EVALUATING THE INTERNAL CSR USING IMPORTANCE AND PERFORMANCE ANALYSIS (IPA) AT PT. PELABUHAN INDONESIA IV (PERSERO) TERMINAL PETIKEMAS BITUNG

EVALUASI INTERNAL CORPORATE SOCIAL RESPONSIBILITY MENGGUNAKAN ANALISIS KINERJA DAN KEPENTINGAN DI PT. PELABUHAN INDONESIA IV (PERSERO) TERMINAL PETIKEMAS BITUNG

by
Nadya Arline[1]
Alfa Tumbuan[2]
Ferdinand Tumewu[3]

[123]*Faculty of Economics and Business,*
International Business Administration (IBA), Management Program
University of Samratulangi Manado

Email: [1]manderosnadya@gmail.com
[2]wjf_alfa@yahoo.com
[3]tumewufj@gmail.com

Abstract: Internal Corporate Social Responsibility has been heavily discussed in the academic research since the last decade. Despite the development of Internal Corporate Social Responsibility, focus of Internal Corporate Social Responsibility activities on employees has remained largely neglected. The aims of this study is to evaluate and measuring the Internal Corporate Social Responsibility such as Health and Safety, Human Rights, Training and Education, Work Life Balance, and Workplace Diversity using importance and performance analysis. The sample size of this research is 70 employee who work in PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung. The results showed that Health and Safety, Human Rights, and Work Life Balance are placed in Quadrant II (keep up the good work), while Training and Education and Workplace Diversity are placed in Quadrant III (low importance and low performance). So, related with the findings there will be several recommendation to the management of PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung.

Keywords: internal CSR, importance and performance analysis.

Abstrak: *Internal Corporate Social Responsibility telah di diskusikan dalam riset akademis secara intensif sejak decade yang lalu. Terlepas dari perkembangan CSR internal, focus dari aktifitas internal CSR terhadap karyawan terlihat dikesampingkan. Tujuan penelitian ini adalah untuk menilai dan mengukur internal CSR, seperti Kesehatan dan Keamanan, Hak Asasi Manusia, Pendidikan dan Pelatihan, Keseimbangan Pekerjaan dan Hidup, dan Keberagaman Tempat Kerja di mana digunakan analisa kierja dan kepentingan. Ukuran sampel dalam penelitian ini adalah sebanyak 70 karyawan yang bekerja di PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung. Hasil menunjukkan bahwa Kesehatan dan Keamanan, Hak Asasi Manusia, dan Keseimbangan Kehidupan Pekerjaan berada pada Kuadran II (pertahankan hasil yang baik ini). Sementara Pendidikan dan Pelatihan serta Keberagaman Tempat Kerja berada pada Kuadrant III (kinerja dan kepentingan kurang). Jadi berhubung, dengan temuan yang ditemui, terdapat beberapa saran terhadap manajemen PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung.*

Kata kunci: internal CSR, analisa kepentingan dan kinerja.

INTRODUCTION

Research Background

Human resources play an important role for an organization because it becomes an asset or capital for an institution or organization itself. Human resources are not only playing as main asset for an organization, but also human resource becomes a valuable asset for an organization because it can be multiplied and developed. Here, human resources are seen as great asset that can be main factor for successful organization or institution.

Corporate social responsibility is how you treat your employees and all your stakeholders and the environment. Corporate Social Responsibility or Social Corporate Responsibility is a business commitment in contributing to sustainable economic development, working with company employees, employee families, along community-the local community (local) and society as a whole in order to improve the quality of life.

The reason why the researcher chose the CSR program, especially in PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung is that transparency in the CSR program in the company is very important element in supporting fairness in handling threats towards employee, in order for the employee to benefit the CSR program and triggering the employee to perform better. For instance, CSR program in a form of employee annual gathering in which the gathering consists of door-prize and every employee will be given equal opportunity to participate in the gathering. Thus, the company shows transparency in the program.

Research Objective

The objective that be achieved by this research: To Evaluate the Internal CSR of PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung using Imporance and Performance Analysis (IPA).

THEORITICAL REVIEW

Business Ethics

Business ethics (also corporate ethics) is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire organizations.

Human Resource Management

Human resource is the most important thing in organizations. Without human resources, no organizations can achieve their goal. So, the organizations should understand and know how to manage or improve their human resources in order to achieve their goal. According to Snell and Bohlander (2010) Human Resource Management is the process of managing human talents to achieve an organization's objective.

HRM has a variety of definitions but there is general agreement that it has a closer fit with business strategy than previous models, specifically personnel management. In all debates about the meaning, significance and practice of HRM, nothing seems more certain than the link between HRM and performance (HRM Guide October 2006). Below are some of the definitions of HRM, although it can be argued that these will only be ones of several possible definitions.

Corporate Social Responsibility

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.

Kotler and Lee (2005) suggested that "corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contribution of corporate resources". According to Organization for Social Business Responsibility, "corporate social responsibility up a business operating in a manner that meets or exceeds the ethical, legal, commercial and public Expectations That Society has of business".

Corporate social responsibility is how you treat your employees and all your stakeholders and the environment (Jackson and Hawker, 2001). According to the World Business Council for sustainable Development (WBSCD), Corporate Social Responsibility or Social Corporate Responsibility is a business commitment in contributing to sustainable economic development, working with company employees, employee families, along community-the local community (local) and society as a whole in order to improve the quality of life.

Internal CSR

Internal CSR denotes the policy and practices of an organization that are related to the psychological and physiological well-being of its employees. In simply word, Internal CSR practices refer to CSR practices which are directly related with the physical and psychological working environment of employees (Turker, 2009). According to Turker (2009) there are five dimensions of internal CSR which are, Health and Safety, Human Rights, Training and Education, Work Life Balance and Workplace Diversity.

CSR has certainly brought about many improvements to the business world, especially in various practices related to the environment and also issues pertaining to discrimination and abuse in the work place. Basically the reason for CSR in gaining much importance is due to the fact that it is related to the well-being of all stakeholders in the organization since it has gained a foothold within the company itself, specifically in the area of human resources. In addition, it involves social responsibility practices for employees especially in the area of their safety, health and well-being, training and participation in the business, equality of opportunities and work-family relationship.

Previous Research

Al-bdour, Ali, Ellisha, and Soh, (2010) The Relationship between Internal Corporate Social Responsibility and Organizational Commitment within the Banking Sector in Jordan. They examine the impact of five dimensions of internal CSR practices on organizational commitment: health and safety, human rights, training and education, work life balance and workplace diversity. The proposed model was tested on a sample of 336 frontline employees within the banking sector in Jordan, using Quantitative Method, Factor Analysis, and Multiple Regression Analysis. Results showed that all internal CSR dimensions are significantly and positively related to affective and normative commitment.

Low, Ong (2015) How Do Internal and External CSR Affect Employees' Organizational Identification? A Perspective from the Group Engagement Model. This research takes place in Klang Valley, Malaysia, whereby the highest numbers of professional firms are found, to investigate the impacts of internal CSR practices towards employees' organizational commitment, job satisfaction and their turnover intention. The findings of the research will alert the employer on the importance of internal CSR practices to their organizations as a competitive advantage to sustain employees. This research is using Quantitative Method, and Partial Least Square (PLS) method. The result show that all the dimensions of entrepreneurial orientation has positive relationship with the implementation of internal CSR practices. Results clearly shown the positive impact of the implementation of internal CSR practices that have enhanced employee's job satisfaction and organizational commitment. However, there is insignificant result in the relationship between organization commitment and turnover intention, which could be due to other possible factor that affect the employees' turnover intention.

Imran, Zahid, Ghulam, and Omer, (2016) How Do Internal and External CSR Affect Employees' Organizational Identification? A Perspective from the Group Engagement Model. This study explores how perceived *external* CSR (efforts directed toward external stakeholders) and perceived *internal* CSR (efforts directed toward employees) activities influence employees' organizational identification. In so doing, it examines the alternative underlying mechanisms through which perceived external and internal CSR activities build employees' identification.

Conceptual Framework

Research Framework is an analytical tool with several variations and contexts. It is used to make conceptual distinctions and organize ideas. In this section, will be explained about the framework of this research, what variables are used and how it correlates to form conceptual framework.
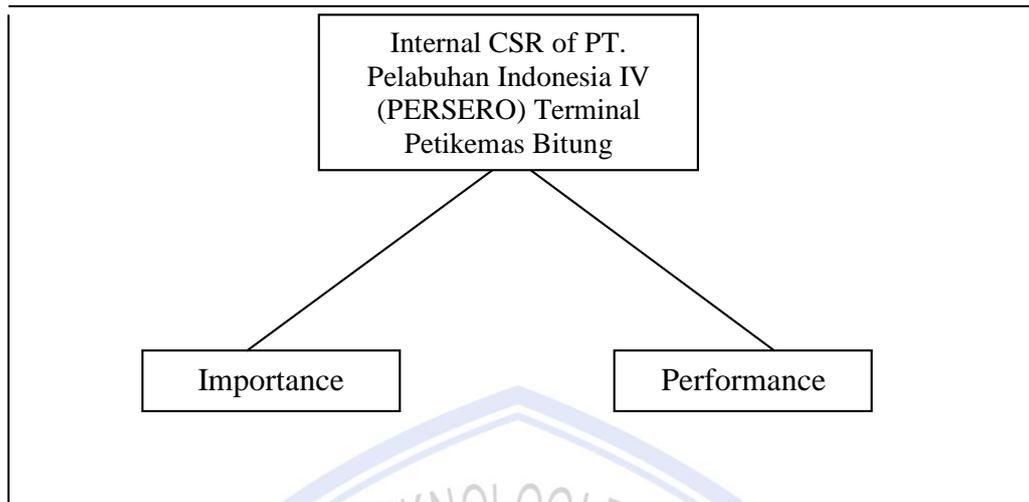
Source: Data Processed (2018)
Figure 1 Conceptual Framework

RESEARCH METHOD

Type of Research

The type of this research is descriptive research with quantitative research method. Quantitative research relies on deductive reasoning or deduction (Sekaran and Bougie, 2010) and make us of variety of quantitative analysis techniques that range from providing simple descriptive of the variables involved, to establishing statistical relationship among variable through complex statistical modeling (Saunders, 2009).

Place and Time of Research

This study was conducted in PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung, started from January to March 2018.

Population and Sample

The population in this research is the employee of the PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung. The sample in this research were 70 respondents.

Data Collection Method

In this part data collection method divided into primary and secondary data. Primary data refer to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study. The primary data used in this research is the questionnaire that distributed to employee of PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung. The secondary data collected in varied of source and the source are books, journals, articles, thesis, and websites.

Operational Definition and Measurement Variable

Table 1. Definition of Operational

Research Variable		Definition	Indicator
Internal CSR	Health and Safety	Health and safety is only one priority among others in working life. It is only possible to assess how important safety is considered to be within a company if it is first weighted against other priorities.	Medical checkup, healthy insurance, safety protection, seminars regarding occupational.

	Human Rights	Human rights are not left-wing or right-wing devices designed to advance some organizational or political interest. If human rights have only a pragmatic justification, their defenders will abandon them whenever they are no longer useful or when some other approach is more useful	Employee rights, rights between employee, respecting company's right, following regulated by company, forum to accommodate employee's voice
	Training and Education	Training is the act of increasing knowledge and skills of an employee for doing a particular job	Training, scholarship, benchmarking studies, scholarship to employee children, work exchange program.
	Work Life Balance	Work Life Balance means the competence to schedule the hours of an individual Professional and Personal life so as to lead a healthy and peaceful life	Job description, vacation, paid vacation and bonus, family gathering appreciation towards employee with high performance
	Workplace Diversity	Diversity can be defined as acknowledging, understanding, accepting, and valuing differences among people with respect to age, class, race, ethnicity, gender, disabilities, etc.	Appreciating employee with special needs, different opinions, different culture, respecting.

Source: Articles and Journals (2017)

Importance and Performance Analysis

Developing this idea, Importance-Performance Analysis (IPA) as a simple graphical tool to further the development of effective marketing strategies based on importance and performance of each attribute. The Importance Performance Analysis (IPA) framework was introduced by (Martila and James, 1997) 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.

According to Hemmasi and Downes (2012), analyzed individually, importance and performance data may not be as meaningful as when both data sets are studied simultaneously. Hence, important and performance data are plotted on a two dimensional with importance on the y-axis and performance on the x-axis. The data are then mapped into four quadrants (Martilla and James, 1997)

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   : .923
N of Items   : 25

Since the Cronbach's Alpha value is 0.923, the data are considerate are reliable, and for the N of Items 25 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 Internal CSR

Internal CSR	Importance mean	Performance Mean	Quadrant
Health and Safety	4.85	4.15	Quadrant II
Human Rights	4.70	4.15	Quadrant II
Training and Education	4.28	3.53	Quadrant III
Work Life Balance	4.59	4.06	Quadrant II
Workplace Diversity	4.15	3.82	Quadrant III
Average	4.51	3.94	

Source: Data Processed (2018)

Data plotting of Internal CSR
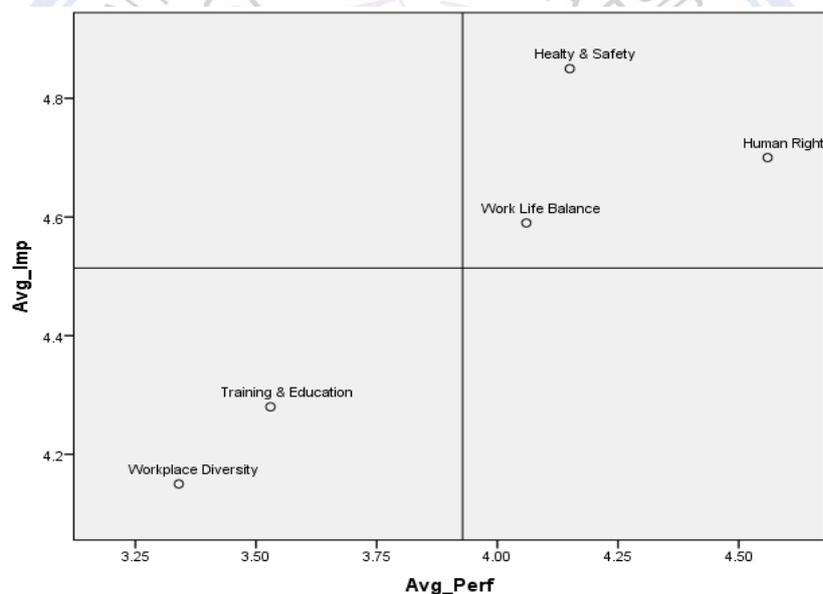
Figure 2
Source: SPSS Output (2018)

Figure 2 shows that Health and Safety, Work Life Balance, and Human Right are located in quadrant II, which is "keep up the good work". Attributes that located in Quadrant II means that it has a high importance to the employee and the company has achieves high performance according to the employee. In short, attributes that are located in this quadrant means that the employee is already satisfied with the internal CSR of the company in term of Health and Safety, Work Life Balance, and Human Right. And the last, Training and Education and Workplace Diversity are located in Quadrant III or labelled as "low priority". Attribute that located in this quadrant have a low importance to the employee and the company has low performance in this attribute.

Discussions
This research attempts to answer the problem statements as has been expounded earlier in this thesis. Hence, this research has identified five indicator of PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung's Internal CSR which are: (1) Health and Safety, (2) Human Right, (3) Training and Education, (4) Work

Life Balance and (5) Workplace Diversity. Research has considered all sources of theories, books, journals and other supporting sources in constructing the whole research. Questionnaire is used to collect data and Likert scale is used to score the data. Then, the data are analyzed with Importance and Performance Analysis method. This method is useful to know the importance and performance of PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung's Internal CSR.

Quadrant I, This part summarizes the result of analysis. In quadrant I, importance is high but the performance is low; this quadrant labelled as "concentrate here". There is no indicator located in quadrant I. Quadrant II Health and Safety, Work Life Balance, and Human Right are located in quadrant II. It means that, the importance is high and the performance is high. This quadrant labelled as "keep up the good work". The assessed performance of Health and Safety, Work Life Balance, and Human Right show that the performance of these attributes is high and it means the employee finds that Health and Safety, Work Life Balance, and Human Right has perform well to the employee. Based on the explanation about quadrant II, it is clear enough that quadrant II shows the best result because the performance of each indicators are as high as the level of importance to the employees.

In quadrant III, the indicator has low importance and low performance and it is labelled as "low priority". Training and Education and Workplace Diversity are located in this quadrant. The importance of this quadrant may be low because there are several things that need to be improve.

Quadrant IV represent low importance and high performance, which suggest insignificant strengths and a possibility that the resources invested may better diverted elsewhere. Quadrant IV is labelled as "*possible overkill*", which means that the importance is low while the performance is high, which is the performance of something so high. But actually it is not necessary for the employees. The result shows that there is no indicator that located in this quadrant. It is means that, so far the company did not spent the resources or money for any unnecessary program.

Overall, there are two indicators that need to increase their performance which are Training and Education and Workplace Diversity; three indicators that need to keep their performance, which are Health and Safety, Work Life Balance, and Human Right.

CONCLUSION AND RECOMMENDATION

Conclusions

This research has identified five attributes of Internal Corporate Social Responsibility attributes, namely: Health and Safety, Human Rights, Training and Education, Work Life Balance, and Workplace Diversity. The Importance Performance Analysis is used to compare them according to employee perceptive toward their level of importance and performance. Internal Corporate Social Responsibility programs that have high importance and high performance or labelled as "*keep up the good work*" are Health and Safety, Work Life Balance, and Human Right. Internal Corporate Social Responsibility programs that have low importance and low performance or labelled as "*low priority*" are Training and Education and Workplace Diversity.

Recommendations

These recommendation are proposed by the researcher based on the results and discussion from the research. The primary aim of this recommendation is to improve the performance of The Internal Corporate Social Responsibility programs of PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung.

Health and Safety, Work Life Balance, and Human Right have high importance and also high performance. Therefore, PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung Management should keep maintaining these program to hold its performance because it is considered as the most important program to the employee and the performance is already at the satisfactory level. It should be maintained and strengthened to further improve on the quality of the internal corporate social responsibility programs at PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung. Training and Education and Workplace Diversity have low importance and low performance. In order to reach the company goals, the company should conduct training and even give scholarship to the employee. Through training and education, the employees are equip to face unexpected thing that would happen in the future while for workplace diversity, the management of PT. Pelabuhan Indonesia IV (PERSERO) Terminal Petikemas Bitung should conduct a gathering between the employees because as can be seen from the result. Workplace diversity

have low importance and low performance. Through gathering, every employee may know more each other and to keep the relationship between employee in the company.

REFERENCES

Al-bdour, Ali, Ellisha, and Soh, 2010. *International Journal of Economics and Management Engineering Vol:4, No:7.* https://waset.org/publications/1224/the-relationship-between-internal-corporate-social-responsibility-and-organizational-commitment-within-the-banking-sector-in-jordan accessed on September 12th 2017

Hemmasi, M., Downes, M., and Varner, I.I. 2010. *Rural Environment. Education. Personality. issn 2255-808x.* http://llufb.llu.lv/conference/REEP/2017/Latvia-Univ-Agricult-REEP-2017_proceedings-451-456.pdf accessed on September 12th 2017

Imran, Zahid, Ghulam, and Omer, 2016. How do internal and external CSR affect employee's organizational identification? A perspective from the group engagement model. *Article.* https://philpapres.org/rec/HAMHDI accessed on September 12th 2017

Kotler, P., and Lee, N. 2005. *Corporate Social Responsibility - Doing the Most Good for Your Company and Your Cause.* New Jersey: John Wiley & Sons, Inc.

Low, Seng Fook Ong 2015. The Role of Internal Corporate Social Responsibility in Professional Service Sector: an empirical study From Klang valley, Malaysia. *Asia Pacific Journal of advanced Business and Social Studies Vol.1.* http://apiar.org.au/wp-content/uploads/2015/08/APCAR_BRR820_Paper.pdf accessed on September 12th 2017

Saunders, M., Lewis, P., and Thornhill, A. 2009. *Research Methods for Business Students, (5th ed.).* UK: Pearson Education.

Sekaran, U., and Bougie, R. (2009). *Research methods for business: A skill building approach.* John Wiley and Sons Limited. Academic Internet Publishers Incorporated.

Sekaran, U., and Bougie, R. (2010).*Research methods for business: A skill building approach* (5th ed.). West Sussex, UK: John Wiley and Sons LtdSnell, S., and Bohlander, G. 2010. *Principles of Human Resource Management, Fifteenth Edition, South Western, Cencage Learning.*

Turker, D. 2009. Measuring Corporate Social Responsibility: A Scale Development Study. *Journal of Business Ethics*, vol. 85, 411-427. https://link.springer.com/article/10.1007/s10551-008-9780-6 accessed on 12th September 2017