# Effect of Corporate Social Responsibility and Cultural Organization on Job Satisfaction and Business Performance (Studies in BUMN and BUMD in Riau Province)

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#### Abstract

This research builds an integrative model which aims to provide an overall interpretation on how the contribution of Corporate Social Responsibility (CSR), organizational culture, and work satisfaction influence business performance.

This study is conducted at BUMN (state owned company) and BUMD (municipally owned company) in the Riau Province by using primary and secondary data. The samples are employees of BUMN (state owned company) and BUMD (municipally owned company) of Riau province consisting of 272 respondents. Sampling technique uses purposive sampling and simple random sampling and using path analysis.

The result shows that strong organizational culture, which has a relationship with CSR is able to increase work satisfaction and business performance of BUMN (state owned company) and BUMD (municipally owned company), however, in terms of business performance, BUMN (state owned company) and BUMD (municipally owned company) have not been optimal as expected because of stronger focus on external compared with the internal focus. Similarly, the implementation of CSR is able to increase the performance of BUMN (state owned company) and BUMD (municipally owned company) and BUMD (municipally owned company). Organizational culture has a significant role in influencing work satisfaction, and business performance but not for CSR. Since the CSR is the policy of the central BUMN (state owned company) and aimed to contribute for external stakeholders, therefore the branch office of BUMN (state owned company) in Riau Province just implement it without employees' participation the same reason also occurs at BUMD (municipally owned company).

Keywords: CSR, Organizational Culture, Work Satisfaction, and Business Performance

#### Introduction

The presence of the concept of Corporate Social Responsibility (CSR) triggered by the exploitation of natural resources and environmental degradation due to operating companies or industries that are vying for profit as much as possible regardless of the social impacts that can occur, causing an environmental crisis. Attendance CSR increasingly felt in the early 1960 when the global society in which start on the road to prosperity after the end of World War II (Wibisono, 2007).

Discourse on CSR so received attention from various circles at the end of the end of the 20th century This milestone occurred on the High-Level Conference (Earth Summit) in Rio Janeiro, Brazillia in 1992 which agreed to change the paradigm of development, of economic growth into sustainable growth. The derivation of this agreement, began to raise awareness that companies are no longer faced with the responsibility that rests on the single bottom line that corporate value is not only reflected in the financial condition of the course, but the responsibility of the company should be based on a tripple bottom line concept which was developed by Elkington pay attention to "3P" ie profit, concerned and involved in the fulfillment of public welfare (people), and contribute actively to protecting the environment (planet), in other words there are three equally important goals to be achieved by the company that is economic prosperity, environmental quality, and social justice (Susanto, 2007).

In Indonesia, it seems consideration is still the dominant company profit beat the welfare of society. Chambers et al study (in Wibisono, 2007), among seven countries (India, South Korea, Thailand, Singapore, Malaysia, the Philippines, and Indonesia), who studied a sample of 50 companies that are in the top rank by operating income in 2002, showed Indonesia is the country of the lowest penetration of CSR implementation and the degree of involvement of the community compared to six other countries.

This is in line with the results of a survey conducted by Frontier Consulting Group for 37 industries and 200 large enterprises in Indonesia, shows the company's image in four dimensions measured, include: the dimensions of performance, quality, responsibility, the dimensions of responsibility showed a decrease, meaning that the company is still lacking in demonstrate social responsibility (CSR) and environmental stewardship. In 2005 there are only 27 companies who provide a report on the implementation of CSR activity (Prayoga, 2007). In other words largely companies today see CSR practice just as philanthropic activities of the company, to absorb the cost of the company and burdensome, without trying to realize the importance of growing together with community stakeholders (Executive Director, Asian Forum on Corporate Social Responsibility in Hand,

#### 2007).

The study was conducted in BUMN (state owned company) and BUMD (municipally owned company). BUMN (state owned company) and BUMD (municipally owned company) have a common ownership (equally owned by the government, and also tend to similarities in management). BUMN (state owned company) are required to set aside 1-3% of profits to implement CSR practices In addition, social responsibility by BUMN (state owned company) indeed be interesting, because due to the differentiating factor compared to its non- BUMN (state owned company), namely the presence of coercive instruments such as government policy, is imperative, the implementation of CSR is a mandatory thing for BUMN (state owned company). Even very possible potential social donations BUMN (state owned company) greater than private companies.

On the other hand the position and role of BUMN (state owned company) have not been entirely encouraging. Many state-owned enterprises can not play a role and perform its intended maximum. In 2003, only 103 BUMN (state owned company) were hit with profit amounting to Rp25,611 billion, while 47 are still loss-making state-owned enterprises with a loss of Rp6,081 trillion (BUMN Ministry Office, 2006), while in 2009 BUMN (state owned company) experienced a sizeable profit in the amount of 74 trillion, in line with the improved performance of BUMN (state owned company) through privatization, restructuring, and profitisasi, but in that year there are 20 state-owned companies that suffered losses amounting to Rp1.17 trillion (AFP Online, May 9, 2010), partly due to management not professional and are likely bureaucracy.

An overview of the performance of enterprises in Indonesia is also not much different, with regard to the performance of business enterprises (Regional Enterprise), the development in quantity, showed an increase, but the greater part of the performance of existing enterprises as a whole is still far from optimal and this can be reflected in the decline in profit contribution in the structure of local revenues, where good profit contribution to total acceptance BUMD (municipally owned company) budget and contributing to the PAD (local revenue) is still very small at the total revenue budget ranges below 1 percent, and against the PAD (local revenue) still below 3 percent (Widiyanto, 2004). In Riau province, from 16 institutions established by the Government of Riau Province, only five institutions which contributed to revenue (revenue), while 11 other agencies have not been able to contribute to the region. From investement for the enterprises in the amount of Rp. 572 830 M, the ratio of return on investment (ROI) is only 0.54 per cent per annum (DPRD report Provinsis Riau, 2010), with the contribution of the tax in 2010 amounted to 114 billion rupiah (Regional Office of Directorate General of Taxation Riau and Riau Islands, 2011).

#### **Review of Literature**

Improved organizational performance is well aligned with the organization's culture, because the culture of the organization to control how members make decisions, how to interpret and manage the environment, what was done to a member organization of information and how it behaves. Kotler research and Heskett (1992) from Harvard Business School, found the company in 11 years with the organization's culture managed to record an increase in revenue of up to 682%, while that not only managed to obtain 166% growth, as well as stock prices. Various constraints in the organization's culture, BUMN (state owned company) and BUMD (municipally owned company) that do not yet support if in comparison with private companies, for example in terms of work orientation, the pattern of granting rewards, how to deal with the problem, equality, communication, and others still low impact on the performance of BUMN (state owned company) and BUMD (municipally owned company) that itself.

From some of the above opinion researchers consider the organizational culture and CSR are two interrelated components. This study focused and highlighted the implementation of CSR (corporate responsibility) that are internal to the impact on employee job satisfaction, although it does not cover also discussed aspects of CSR as a whole. Furthermore, this value is distributed to all members as the demands to think, speak and behave so that a culture of the organization. Organizational culture that is reflected in the implementation of corporate responsibility both internally and externally will determine the sustainability or corporate performance is realized from productivity of employees who have been satisfied.

Organizational culture and CSR has been proven theoretically and empirically to be associated with improved performance. A number of studies carried out since 1990 on cultural relations with performance that indicates the chain of the relationship between cultural orientation to the attainment of performance (Denison, 1990; Kotler and Heskett, 1992). Based on his experience for over 20 years, Pennington (2003), also found to improve performance must be done by changing the organizational culture. Thus the CSR Performance (R.Edward Freeman, 1984; Chand 2006; Lako, 2008). Meanwhile the study also found that job satisfaction as a predictor that affect the performance of the organization (Robbins, 2004; Lawler, 2004, and Noermijati, 2008).

Although many studies that prove the existence of a relationship between organizational culture to performance (calori and Sarmin, 1991; Denison, 1990; Denison and Mishra, 1995; Kotter and Heskett, 1992 ;; Soedjono, 2003; Pennington, 2003), CSR and business performance (Chand, 2006; Lako, 2008), organizational

culture and job satisfaction (Robbins, 2004; Soedjono.2003). CSR to Satisfaction (Lako 2008. Susanto, 2008, Rumapea, 2006). Organizational culture on CSR (Sedyastuti, 2008), Satisfaction with the performance of the business (Robbins, 2004, Noermijati, 2008), but these studies are still raises the question of how relations are interrelated, theoretical models, and whether business performance can be enhanced through the direct role of CSR , organizational culture and employee satisfaction. This study builds in integrated models to analyze the interactions between the four variables (organizational culture, CSR, job satisfaction and business performance) and provide a comprehensive understanding of or the entire top models.

This study aims to understand the CSR's ability to improve business performance at BUMN (state owned company) and BUMD (municipally owned company) in the province of Riau, understanding the application of CSR's ability to increase employee satisfaction in BUMN (state owned company) and BUMD (municipally owned company) in the province of Riau, Understanding the culture of the organization's ability to improve the implementation of CSR in state-owned enterprises and enterprises in the province of Riau, understand the culture of the organization's ability to improve business performance at SOEs and enterprises in the province of Riau, understand the capabilities of cultural organizations improve employee satisfaction on BUMN (state owned company) and BUMD (municipally owned company) in the province of Riau, understand employee satisfaction ability to improve business performance.

Cultural organizations in a variety of studies have proven theoretically and empirically is one of the main factors increase the performance of an organization (Pearce and Robinson, 2005; Galpin and Murray, 2004; Atkinson, 2006). Organizational culture is the basic values in the organization believed to be true by all members of the organization in relation to organizational problem solving. Organizational culture here contains basic values that guide human resources within the organization, and is used to deal with problems of internal and external to the organization.

Denison (1990), presented a theory of organizational culture with regard to the organizational culture of functions and are divided into: 1) Consistency, 2) Mission, 3) Involvement and 4). Adaptability.

In line with the opinion of Denison, Mobley, et al (2005), suggested a very close relationship between the culture of the organization with the performance of the organization (company). Strong organizational culture can be a main generator in moving the real motivation and commitment. However companies that have weak organizational culture, there will be the opposite of those will work separately and individualistis. So that goals of the organization or company is difficult to achieve.

In relation to the improvement of company performance, business strategy that can survive in the global era and the long-term aim should be to change the paradigm of responsibility of the classical view towards better view is philanthropik, but it also must change the responsibility of not only shareholders (shareholder ) but the broader responsibilities that stakeholders (stakeholders broadly company; employees, customers, community, etc.) where business activity was taking place.

The idea of social responsibility by business audience is already long enough stated. Andrew Carnegie, the founder of US Steel has put forward two basic principles of corporate responsibility in accordance with the assumptions of capitalist situation in the US (Freeman & Liedtka, 1991), namely: 1) Principle charity, in which groups of people who are lucky (the haves) is obliged to assist community groups disadvantaged, a group of unemployed people, the disabled and the aged dusk. 2). The principle of serving, in the context of serving this that a businessman is expected to maintain the trust on its investments business policies to benefit all parties involved (stakeholders).

Based on the cultural function expressed by some opinions (Ouchi, ad al, 1982; in Tika, 2006), the corporate culture functions related to corporate social responsibility can be formulated as follows: 1). as a communication tool; organizational culture can serve as a means of communication between superiors and subordinates, between members of the company, the stakeholders that will create a good cooperation and can communicate the responsibilities of each in order to build a more accountable system. 2) as an adhesive between members of the company, it is a collective commitment of the member companies and stakeholders in order to have a sense of belonging, participation, and a sense of responsibility for the progress the company. 3) as a means to resolve the problems of the company, namely the problem of adaptation to the external environment and internal integration.

Job satisfaction is one of the factors that determine or affect the performance of the business, this is in line with research Noermijati (2008), that employee job satisfaction will improve the performance of the organization, as well as Robbins (2004) and Lawler III (1973), shows the relationship between satisfaction with performance. It can be understood that the organization is successful in achieving its goal either because the organization is able to fulfill the job satisfaction of employees. The results of many research studies also indicate a strong belief that a happy employee or an employee job satisfaction is productive (Lawler III, 1973; Staw, 1991, in Noermijati, 2008). In other words, productive employees are those who are high performers. It could be said, that employees who have high job satisfaction will have a peak performance.

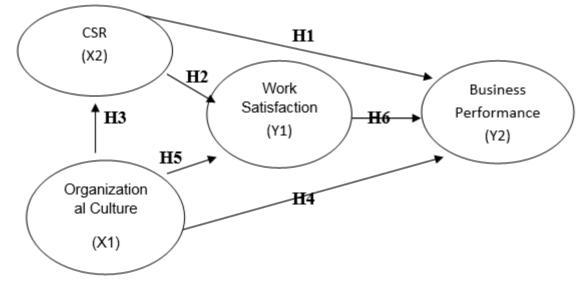
One thing that is inherent in the concept of job satisfaction is a job that can be performed well by the

individuals involved in it, also requires interaction with colleagues, superiors, comply with regulations and company policies, standards of performance, living with an ideal working environment, safety and job security, adequate salaries, job itself, and so on.

Departing from the study of theory and findings of research that has been conducted by previous researchers prepared a research hypothesis as follows:

- H1: CSR Bluetooth enhance the business performance of BUMN (state owned company) and BUMD (municipally owned company) in Riau Province.
- H2: Implementation of good CSR Bluetooth improve employee satisfaction
- H3: Organizational Culture capable of improving the implementation of CSR
- H4: Organizational culture capable of improving business performance
- H5: Organizational culture capable of improving employee satisfaction
- H6: The satisfaction of employees capable of improving business performance

#### **Research Model**



#### Methodology, Finding and Discussion Population And Sample

The population in this study are employees of BUMN (state owned company) builder in Riau and 3 (three) BUMD (municipally owned company) that were identified have been running both internal and external CSR. The employee is taken administrative employees who were at the head office or main branch is located in the capital city of Riau Province which Pekanbaru. Target population (Malhotra, 1999), is determined by purposive judgment that state-owned companies that represent each type of activity in the field of production and services, the number of samples based on the formula Slovin many as 272 respondents. While this study used data sources are: primary data and secondary data, while the method of data collection was done by means of: Interviews and questionnaires

## Measurement Variable

All variables both independent variables and the dependent variable in this study are based on respondents' perceptions or judgments. Measurement variables: organizational culture, CSR, job satisfaction, organizational performance using a 5-point Likert scale with the option strongly disagree (1), disagree (2), between agree and disagree (3), agree (4), strongly agree (5).

#### Data Analysis

Descriptive analysis. The study also calculates an index value of each indicator concerned with the formulation as follows

#### Value index = [(% f1x1) + (% f2x2) + (% f3x3) + (% f4x4) + (% f5x5)] / 5

Where f is the frequency of any selected weights ranging from a score of one to five scores (Jatmiko, 2010). To assess the organizational culture strong-weak state enterprises and enterprises studied, the scores of respondents were summed to obtain a total score of each of these dimensions masaing. Based on the total score then searched kuartilnya, next to each organization's culture is determined how much of a percentage of state-owned enterprises and enterprises located in each zone, the latest index numbers are calculated to determine the zone of the organizational culture of each indicator dimensions of organizational culture. By doing second order

confirmatory factor analysis for each of the indicators and variables, so that can know the items and indicator forming as well as validity and reliability. Path Analysis (Line). For modeling the relationship between these variables used statistical techniques path analysis using the Analysis of Moment Structure (Amos version 6).

# **RESEARCH RESULT**

## **Role of CSR in Business Performance Improvement**

Corporate Social Responsibility is a direct and positive impact on business performance in BUMN (state owned company) and BUMD (municipally owned company) Riau Province is acceptable, the path coefficient obtained is equal to 0:16, or have an influence. This shows the better CSR company, the better the performance of the company. This is in accordance with the opinion of Lako (2008), describes one of the benefits to be achieved by companies that practice CSR in a sustainable manner, namely: profitability and financial performance will be more robust, then confirmed by Chand (2006), which concluded that the implementation of CSR contribute to the realization of the performance of the company, the better the higher the implementation of the CSR performance of the company. This is supported by several other studies (Branco & Lucia 2006, Warhurst, 1998, Hurst, 2004, .R.Edward Freeman, 1984)

CSR programs in BUMN (state owned company) is generally determined by the center, BUMN (state owned company) in the province of Riau just run, but the technical decisions and the determination of the objects handed over to each branch, in which CSR activities include scholarships, PKBL (partnerships and community development programs), and assistance that are incidental, not visible CSR program that integrated and unified, this one cause is still small contribution to CSR on business performance.

Partnership run by BUMN (state owned company) and BUMD (municipally owned company) itself was criticized by some experts, Suratmo (2008), a similar partnership with a social activity of the company, but there is still the smell of his business, because each party must make a profit. The question arises: whether the cooperation between large employers BUMN (state owned company) and BUMD (municipally owned company) and small entrepreneurs who are economically beneficial to both parties, and moreover the only benefit the powerful employers could be categorized as CSR?

The tendency of the interview investigators that CSR in BUMN (state owned company) and BUMD (municipally owned company) Riau Province are not implemented seriously, not programmed properly, and not the needs of the company, so it seemed only to meet obligations set out government in Law No.40 / 2007. of the limited liability company. Sporadic, accidental, and not socialized and involve only certain people only.

CSR practices in BUMN (state owned company) and BUMD (municipally owned company) is not optimal based on the results of reviews and interviews of researchers so as not optimal as private companies, although the position of BUMN (state owned company) has two sides of a coin, on the one hand acts as a business institution and the other side acts as a social institution. The weaknesses include: 1). restrictions on aid object; 2). CSR requires channeling aid directly from BUMN (state owned company) in the absence of a third party as a companion, so rare institutional capacity building for institutions that should be a partner; 3). Most social assistance BUMN (state owned company) to the community still caricature, just for short-term donations, has not led to sustainability and community empowerment optimally. Even the partnership program is designed to empower generally also still merely provide financial capital without coupled with an increase for its beneficieries; 4). Obscurity mechanism units relationship between CSR activities organizer, without coordination and integrative.; 5). Social program management in BUMN (state owned company) is too bureaucratic; 6). The absence of blue print which is owned by the majority of BUMN (state owned company) associated with the implementation of social assistance, it is caused by one of them for the Partnership since the imperative nature of the program comes from the minister of state (state owned company) and the company felt as a mere executor activity.

Based on some of the weaknesses of the above led to the implementation of CSR is not optimal in BUMN (state owned company) and BUMD (municipally owned company), therefore it is an opportunity to make improvements and improvements in the Ministry of BUMN (state owned company), both in terms of policies, programs, and mechanisms of implementation of the CSR, so that CSR is really beneficial for the company in both the short term and long term, as well as for internal stakeholders, CSR can bring benefits in continuity of profit for shareholders and pride for employees, and to external stakeholders, people feel the impact of socio-economic life or well-being of society, and for the government to increase state revenues or region.

## Organizational Culture and Corporate Social Responsibility (CSR)

Corporate Social Responsibility has influence with the organizational culture. This can be seen from the path coefficient between the two amounted 0.48. Other words positive influence between the two by 0222, or by 22.2 percent. Similarly, an indirect relationship through the organizational culture of CSR to business performance, meaning more conducive corporate culture that applied then showed better application of CSR in BUMN (state owned company) and BUMD (municipally owned company) in Riau province, as well as organizational culture

reflected in the behavior of corporate social responsibility will affect the business performance of BUMN (state owned company) and BUMD (municipally owned company)

The results support previous studies (Sedyastuti, 2008), and the results of interviews with leaders researchers with BUMN (state owned company) and BUMD (municipally owned company) in Riau Province that organizational culture is a habit that becomes a guide in doing the job, such as respect opinion of subordinates, work habits spirit, teamwork, honesty, loyalty to the organization, it will support the company in corporate responsibility to stakeholders, because the habit of living in a civilized job will create a healthy mindset, so it will get used to caring for others, This case prompted the company to undertake its responsibilities to others in this respect that stakeholders have also been conducting activities to support the passage of the company.

# **Role of Organizational Culture Performance Against Business Direct Impact**

Organizational culture positive influence either directly or indirectly to the business performance is acceptable, direct path coefficients obtained at 0:38 or 15:13 percent by influence, means the stronger the organizational culture BUMN (state owned company) and BUMD (municipally owned company), it can improve the performance of the business, which is in line with research Kotler & Heskett (1992), and Bersade Chatman (1997), Weichrich and Koontz (2005), Jennifer and Bersade (1997), Denison (1990), which concluded its research hasi-hasi existence of positive and significant influence between organizational culture on organizational performance.

Results of the study of organizational culture by using four-dimensional (Involvement, consistency, adaptability, mission) and using each indicator can be drawn that:

1) There is a significant and positive relationship between each factor on performance indicators involvement with the company, where employees want them involved in information that occur in the company and the lack of independence in the work. 2) There is a significant and positive relationship between each factor on the dimensions of consistency with the performance of the company, where employees want their coordination and integration in the job. 3) There is a significant and positive relationship between each factor on indicators of adaptability to the performance of the company, in which the factors to be considered company is the relationship with the customer, and consumer complaints used as input for the company's strategy. 4) There is a significant and positive relationship between each factor on a mission to corporate performance indicators., Meaning that the appreciation of the company's mission will boost the company's performance, to the in BUMN (state owned company) and BUMD (municipally owned company) takes strategy to be able to face the change-change dynamic business environment.

## **Dimensional involvement**

In table 1 shows the index and the zone that includes the involvement of organizational culture: empowerment (independence in work); team orientation (involvement interact), and capability development (development potential, diversity of work).

Organizational Culture Zone: Dimensions Involvement								
Strong-Weak Organizational Culture	Empowerment		Capability Development		Team Orientation			
	F	%	F	%	F	%		
Cultural Danger Zone (CDZ)	38	13.97	18	6.62	21	7.72		
Cultural Attention Requirement (CAR)	40	14.71	45	16.54	66	25.00		
Cultural Opportunities (CO)	175	64.34	184	63.97	144	52.94		
Cultural Strength (CS)	19	6.99	35	12.87	39	14.34		
Total	272	100	272	100	272	100		
Index	66.08		70.77		68.47			
Organizational Culture Zone	CO		CO		CO			

	Table: 1	
Organizational C	ulture Zone: Dimensi	ons Involvemen

Source: Data processed

Based on Table 1 above, the organizational culture zone BUMN (state owned company) and BUMD (municipally owned company) Riau province including CO categories (cultural oppurtunities), meaning that the company has some important cultural force, both of which occurred due to deliberate or naturally developed, but companies should be careful because they have a weak culture, it is seen from the magnitude of the frequency value are in Zone CDZ (Cultural Danger Zone) and CAR (Cultural Attention Requirement), which will be covered by a strong culture as a resource that supports the leading a better future, in addition to the disparity in the application of the culture, it also indicates that in general there is still a perception felt by employees or things where they are not involved in policy or particular decisions.

## **Consistency dimension**

In Table 2 shows that the indicators of the cultural dimension that includes core values Consistency, coordination and integration, agreement.

Strong-Weak Organizational Culture	Core Value		Coordination and integration		agreement	
		%	F	%	F	%
Cultural Danger Zone (CDZ)	18	6.62	26	9.56	17	6.25
Cultural Attention Requirement (CAR)	68	25.00	92	33.82	45	16.54
Cultural Opportunities (CO)	161	59.19	130	47.79	177	65.07
Cultural Strength (CS)	25	9.19	24	8.82	33	12.13
Total	272	100	272	100	272	100
index	70.58		68.08		73.46	
Organizational Culture Zone	CO		СО		СО	

Table: 2					
Zone Cultural Organizations: Dimensional Consistency					

Source: Data processed

Factor agreement (agreement and approval by the employees) have the highest index value is 73.46, followed by successively by the core values (the values that run consistently), amounting to 70.58 as well as coordination and integration (coordination in the decision, the integration in implementation of the work) amounted to 68.08. This indicates that the BUMN (state owned company) and BUMD (municipally owned company) more focused execute agreements together, and with the consent of the employee, as well as the values that have been executed consistently which is a strength. To avoid or reduce conflicts in the execution of the work, the company coordination and integration, so that problems can be overcome or eliminated, but according to the CO zone, which means there are still weaknesses in the culture of this dimension, so it looks from the persistence of the frequency values are The zone CDZ and the CAR that must be a concern of the company, it also indicates what the company is run does not apply equally for all employees, so that employees feel their inconsistency.

## Adaptability dimension

This dimension includes consists of: Customer focus (employees' understanding of the relationship and customer satisfaction), creating change (the handling of complaints, and the responsiveness to complaints), as well as organizational learning (innovations made in the face of complaints and customer feedback).

Strong-Weak Organizational Culture	Costumer Focus		Creating Change		Organizational Learning	
	F	%	F	%	F	%
Cultural Danger Zone (CDZ)	8	2.94	8	2.94	11	4.04
Cultural Attention Requirement (CAR)	61	22.43	43	15.81	69	25.37
Cultural Opportunities (CO)	52	19.12	138	50.74	126	46.32
Cultural Strength (CS)	151	55.51	83	30.51	66	24.26
Total	272	100	272	100	272	100
Index	81.80		77.21		72.7	
Organizational Culture Zone	CS		CS		СО	

 Table: .3

 Organizational Culture Zone: Dimensions Adaptability

Source: Data processed

The largest index value of dimension in table 3 is the costumer focus (81.80), followed by creating change (77.21), and the smallest is the organizational learning (72.7), so that the dimensions of customer focus and creating cultural change is in the zone CS (Cultural strength) means BUMN (state owned company) and BUMD (municipally owned company) is at a strong foundation on the strength of the culture. While still in the organizational learning culture zone CO (Cultural oppurtunities), which means that in addition to having the power company also has weaknesses. Results Table 3 shows that the BUMN (state owned company) and BUMD (municipally owned company) has the power to the customer focus and creating change can be understood, because it is not independent of one role of the BUMN (state owned company) and BUMD (municipally owned company) as the implementing public service whose ownership is dominated by the government.

#### Mission dimension

Dimensions mission consists of: vision, strategic direction, and goals and objectives.

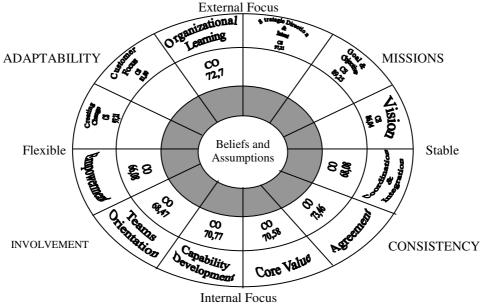
Strong-Weak Organizational Culture	Strategic direction		Goals and Objective		Vision	
	F	%	F	%	F	%
Cultural Danger Zone (CDZ)	4	1.47	2	0.74	6	2.21
Cultural Attention Requirement (CAR)	35	12.87	8	2.94	45	16.54
Cultural Opportunities (CO)	161	59.19	95	34.93	42	15.44
Cultural Strength (CS)	72	26.47	167	61.40	179	65.81
Total	272	100	272	100	272	100
Index	77.67		89.25		86.21	
Organizational Culture Zone	CS		CS		CS	

Table: 4 Organizational Culture Zone: Dimensions Mision

Source: Data processed

Table 4 above shows the cultural zone at the level of CS (Cultural Strength), although there is still a culture that is in the zone CDZ and CAR, which still need attention or there are cultures which need attention because it will hinder the achievement of the company's performance, but overall BUMN (state owned company) and BUMD (municipally owned company) has power on mision factor, both occurred because deliberately developed, and developing itself naturally which can be resource and cultural support as the company wants to get a better future well.

The combined results of the four dimensions of the above can be seen in the following figure:



Pictures: 1. Zone of each indicator and the dimensions of organizational culture variables

#### Influence of Organizational Culture and Job Satisfaction

Organizational culture has a positive and significant impact on job satisfaction can be accepted. Path coefficient with a value of 0.74 is quite large, and this is the greatest path coefficients that describe the relationship between the study variables. This means that the influence of cultural variables on job satisfaction is at 0:54. The better and stronger organizational culture in BUMN (state owned company) and BUMD (municipally owned company) in Riau Province, the job satisfaction is increasing, this is in line with the opinion of Robbins (2004), and Moebley (2005), that their relationship tightly between the culture of the organization with the performance of the organization, where the culture can be a major generator of motivation and commitment in driving the real, which can bind the people in the organization. This is due to the direct or implemented cultural touch directly with the activities of employees, so as to have a direct impact on what is felt by employees. This value is large enough that illustrates that the contribution of the dominant organizational culture affects employee satisfaction.

Organizational culture through the four dimensions above ie through: employee involvement in decision making, consistency with applicable rules and policies, adaptability to the conditions that occur, including the needs and desires and employees, as well as vision, mission, strategies, and objectives can be

harmonized with employee expectations, so in tune with the indicators contained in the employee satisfaction. Still not optimal job satisfaction of employees in BUMN (state owned company) and BUMD (municipally owned company) in Riau Province on research conducted reflects that organizational culture in BUMN (state owned company) and BUMD (municipally owned company) is indeed still strong and also inconsistent, so it is a challenge for organizations to establish a strong culture through the implementation of cultural dimensions which include: 1) Indicators of employee involvement in terms of job satisfaction factors related to the job needs to be independence in providing jobs to employees and harmonious relationships at work .2). Consistency indicator is closely related to justice and policies such as promotion and other policies. 3). Indicators adaptability to handling employee complaints primarily related to compensation received by employees. 4). Mission, goals, objectives socialized and implemented with clear and focused, closely related to the quality of leadership that have an impact on employee motivation and satisfaction.

#### Effect of Job Satisfaction and Business Performance

Job satisfaction affect the business performance is acceptable. It is seen from the positive path coefficient that is equal to 0:38, thus influence employee satisfaction is a positive 0.15 which means more satisfied employees of the company, the acquired company's business performance will increase. This is in line with research Minner (1992), Mathis and Jackson (2000), Lawler (in Suhartini, 2004), individuals who are satisfied with their jobs tend to persist in the organization and committed so that in itself becomes more productive, and improve organizational performance , It is also in line with research Carmeli (2004), that has an influence on job satisfaction and work performance commitments will have implications on the performance of companies in general.

Business performance in BUMN (state owned company) and BUMD (municipally owned company) is not optimal, is also a reflection of job satisfaction is not optimal, it is seen from the score of each indicator variables, in particular indicator or the payment of compensation at the rate of employees who show injustice according to them. For that BUMN (state owned company) and BUMD (municipally owned company) can review the policy on these indicators.

#### CSR Influence on Job Satisfaction

CSR influential phenomenon on job satisfaction in BUMN (state owned company) and BUMD (municipally owned company) in Riau province, likely due to CSR that is run not widely disseminated to employees, does not involve employees, the implementation of CSR is still low, has not become a culture and the company's strategy. For more details can be detailed as follows:

First, there is no uniform reference on CSR implementation tailored to the conditions in Indonesia generally and BUMN (state owned company) and BUMD (municipally owned company) in particular, the second, implementation of CSR in Indonesia in general, and especially in BUMN (state owned company) and BUMD (municipally owned company) is very dependent policy center or by the CEO of the corporation, in other words they are a "imperative" shall mean the company branches just as executor, so that employees are not so involved and not involved, third, Organization CSR managers have not integrated, so implementation CSR goes with the perception of the respective companies and are managed by each, fourth, CSR has not been internalized in the formulation of the vision, mission, strategy and business policy, the values of the corporate culture, and the actions of the business., fifth, Part of the implementation of CSR The BUMN (state owned company) and BUMD (municipally owned company) has not been done continuously, and well programmed. And most companies consider as a burden / costs.

With the above conditions, where CSR was the responsibility of internal and external nature, it is not terimplementasinya CSR well, especially its CSR internally causing some employees of the company, particularly BUMN (state owned company) and BUMD (municipally owned company) does not feel proud and a part of the CSR implementation, so it does not impact on employee satisfaction.

# DISCUSSION

After the discussion according to the results of hypothesis testing, it is necessary to study integrative overall analyzing the relationship between the variables are interrelated to the overall business performance dependent variable and the overall shaper. The third influence Independent Variable Performance Against Business

Based on the results of research conducted that organizational culture, job satisfaction CSR and provide a direct effect on business performance. The table above indicates that job satisfaction has a stronger effect than the culture of the organization and CSR, followed by organizational culture and CSR is the variable that contributes the most low.

Influence organizational culture not only directly, but also indirectly through CSR and employee satisfaction against. Therefore, BUMN (state owned company) and BUMD (municipally owned company) need to improve the existing organizational culture within the company, where the company is not only pursuing the

mission of a certain class of people, but need consistency both internal policies hedge menyengkut the employees as well as external policies affecting the sustainability of the company.

The magnitude of the effect of CSR on business performance is not as big as the influence of organizational culture and job satisfaction on the performance of the business, as well as the influence of CSR on job satisfaction actually not significant, unlike the influence of organizational culture on job satisfaction is quite large and dominant, explanation of the above phenomenon are: First, BUMN (state owned company) and BUMD (municipally owned company) has not realized the importance of CSR for improved performance in the long run, so do not consider CSR as a requirement but regarded as an obligation that has been set by the government through the Law and regulations Ministry of BUMN (state owned company), it can be seen that the dominant shaper CSR is Ethical responsibility and legal responsibility means that companies implementing CSR as a proper form of responsibility given to the stakeholders, and because the applicable law is not as essential requirements for responsible for internal and external, Second, BUMN (state owned company) and BUMD (municipally owned company) has not unify CSR into the management, vision and strategy as well as the culture of the company or organization, so it is not integrated with the culture that makes it as an advantage or strength impact on firm performance, the Third, the implementation of CSR in BUMN (state owned company) and BUMD (municipally owned company) is not well communicated to employees, Fourth, the implementation of CSR policy does not involve a lot of employees, and the tendency is topdown, especially the policy of the office center, so employees do not feel they have that will make it as the culture and pride that can lead to loyalty and performance. Thus if the BUMN (state owned company) and BUMD (municipally owned company) would like to have a superior business performance, it must integrate CSR into the organization's culture, giving rise to pride and satisfaction of employees.

Employee satisfaction not only created through relationships with coworkers, but the next required quality capable leaders or supervisors who are able to provide role models and motivate employees to work and a clear direction and people are able to work and responsibility is delegated to hold a job. Do dissatisfaction promotion policy BUMN (state owned company) and BUMD (municipally owned company) for this (the interview is generally determined by the central BUMN (state owned company), according to a report from BUMN (state owned company) in the province of Riau, so BUMN (state owned company) in Riau is not have full authority, while BUMD (municipally owned company) looks not transparent and not based on professionalism as a whole, is still dominant are determined by certain groups or local government should be eliminated in an effort to improve employee satisfaction.

Business performance BUMN (state owned company) and BUMD (municipally owned company) it was time directed at learning perspective and custumer loyalty, meaning that the existence and capabilities of employees sera loyal customer is a major shaper of performance in the present and to come, no longer focusing only internal process that requires employees work efficiency alone, without error, and the sanctions that will make the lack of innovation and creativity. The influence of organizational culture through CSR and Job Satisfaction Performance Against Business. Research results showed indirect impact of cultural variables organizations, through CSR and job satisfaction in order to improve organizational performance that is equal to 0:37, this means that organizational culture plays a role in creating corporate social responsibility (CSR), and job satisfaction and ultimately improve business performance.

Based on the above, it is to obtain superior performance in BUMN (state owned company) and BUMD (municipally owned company), the organizational culture and job satisfaction should be supported by the implementation of CSR both internal and external nature.

## **Research Findings**

1). Judging from the dimensions of organizational culture that includes involvement, consistency, adaptability, and mission were indications that the BUMN (state owned company) and BUMD (municipally owned company) more focus on culture oriented towards external (adaptability, and mission), with zones CS (cultutal strength), compared with the internally oriented culture (involvement, and consistency) that are in the zone of CO (cultural Oppurtunity). 2). Found indications of the implementation of CSR in BUMN (state owned company) and BUMD (municipally owned company) has not been optimal, CSR is carried over to fulfill obligations or regulations, not as a requirement, so that its implementation is to meet the legal responsibility and not the responsibility ehical discretionary responsibility. 3). Found no effect of CSR on employee job satisfaction, it is because CSR is run more oriented towards the external obligations of stakeholders, while for internal stakeholders is still perceived less or not optimal, in addition to CSR programs that run over the center, so the BUMD (municipally owned company) in Riau province just run its course, so that CSR does not involve a lot of employees, thus CSR is not something you are proud of employees who can create or increase in employee satisfaction. 4). Found indications that employees of BUMN (state owned company) and BUMD (municipally owned company) requires the quality of supervision that have the capability and competence to lead, not because of seniority which has been more dominant, thus indicators of promotion is one that concerns or complaints

cause dissatisfaction they are in addition to payment systems that felt less fair, 5). Found an indication of business performance of BUMN (state owned company) and BUMD (municipally owned company) has the power to the internal process perspective, which is more concerned with the size of the success of efficiency and error rates of workers, while forming business performance in this study is tereletak on the ability of companies to optimize capability and employee productivity in contributing to the company.

#### **Implications Research**

Implications For Development Business Management BUMN (state owned company) and BUMD (municipally owned company) and Organizational Behavior. The findings of this research is important to enter the strategic development of business management and organizational behavior in BUMN (state owned company) and BUMD (municipally owned company) in Indonesia, where the organization's approach consisting of: implementation of CSR principles, the establishment and implementation of a strong culture and create employee satisfaction in order to improve business performance. Implementation of CSR is continuous and precise, correct mechanism, target the right program through references that have been set by the government that refers to the 3 P (profit, people, and planet) is very important to obtain enhanced performance or guarantee the sustainability of the company. CSR is not only directed towards external stakeholders, but more important is how to apply the principles of CSR for internal stakeholders such as employees, which will have an impact on employee job satisfaction.

Similarly, it takes strong culture, and responsible that focuses not only on external, but also internal focus, in order to provide motivation and employee satisfaction and adjustment to the demands of stakeholders and business environment demands a global era.

Implications For Enrichment Organizational Behavior and Management Strategy

The findings in this study contains things to enrich the behavior of employees in the organization. First, the change in the organizational environment will make demands of work and employees are more complex, so that the necessary cultural adaptability meet these demands. Second, Building a culture of involvement and consistency in making and implementing the policies of the organization in other words, not only use the top-down approach, but also bottom-up, including the implementation of CSR programs. Third, CSR program that is run not only in a legal and ethical responsibility, but should be the discretionary responsibility, where CSR is a necessity and a strategy to face global businesses that will come, and therefore CSR programs must be part of the vision, mission, strategy , and the culture in the organization BUMN (state owned company) and BUMD (municipally owned company)

## **Theory Implications**

The findings on the development of integrative models provide theoretical implications as follows: 1) to prove that their intertwined relationship between organizational culture, CSR, job satisfaction and performance. This model provides an overall significance on an integrative model of performance enhancement. This has implications on the theory of strategic management and organizational behavior need for a more comprehensive discussion of the role of CSR, organizational culture in fostering employee satisfaction and success attainment performance. 2) addressing the contradictory results of previous studies on the role of CSR on job satisfaction. This study proves that the CSR is directly no effect on job satisfaction. This is because the program does not involve employee CSR, CSR program should include internal (shareholders and employees) and external, but in this study the perception of CSR more visible to external programs alone. CSR programs that run the company does not serve as a reference organizational culture to act and behave.

## **Conclusions and Suggestions**

#### 1. Conclusions

The conclusions specifically about the effect of each variable can be detailed as follows: 1) Implementation of CSR contribute to improving business performance, since CSR is a form of corporate responsibility both internally stakeholders, and external stakeholders. This study focuses on the impact of CSR on internal stakeholders, particularly employees. Descriptive and infensial shows that BUMN (state owned company) and BUMD (municipally owned company) has not been running CSR as expected. 2) CSR has not been able to play a role in improving job satisfaction, because: CSR program in BUMN (state owned company) and BUMD (municipally owned company) has not engaged them as employees, both in policy and implementation, programs implemented yet everything works consistently and continuous, in addition to the understanding of CSR itself has not been uniform, so some consider CSR a company that will reduce the burden share / portion vested. 3) Cultural organizations are able to create responsible behavior that affect the performance of the business, because the organizational culture is a habit that becomes a guide in doing the work, so that is reflected in everyday life which is manifested in behavior patterns bertangguing responsible. 4) Cultural organizations focused both on internal, namely: includes involvement and consistency, as well as an organizational culture that

focuses on the external focus was able to create the motivation that drives organizational performance improvement. Employee involvement in decision making, consistency of the management in implementing policies capable of triggering employees contribute to company performance. Similarly, the ability of BUMN (state owned company) and BUMD (municipally owned company) to adapt to the external environment, and establish a clear mission gives the company an opportunity to compete and improve business performance. 5) Cultural organizations can improve employee job satisfaction, for it takes a strong organizational culture, touching the everyday behavior patterns are implemented consistently by the leadership. Application of weak cultural implications for the level of satisfaction is also relatively low. Cultural organizational culture in improving job satisfaction in BUMN (state owned company) and BUMD (municipally owned company) and BUMD (municipally owned company) is more oriented to the external focus, so it has not been able to increase optimal business performance, whereas the ability of organizational culture in improving job satisfaction of employees play a role in improving corporate performance. Satisfaction of an individual is determined by a process that involves many variables that begin with a person's perception of effort (effort) which will be tailored to the reward that will be received, where the effort will create performance depends on the abilities and traits or characteristics and perceptions of the individual.

#### 2. Suggestions

Suggestions for BUMN (state owned company) and BUMD (municipally owned company) are: 1) The Company can form a team to design and develop CSR programs into their authority, and involves or includes employees in the implementation of these activities. 2) CSR program that involves internal (employees) actually implemented, with a high commitment such as attention and fulfill the welfare of employees and their families, health and safety, treat employees fairly, companies need to implement a payroll system that is fair, so the difference between leadership and employees are not too flashy, which can lead to dissatisfaction because of the very large gap. 3) CSR program should involve (participatory) employees, conducted sustainability, and accountability, both in planning and in implementation and evaluation, causing a sense of pride employees have an impact on employee satisfaction. 4) The government should regulate in detail the procedures for the implementation of CSR, reward and punishment in the implementation of CSR 5) BUMN (state owned company) and BUMD (municipally owned company) need to strengthen the organizational culture of internal dimensions which include: the dimensions of engagement, and dimensional consistency, so as to improve company performance. 6) Settling organizational culture can be done through: networking values, filtering, internalization of values and last Kilai cultivate these values. 7) Companies need to set a standard career path of employees in order to fairness and transparency promotion, so as to motivate employee job satisfaction.

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