
EVALUATING THE IMPLEMENTATION OF PEOPLE AND PLANET CORPORATE SOCIAL RESPONSIBILITY PROGRAM OF PT TIRTA INVESTAMA USING IMPORTANCE PERFORMANCE ANALYSIS**EVALUASI PELAKSANAAN PROGRAM SOSIAL DAN LINGKUNGAN CORPORATE SOCIAL RESPONSIBILITY DI PT TIRTA INVESTAMA MENGGUNAKAN METODE IMPORTANCE PERFORMANCE**

By

**Priskila Firsty Mawei¹
Paulus Kindangen²
Merinda Pandowo³***International Business Administration (IBA), Management Program,
Faculty of Economics and Business,
University of Samratulangi Manado*Email: 1firstypriskila@yahoo.com
2kindangen_p@yahoo.co.id
3iinpan@yahoo.com

Abstract: Function of a company not only to increase profit but also responsible to the environment and society where the company located. This activity called Corporate Social Responsibility. CSR means that a corporation should act in a way that enhances society and be held accountable for any actions that affect people, their communities, and their environment. The objectives of this research is to evaluate importance and performance of the implementation of CSR program based on people and planet program at PT. Tirta Investama. method of the research is using importance performance analysis. The population observed all people who lives in Airmadidi Bawah, with sample size as many as 100 respondents and sampled using purposive sampling. The result showed that waste management, water access, education and health facilities, environmental conservation, and communication are attributes that very important and also the performance of the company is high, while the other attribute there is a very important but low performance, then not important but performance is high, and last there is attribute located in unimportant and low performance. From the results of this research, the researchers suggest PT Tirta Investama to pay attention and improve the attributes that have low performance and maintain programs that has high performance to get better.

Keywords: *corporate social responsibility, people and planet, importance and performance analysis*

Abstrak: Fungsi dari sebuah perusahaan bukan hanya untuk menaikkan profit tetapi juga bertanggung jawab kepada lingkungan dan masyarakat yang berada disekitar perusahaan. Akitivitas ini disebut dengan Corporate Social Responsibility. CSR berarti bahwa sebuah perusahaan harus bertindak dengan cara yang meningkatkan masyarakat dan bertanggung jawab atas tindakan yang mempengaruhi masyarakat dan lingkungannya. Tujuan dari penelitian ini adalah untuk mengevaluasi pelaksanaan CSR berdasarkan harapan dan kinerja dari program masyarakat dan lingkungannya di PT Tirta Investama Aqua. Metode penelitian ini menggunakan metode analisa importance dan performance. Populasi yang penelitian ini adalah orang-orang yang tinggal di keluarahan Airmadidi bawah, dengan ukuran sample sebanyak 100 orang menggunakan purposive sampling. Hasil menunjukkan bahwa proses pembuangan limbah, akses airbersih, pendidikan dan kesehatan, komunikasi dan konservasi lingkungan dianggap sebagai program yang penting bagi masyarakat dan performa dari perusahaan pun tinggi. Sedangkan program lainnya dianggap sangat penting bagi masyarakat namun kinerja dari perusahaan sangat rendah. Dari hasil yang didapatkan, penulis memberi saran kepada perusahaan untuk memperhatikan dan meningkatkan program yang masih rendah kinerjanya untuk menjadi lebih baik lagi, dan mempertahankan program yang sudah memiliki kinerja yang baik.

Kata kunci: *corporate social responsibility, lingkungan dan masyarakat, analisa importance dan performance*

INTRODUCTION

Research Background

Every company has the goal of achieving a high profit in the sale of its product. The strategy should be done to attract customers on the products or goods and services of the company. However, the function of a company is not only to increase profit but also responsible to the environment and society where the company is located. From the company point of view, this activity called Corporate Social Responsibility. Corporate Social Responsibility is generally understood as being the way through which a company achieves a balance of financial, environmental, and social (Triple Bottom Line). Triple Bottom Line dimensions are also commonly called the 3Ps: people, planet, profits.

In implementation of CSR in Indonesia, the positives impacts will affect not only to the environment and society, but as well as the company. The benefits CSR for the company include: improving the reputation of the company, establishing good relationship with stakeholders, creating a fun work environment for employees, and open investment opportunities from outside the company. Similarly, the benefits for society and the environment among others are to improve the welfare of the surrounding community, improve the quality of public education, and create a clean environment.

As one of the major companies in Indonesia, PT Tirta Investama Danone Aqua has a strategic role to contribute to the social and environmental. Through CSR program, PT Tirta Investama Danone Aqua strives to build trust by using the strategy of the development of corporate social responsibility program. Implementation of this program leads to the awareness for the environment and its impact to the community or customer. Therefore company will know the opinions from the customer and it can be benefit for the company to know the shortage and excess from this program.

Research Objective

The objective that be achieved by this research: To analyze the Implementation of People and Planet Corporate Social Program of PT. Tirta Investama using the Method of Importance and Performance Analysis.

THEORITICAL REVIEW

Business Ethics

Ethics is a set of principle or moral standards that differentiate right from wrong. Business Ethics is applied ethics itself. In simple words, Velasquest (2007) state that business ethics is the application of understanding of what is good and right to that assortment of institutions, technologies, transactions, activities, and pursuits that we call business.

Corporate Social Responsibility

In today's society it seems increasingly essential for companies to be perceived as respectable and socially conscious, hence, CSR can be assumed to be a corporate necessity, as ever more companies are conducting and implementing it into their business strategies. Corporate Social Responsibility is engagement to improve the well-being of society, comply with ethical, moral, and environmental norms, and foster relationship with stakeholders (Vaitkevicius, 2009).

Corporate Social Responsibility is citizenship function with social, ethical, and moral responsibility among a company and its customers (Maignan and Ferrel, 2001). These definitions are used to explain and understand the concept of CSR with other definitions by other authors and are used in terms of action and responsibilities to society and environment. This also explains about how an organization should incorporate social and environmental implication in their business procedures.

There are five dimensions in corporate social responsibility. First one is the environmental dimension refers to the natural environment. Second, the social dimension refers to the relationship between business and society. Third, the economic dimension refers to socio-economic or financial aspects, including describing CSR in terms of business operation. Fourth, the stakeholder dimension refers to stakeholders or stakeholders groups. Last, the voluntariness dimension refers to the actions not prescribed by law (Dahlsrud, 2006). Kotler and Lee (2005:307) describe the benefits of corporate social responsibility in strategy and business operations, namely: increased sales and market share, strengthened brand positioning, enhanced corporate image and clout, increased ability to attract motivate and retain employee, decrease operating cost, and increased appeal to investors and financial analysis. It can be concluded that corporate social responsibility provides benefits to both parties, namely the organization

and the community. In which people can improve their quality of life while welfare and acquire companies that positive judgments from the public and employees that ultimately ensure the sustainability of the business.

Triple Bottom Line

Triple bottom line term was used by Elkington is public together with an article in the California Management Review on “win-win-win” business strategies (Elkington, 2004). Triple bottom line also known as people, planet, and profit. People refers to fair labor practices, the community and region where the business operates. Planet refers to sustainable environmental practices. Profit is the economic value created by the organization after deducting the cost of all inputs, including the cost of the capital.

Triple bottom line is a complicated approach; many companies are only in start to discover the real repercussions of its use and implementation. Also, it discusses about three important fundamentals together as environmental responsibility, social equity and economic performance. By implementing the TBL concept, several companies expect to be able to take more efficient and sustainable method to manage business risks, handle the concern of society and to identify new business opportunities, as well as likely obstacles (Henriques and Richardson, 2004).

The economic refers to the profits, cost savings, economic growth, research and development in an organization. The profit characteristic needs to be considered by a firm as the real economic benefit of the society. TBL approach does not believe only in the organizational advantage but also the social profit where the ethics, behavior and practices are reflecting the profit maximization to maintain the social and economic accountability and have a balance between economic and social elements.

Social aspect of triple bottom line refers to standard of living, education, community and equal opportunity for all in the society. Furthermore the sustainable business helps towards the development of community and the region. The social performance focuses on the interaction between the community and the organization and addresses issues related to community involvement, employee relation, and fair wages (Goel, 2010). Environmental aspect includes natural resource use environmental management, and pollution prevention of air, water, land and waste. This planet concept reduce its ecological footprint by, among other things, carefully managing its consumption of energy and non-renewables and reducing manufacturing waste as well as rendering waste less toxic before disposing of it in a safe and legal manner. . The others example of environment measures are: sulfur dioxide concentration, concentration of nitrogen oxides, selected priority pollutants, excessive nutrients, electricity consumption, fossil fuel consumption, solid waste management, and change in land use/land cover.

Previous Research

Bohra (2015), this study is about the importance of social responsibility and working for the benefit of the society. CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life. Organizations that want to be socially responsible must face many challenges and overcome a number of barriers and critics. Company need to weight up all of advantage and disadvantage that associated with CSR and determined what is best for the sustainable of the business. Vilviate and Dabairate (2011), This study tries to analyze about the impact of corporate social responsibility on corporate image in Lithuania. From the result, the most important factor that influence the corporate image is corporate individually (quality of product, quality of service, and reliability of the company, less important is feedback and the least important factor is corporate identify. The empirical research reveals that corporate social responsibility is not the most importance element forming corporate image. Vassileva (2009), This research is investigates about how organizational members in firms perceive to be impact of corporate social responsibility activities upon their corporate brand strategy. The critical factor influencing company’s reputation among customers according to respondents are the quality of service given by the staff and quality of product and service both for UK and Bulgaria. And there is a remarkable consensus among the respondent that the reputation from shareholders’ side represent to be performance/track record, followed by longevity/sustained performance. Kesaprakorn (2008), This article provides the imperatives of CSR, and CSR benefits for company, community and general public, and of course environment. Philips Kotler and Nancy Lee have six CSR initiative that company can choose; cause promotion, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible practice. About the opportunities of CSR, CSR can operate in alignment with the business operation, often known as “CSR-in-process”, and the other CSR project might be related but outside the business operation of the company or “CSR-after-process”.

Conceptual Framework

Conceptual framework is the arrangement of logical construction that regulated in order to explain the variable in the research. This part explain the construction of the logic flow for systematically study of empirical reality.

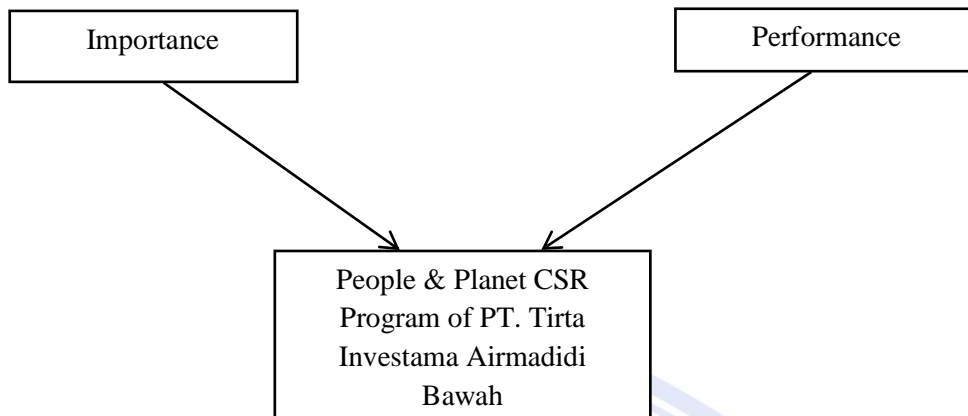


Figure 1 Conceptual Framework

Source: data processed 2017

RESEARCH METHOD

Type of Research

This type of research is descriptive study and used the quantitative method. Quantitative research seeks to quantify the data. It seeks conclusive evidence based on large, representative samples and typically involving some form of statistical analysis (Maholtra, 2009). The researcher tries to describe and explain about implementing people and planet corporate social responsibility program of PT. Tirta Investama di Airmadidi, Minahasa Utara using Importance Performance Analysis (IPA).

Place and Time of Research

This study was conducted in Airmadidi Minahasa Utara, started from May to June 2017.

Population and Sample

The population of research is all the people who live in Airmadidi Bawah. The sample taken is using purposive sampling. This research is 100 people who had experience more than once with people and planet CSR program in PT. Tirta Investama Airmadidi.

Operational Definition

There are two variables of this research, people and planet. There are eight indicators that will be used in this research. There are waste management, water access, environmental education, environmental conservation, community empowerment, education and health, response on disaster, and communication.

Data Analysis Method

Validity and Reliability Test

Validity test is used to measure the legitimacy or validity of a questionnaire. The main usage of reliability test is to make sure that the used measurement tool (questionnaire) is really consistent in measuring some cases, even though the observation has been conducted frequently at the same object. To ensure that all questions in the questionnaire are truly reliable, so the measurement of the internal consistency is made.

Importance and Performance Analysis

The Importance Performance Analysis (IPA) framework was introduced by Martila and James (1991) in marketing research in order to assist in understanding customer satisfaction as a function of both expectation

concerning the significant attributes and judgments about their performance. This evaluation is typically accomplished by surveying a sample of customers. After determining those attributes that are worthy of subsequent examination, consumers are asked two questions. One relates to the salience of the attributes and the other to the company's own performance in terms of delivery of these attributes. The interpretation of these quadrants are as follows: concentrate here, keep up the good work, low priority and possible over skill. It shows that customer's satisfaction is not achieved. The weight of the company's importance and performance appraisal are formulated into a diagram importance-performance. This method is to analyzing the level of satisfaction with the performance of a company based on the result of the assessment and valuation of the appearance of work will produce a calculation about the level of the implementation in a company.

RESULT AND DISCUSSION

Validity and Reliability

The result of Person Correlation data process. If the value of Person Correlation > 0.5 it means the statement is valid. If the value of Person Correlation < 0.5 it means the statement is not valid. And if significant value < 0.05 then the statement is correlated but if significant value > 0.05 then the statement is not correlated. If the statement is not Valid, it will be eliminated for further test and analysis. All statements of the variable is Valid, based on Pearson Correlation Value > 0.5 and the significant is < 0.05 . we can conclude that all the statement are Valid and can be used for further test and analysis.

The interpretation of Cronbach's Alpha is: < 0.6 indicates unsatisfactory internal consistency or consider that the data is unreliable. 0.7 indicates that the data is acceptable. 0.8 indicates good internal consistency or consider that the data resulted is reliable.

Reliability Test result

Cronbach's Alpha : .907

N of Items : 16

Since the Cronbach's Alpha value is 0.907, the data are considerate are reliable, and for the N of Items 16 that explain how many question in this test. So the data can be used for the further test and analysis.

Importance and Performance Analysis of People and Planet Corporate Social Responsibility Program

By using the people and planet framework, it shows that the importance of Waste Management has the highest mean which is $\bar{x} = 4.93$, followed by Water Access which is $\bar{x} = 4.75$. Community Empowerment Program is $\bar{x} = 4.67$, Facilities of Education and Health which is $\bar{x} = 4.66$, Environmental Conservation which is $\bar{x} = 4.64$, A Good Communication which is $\bar{x} = 4.62$, Response on Community Problem (Disaster) which is $\bar{x} = 4.59$, and the lowest is Environment Education which is $\bar{x} = 4.28$.

Meanwhile the performance of Water Access has the highest mean which is $\bar{x} = 4.53$, followed by Good Communication $\bar{x} = 4.53$, Waste Management is $\bar{x} = 4.5$, Facilities of Education and Health is $\bar{x} = 4.42$, Environmental Conservation which is $\bar{x} = 4.39$, Response on Community Problem (Disaster) which is $\bar{x} = 4.38$, Environmental Education is $\bar{x} = 4.18$, and the lowest is Community Empowerment Program which is $\bar{x} = 3.75$. After getting the point of the quadrant division axis in $\bar{x} = 4.33$ (performance) and $\bar{y} = 4.64$ (importance).

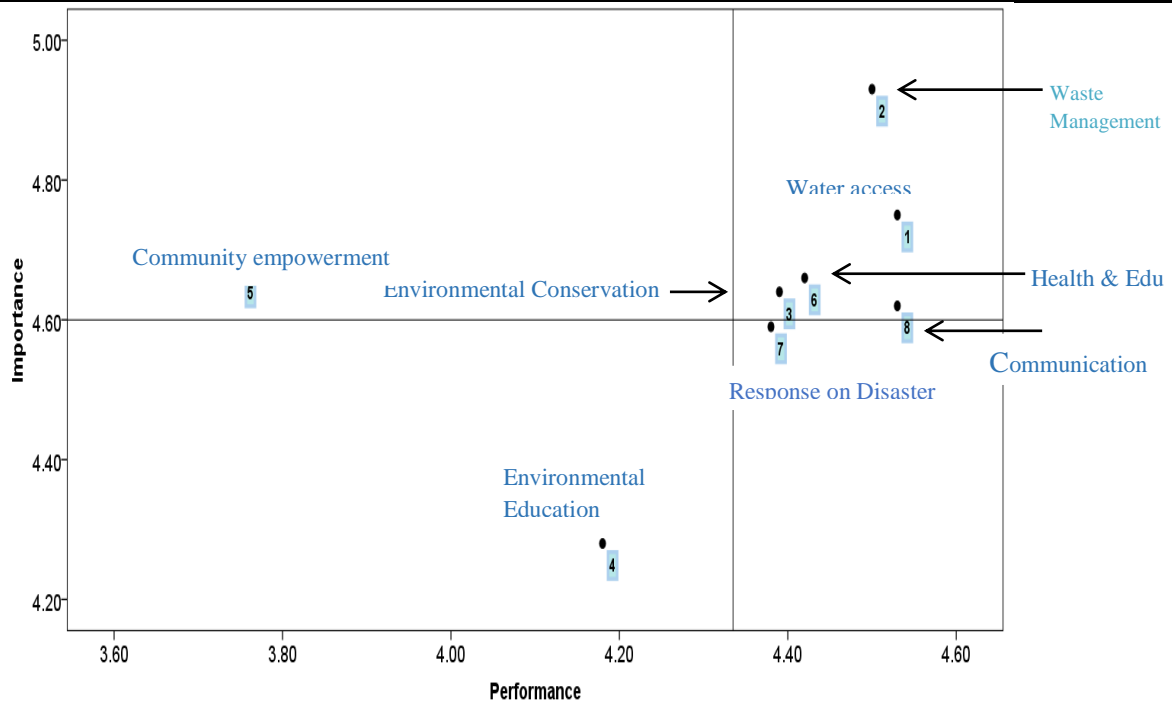


Figure 2: Data plotting of People and Planet Attributes

Source: SPSS Output, 2017

Community Empowerment Program is located in quadrant I. This means that this attribute is perceived to be very important to the community but the performance level is assessed lower. There are waste management, water access, environmental conservation, communication and health and education that located in quadrant II means that has a high importance to the community and also achieves high performance according to the community. The attribute that is located in this quadrant III is environmental education. Attribute that is located in this quadrant is has low importance to the community and it is also low performance in those attributes. The last is quadrant IV, there is response on disaster. Attribute that is located in this quadrant means that it has low importance to the community, but the performance of the company in that attributes is high.

Discussions

Total respondent is 100 people. For the sampling technique for this research was purposive sampling. Ramsey (2011) state that community empowerment is important as it demonstrates where effective relationship and engagement between service providers and the public have been established. Based on the result of this study, community empowerment has high importance by the communities. It means that the community has high expectation of economic improvement in the community through community empowerment program which is held by PT. Tirta Investama. But the performance of the company for this program is low and less attention according to the community. There are five indicators in quadrant II. First one is water access. Science for Environment Policy (2011) state that access access to water is often described as a basic human right, so right violations maybe committed where corporate activities interfere with individuals’ access to water. The assessed performance of this attributes shows that the performance of this attributes is high and it means the program is in compliance with the needs of the community. It means the availability of water access is functioning properly for society. Second, waste management. Waste management is a practical discipline, searching out solutions to individual waste problem or reactionary solutions (Pongracz, 2002). A good process of waste disposal generates a healthy environment. Based on this research, the communities are satisfied with the process of waste disposal so that it does not damage the environment. It means PT Aqua Tirta Investama already maintaining the comfort and cleanliness of the environment around the factory. Third, environmental conservation. Conservation is to maintain the quality of the environment, for the example like planting trees. Environmental conservation program conducted by PT Tirta Investama is Taman Hutan, this program was implemented at tourism lamp of mount Klabat, that aims to preserve the nature of of the forest’s service function of mount Klabat and increase

biodiversity. Communication is the process or act of transmitting a message from a sender to a receiver, through a channel and the interference of noise (DeVito, 2002:134). Communication here is to build a relationship between company and community on carrying out the CSR programs. The last is education and health. All indicators in this quadrant have high performance and the company must maintain it. In quadrant III there is environmental education. Environmental Education aims to create an environmentally literate citizenry, poised, and motivated to take action on pressing environmental issue (Ardoin, 2009). The result of this research found that environmental education is not a variable that are expected by the communities and the performance of the company also low for this program. Quadrant IV there is response in disaster. Disaster response located in this quadrant means that community not very expected for this program. The aim is to save lives, reduce health impacts, ensure public safety and meet the basic subsistence needs of the people affected. Therefore, companies can reduce cost and budget allocation of the variables included in this quadrant to a variable that need improvement.

CONCLUSION AND RECOMMENDATION

Conclusions

In Quadrant 1 which is community empowerment shows that the communities dissatisfied with the performance of this program. In Quadrant 2 which are Water Access, Waste Disposal, Health and Education, Environmental Conservation, and Communication these result shows that PT Tirta Investama deliver the performance as good as customer satisfaction. In Quadrant 3 which is Environmental Education has a low importance to the communities and PT Tirta Investama also has low performance in this attributes. In Quadrant 4 which is Response in Disaster, attribute that is located in this Quadrant mean that it has low importance to the communities but the performance of the company in that attribute is high.

Recommendations

PT Tirta Investama need to add more effort in order to ensure the community empowerment for the communities around Airmadidi Bawah or in the other place where the company put their programs. PT Tirta Investama need to develop a program for community empowerment to help the economy of the communities. Program water access, has been given the recommendation to the company to do observation to another area which requires help of water access to clean water. About health and education programs, company must keep the defense program that the welfare of education and public health can be helped. Environmental conservation program for the company expected still be able to maintain environmental sustainability and adding what is necessary in keeping the environment clean and healthy. Communication between the company and the community is expected to keep a good relationship so that both parties can mutually deliver suggestions and criticisms in order to courses conducted can be implemented transparently. Environmental Education has a low importance and performance, so it will be better for PT Tirta Investama to put a focus more on the other attributes. About the response on disaster the the company better allocate resource related to the factor to another factor which further has a higher priority level.

REFERENCES

- Bistra Vassileva. 2009. Corporate Social Responsibility-Corporate Branding Relationship: An Empirical Study. *Department of Marketing*. University of Economics Varna. www.mnmk.ro . Retrieved on April 8th 2017.
- Dahlsrud Alexander. 2006. How Corporate Social Responsibility is Defined:an Analysis of 37 Definitions. *Journal of Corporate Social Responsibility and Environmental Management*. www.scrip.org . Retrieved on May 8th 2017. Pp 5
- Elkington, J. 2004. Reality of Triple Bottom Line. *Global journal of Management and Business Studies*. Vol.3, No. 2 (2013). <https://www.ripublication.com> . Retrieved on April 18th 2017, pp 153-158

- Eva Pongracz, 2002. Re-Defining the Concepts of Waste and Waste Management. *Department of Process and Environmental Engineering, University of Oulu*.
- Goel P. 2010. Triple Bottom Line Reporting: an Analysis Approach for corporate Sustainability. *Journal of Finance, Accounting, and Management*. Vol.1 (1). Pp 27-42
- Henriques, A. & Richardson, J. 2004. *The Triple Bottom Line: Does It All Add Up? Assessing the Sustainability of Business and CSR*. Earthscan Publications Limited, London.
- Joseph A. DeVito, 2002. *Human Communication The Basic Course*. Pearson, Boston.
- Kotler, P. and Lee, Nancy 2005. *Corporate Social Responsibility: Doing The Most Good for your Company and Your Cause*. John Wiley and Sons, New Jersey.
- Malhotra, N. K., & Peterson, M. 2006. *Basic Research Marketing: A Decision-Making Approach*. Second Edition, New Jersey; Pearson Education.
- Maignan, I. & Ferrel, O.C. 2001. Corporate citizenship as a marketing instrument. *European Journal of Marketing*, 35 (3/4), 457-484.
- Monika T. Bohra. 2015. Corporate Social Responsibility: People, Planet and Profit. *International journal of Multidisciplinary and Academy Research* vol. 4 no.2 April 2015. www.ssjmar.in. Retrieved on April 8th 2017. ISSN 2278-5973
- Nicole M. Ardoin, PhD 2009. Environmental Education: A Strategy for the Future. <https://naaee.org> . Stanford University, New York. Retrieved on May 5th 2017. Pp 2
- Martilla, J., and James, J. 1977. Importance-Performance Grid Analysis. *Journal of Marketing*, pp. 77-79.
- Regina V. and Ugne Daubaraitė. 2011. Corporate Social Responsibility in Forming Corporate Image. *Inzinerine Ekonomika-Engineering Economics*. 22 (5), 534-543. Retrieved on April 8th 2017
- Science for Environment Policy, 2011. CSR for Water: Progress towards sustainability. <http://ec.europa.eu/environment/integration/research/newsalert/about.htm>. Retrieved on July 29,2017.
- Sheena Ramsey 2011. Community Empowerment Framework:Knowsley Council. *Journal of Community Empowerment*. www.knowsley.gov.uk . Retrieved on July 29th 2017.
- Velasquez, M.G. 2009. *Business Ethics: Concept and Case*. Pearson international edition. 6ed, Santa Clara.