of community support; Follow-up and community development utilize sustainable support; Each stakeholder has their own goals. Cooperation with companies need to be made innovate cooperation which have mutual impact. The opinions of what improvement can be done by company in CSR field so that CSR activity can be done strategically and on target, as follow: Introduce and communicate intensively with targeted CSR beneficiaries; Ongoing Program Evaluation; Ongoing training; Conduct an entire research to the surrounding community; Recruiting team members who have sufficient experience in various social / community development issues, especially those who have worked in NGO / INGO / UN Agencies. This is to complement the gap between resources from internal companies who are accustomed to seeing from the point of view of the needs of the company alone; Communication; Every employee must be a CSR agent in their respective fields; Placing CSR management at the Board of Directors level; Interesting programs and foster entrepreneurial spirit; Positive and concrete support from the government and surrounding communities; There needs to be intensive communication both formally and non-formally (especially non-formal) to find out what exactly the public / stakeholder needs to match the company's capabilities.; Branding activities to the community; Management by a special team is not under human resources development; Dig the variety of activities; Make a plan tailored to the needs of stakeholders; There must be a reciprocal communication between CSR and society; CSR programs must be self-sustaining and be a pulling effect in business. Respondents said that they are fully responsible to achieve organization/ company performance (OP) reached 23 respondents (92%). With the same amount also says organizational performance is a final goal of the investment and not just fund and material. 22 respondents said they believe organizational performance can be achieved by innovators in advancing their company (Commitment). Only 8% say Organizational Performance (OP) has been running for many years in our company, but no concrete results have been seen yet. Means that others strongly believe the results are there and good. The vision and mission of the organization must be easy to understand and can be realized in building OP and the result 22 respondents who understand that very well. Refer to detailed plan and built from the community and people, respondents are partially not convinced that the OP conducted so far has never succeeded, because it is not well coordinated, an amount that never succeeded as many as 11 respondents. All department leaders must join into the company's team to achieve a good OP, in this survey only one person is unwilling to join. All agreed that in the future team is expected to be the organizer of the community in the community around the company. All respondents are 100% asserting that the CEO's support effort on OP issues and community empowerment will be easier through team Cooperation. Only 8 respondents said: CEOs are less active in communicating with other members, organizations, communities, consumers, customers and suppliers (Leadership) on OPs. All departments have people who have ability to develop the OP; And all departments have a strong commitment to build an OP that eventually all departments have staffs who have a very wide network of OP (96%). All of them said that the OP construction needs support from various

parties and all departments should be willing to contribute resources (including funds / budget) in building OP (Incentives). Finally, The relevant departments should constantly monitor and evaluate the OP. FINDINGS AND DISCUSSION: We found in the context of the above research that the research explains about the relationship between CSR and corporate brand equity is mediated by the company's brand credibility and company reputation. In short, the relationship between CSR and corporate brand equity is fully mediated through the company's brand credibility and company reputation (Hurr, 2013). The evidence is clear from the results of interviews to some developers that we convey above, that the reputation and brand has an important role in building the company's performance without exception including in the world of residential developer industry in Indonesia.

5 CONCLUSIONS

Researcher see that the results obtained from the initial research dissertation researchers are still not enough of what is to be achieved, the number of 25 respondent representative enough to indicate the tendency of this research later, the survey question there is a closed and open questions, so it is complete enough to see the symptoms that occur And subsequent research tendencies that are not just two variables, but will reach four variables in the model. The results obtained really provide an overview of CSR and its influence on the performance of corporate organizations related to the property industry in Indonesia. Broadly speaking can be shown how the importance of CSR and can be used as one important element in building a quality organization or company able to elaborate interests of employees and the surrounding community very well. It takes a lot of patience in building togetherness in a strong team and quality. Messages about humanity and togetherness can be well built, including building an open, inclusive society and even coloring a happy life and caring for humans and including disabilities, women, children, elderly and other vulnerable people. (Zinaida, 2017). The authors wish to thank Real Estate Indonesia (REI) and Bina Nusantara University.

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