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UNDERSTANDING THE DIFFERENCES IN RECIPIENTS' PERCEPTION ON THE CORPORATE SOCIAL RESPONSIBILITY PROGRAM IN EDUCATION CONDUCTED BY PT KALBE FARMA TBK

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Abstract

A Company spends hundreds of millions dollars to execute Corporate Social Responsibility as a form of investment to grow and sustain in the society. PT Kalbe Farma Tbk, established since 1966, is the leading healthcare provider in Indonesia. In 2017, PT Kalbe Farma Tbk was honored as the best CSR program that contributes long-term benefits. The basis of its CSR activities are "triple bottom line: People – Planet – Profit". In 2005, the scholarship program was well known as one of the most favorite scholarships in national news. A preliminary study conducted in 2018 toward several recipients of education scholarship shows there are differences of perceptions regarding the expected and the gained education scholarships. This research examined the different of perception between company and beneficiaries in regards of the education CSR. Perspective of beneficiaries comes from perception and ways of how that company creates CSR that based on company vision and mission, not research study. This research is conducted by utilizing the qualitative approach, specifically in ethnography method. Interviews toward three main sources in 2019 at PT Kalbe Farma Tbk main Office, Jakarta, along with triangulation for validation is deployed. Result shows that recipients admitted that cash support is useful, yet cash is not the only expectation coming from recipients and far from expectancy. Further than that, recipients believe that benefits namely mentoring, workshop, career assistance are far more advantageous over money. CSR is an accurate strategy to perform responsibility to environment, society, government; competitive advantages, legitimacy. This shows that an organization requires CSR as one of the core strategies to sustain. The real beneficial CSR should not longer seen as cost center, but seen as a tool toward profit center. Overall, findings suggest PT Kalbe Farma to repair the program and make suitable decision in the future.

Keywords: Corporate Social Responsibility, Education, Scholarship, Perceptions.

1. Introduction and Purpose

According to McWilliams & Siegel (2001), in the beginning CSR is only seen as the form of social participation inside society and how company response toward sudden phenomenons existing in environment, and the form of responsibility of a companies despite their main business activity. CSR was not included in law and not even obliged by authorised government. However, as time goes by, the practice of CSR developed and was considered crucial as many business cases for CSR is developed. Based on preliminary study, toward several recipients of education scholarship as the form of Corporate Social Responsibility (CSR) conducted by PT Kalbe Farma Tbk, there are differences of perceptions regarding the expected and the gained education scholarships. The form of scholarship made by PT Kalbe Farma is not limited only to tuition

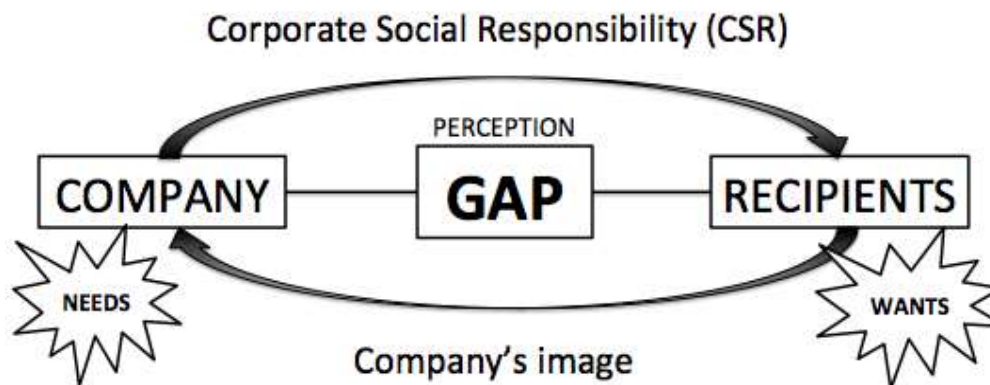
fees, but also on research assistance. Besides the tangible values written on the scholarship information, there will always be intangible value which follows. Several recipients admitted that the cash support is useful, yet cash is not the only expectation coming from recipients and far from expectancy (see on Table 1 on Appendix). Corporate Social Responsibility is a form of investment to grow and sustain in the society. This is shown as a lot of money is allocated to conduct CSR (Figure 1 on Appendix). Differences of perceptions indicating that the education scholarship scheme built by PT Kalbe Farma is not coherent with the needs from beneficiaries. The purpose of this study is understanding the difference which occurs between beneficiaries recipients' expectation and identifying what they get in a CSR program in education conducted by PT Kalbe Farma Tbk.

2. Theoretical Foundations, Conceptual Framework, and State of The Art

Related theories, concepts, and empirical findings that utilized in this research are:

- Corporate Social Responsibility
- Carrol's Pyramid and the development of CSR concept
- Triple Bottom Line
- Benefits of Corporate Social Responsibility
- Impacts of Corporate Social Responsibility toward company image
- Strategy on creating CSR
- Perceptions
- Needs and Wants

The conceptual framework of overall research is as figure below



For the novelty in terms of research, most of the findings are elaborating CSR to better financial performance, ethics, and how CSR affects the company's image. Majority of findings are stressing on the importance, benefits, efficiency, or correlation with other management functions. The Researcher provides 14 different researches along with details and their findings to distinguish the results. There are no research points out yet regarding the differences between beneficiaries and company's side in regards of CSR and understanding the gap on how and why it may occur. While most of the findings mentioned conceptual orders, in addition to knowledge benefaction, this research gives practical contribution. Many findings assumed that CSR is successfully performed, yet fewer findings discuss the implementation inaccuracy as previously drawn in preliminary research. A Complete table of State of The Art can be seen on Table 2

(Appendix). Furthermore, this research identifies both beneficiaries' perceptions related to education program of CSR and the company's desire toward the execution of CSR. By successfully recognizing them, the gap that appears can be grasped. Moreover, hopefully PT Kalbe Farma can prearrange the program and make an exact decision for the program. Eventually, the aim to set CSR as an investment purpose will be achieved. Over and above that, this research undertakes the location in Indonesia with big leading company, PT Kalbe Farma Tbk, which may be used as pilot for other companies.

3. Methodology

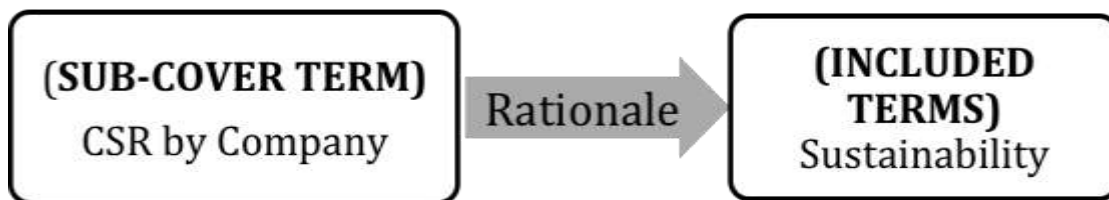
As the aim of this research emphasizes on the depth of understanding regarding the topic. The depth counts in the reasons of how the differences made between recipients and the organizer of the scholarship, which in this case is PT Kalbe Farma Tbk. Due to that reason, the research is conducted by utilizing a qualitative approach, specifically in ethnography method. The Interview will be used as the method to collect data. Three key main sources are the Head of Corporate Communication & Sustainability, Head of Human Resource Department, and Main Staff of Communication & Sustainability. For data analysis, Spradley analysis will be used (domain, taxonomic, and component analysis). Source triangulation is the method to verify the research.

4. Results

This research utilizes Spradley Model (1980). The first step in data analysis is domain analysis. Categories are identified in this step, as well as explained with the correlation in terms of semantic relationship. Variables are sub-components of cover term that consistent with conceptual framework and observation. The result of domain analysis generated four sub-cover term as below:

Sub-Cover Term (Variable)	Semantic Relationship	Included Terms (Findings)
CSR by Company (starts from 2017)	Rationale	Sustainability
Recipients (Beneficiaries) Wants from Education CSR	Strict Inclusion	Employment opportunity
	Strict Inclusion	Mentoring
	Strict Inclusion	Workshop
	Strict Inclusion	Connection
	Strict Inclusion	Continuous assistance
Company Ways to Create Education CSR	Cause and Effect	According to vision & mission of the company
	Means-End	Evaluation based on internal Corporate Communication & Sustainability division and BOD
Scholarship as Education CSR Conducted by Company	Strict Inclusion	Money assistance in education cost (<i>SPP/Sumbangan Pembinaan Pendidikan</i>)

As the domains are found and presented on the previous part, then taxonomic analysis shall be conducted to dig more details and understand the internal structure (Spradley, 1980). There are four sub-cover terms identified in domain analysis, namely: CSR by company, recipients (beneficiaries) wants from education CSR, company ways to create education CSR, and scholarship as education CSR conducted by company. In this sub chapter, sub-cover in regard of CSR by company will be further discussed. Researcher did not choose sub-cover with the most included terms due to the unique findings that explain the whole phenomenon. The following figure identified the taxonomic analysis illustration of CSR by a company.



Sustainability is the newest company goal since 2017. Before 2017, the organiser of CSR is included in Corporate Communication division. However, since 2017, the organisation has changed into Corporate Communication & Sustainability division. This is clearly written in the Sustainability Report 2018: CSR is part of sustainability commitment, concept of achieving balance between economic, social, and environmental goals aimed to achieve positive impacts of the lives of people and give contributions to the conservation of the environment for a better future. It is a commitment to help companies by promoting community welfare and protection toward environment implied in service & products.

However, due to the overall shifting of organisations toward sustainability, the organiser itself is in disarray. This situation admitted from the key informant that there is not any clear and strict guidance. Eventually, this result with omission of CSR implementation, includes education CSR.

Conclusion

The purpose of this study is understanding the difference which occurs between beneficiaries recipients' expectation and identifying what they get in CSR program in education conducted by PT Kalbe Farma Tbk. Beneficiaries of education CSR (scholarship) only get cash support from the company. The different perception occurred because at the side of company (organiser), year 2017 is the first start of organisation changing toward sustainability. Beside that, a company has never done any market research when implement the CSR. The design of CSR starts from vision and mission of the company only. Assumption from the organiser that beneficiaries are satisfied was not based on the feedback.

Preliminary research shows that recipients admitted cash support is useful, yet cash is not the only expectation coming from recipients and far from expectancy. Further than that, recipients believe that benefits namely mentoring, workshop, until career assistance are far more advantageous rather than money. CSR is an accurate strategy to perform responsibility to environment, society, government; competitive advantages, legitimacy. This shows that an organization requires CSR as one of the core strategies to sustain. The real beneficial CSR should not longer seen as cost center, but seen as a tool toward profit center. The strategy of making CSR only from vision mission of company without research also should be repaired. Research is important as both needs and wants from beneficiaries will be fulfilled. Overall findings suggest PT Kalbe Farma to repair the program and make suitable decision in the future.

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Appendixes

Figure

Kalbe Berbagi 2017 <i>Kalbe Berbagi 2017</i>	Jumlah Partisipasi Relawan / <i>No. of Employee Volunteerism</i>	Jumlah Penerima Manfaat / <i>No. of Beneficiaries</i>
Kalbe Berbagi – Kesehatan <i>Kalbe Cares – Health</i>	5,913	268,993
Kalbe Berbagi – Pendidikan <i>Kalbe Cares - Education</i>	109	8,955
Kalbe Berbagi – Lingkungan <i>Kalbe Cares - Environment</i>	52	1,798
Kalbe Berbagi – Infrastruktur <i>Kalbe Cares - Infrastructure</i>	10	100,900
TOTAL	6,084	380,646

Figure 1: Kalbe Berbagi 2017 Corporate Social Responsibility
(PT Kalbe Farma Tbk Annual Report 2017)



Tables

No	Information	Expectation
1	<p><i>“Saya harap dengan dapat beasiswa dari Kalbe, saya dapat diterima kerja di perusahaan tersebut. Ini sangat penting karena jaman sekarang cari kerja susah. Tapi saya hanya dapat bantuan dana saja, tidak ada privilege untuk jadi karyawan disana. Kalau mau masuk Kalbe, tetap harus ikut proses rekrutmen standar.”</i></p> <p>“I hope by gaining scholarship from Kalbe, I can be accepted to work there. This is very important because nowadays finding work is very hard. However, I just gain fund assistance, there is not any such thing as privilege to work there. In case I want to join Kalbe, I have to follow standard recruitment procedure.”</p>	Employment Opportunity
2	<p><i>“Saya datang dari keluarga kurang mampu, makanya uang memang penting untuk saya dapat melanjutkan studi. Saya mendapatkan beasiswa bantuan untuk riset yang saya lakukan. Akan tetapi, cuman diberikan sejumlah uang cepat sekali habis. Beasiswa kan ada masa kontraknya, paling lama juga 1-2 tahun. Apalagi, kalau sudah dapat satu beasiswa, biasanya tidak bisa apply beasiswa lain. Saya berharap dapat bimbingan lebih dari hanya sekedar uang.</i></p> <p>“I come from poor family, that is why money is important for me to continue my study. I got scholarship in form of assistance for my research. Nevertheless, given certain amount of money will run out in short time. The time period of scholarship lasts 1-2 years. In addition, if someone already gets one scholarship, usually he or she cannot get any other scholarship. I hope I can have more assistance/ guidance more than just money.”</p>	Continuous Assistance
3	<p><i>“Saya apply beasiswa ini untuk menambah koneksi di bidang farmasi. Saya sedang melanjutkan studi yang bidangnya dekat dengan farmasi. Saya harap dengan koneksi tersebut, saya bisa mendapatkan peluang yang lebih banyak di masa depan baik untuk karir maupun usaha.”</i></p> <p>“I applied this scholarship to increase my connection in pharmacy field. I am currently continuing study in field that is close to pharmacy. I hope with that connection, I can get more opportunity in the future for both career or business.”</p>	Connection
4	<p><i>“Saya berharap mendapatkan keuntungan yang kontinu dari beasiswa ini seperti workshop atau mentoring. Banyak petinggi dan tokoh terkenal inspiratif dari Kalbe. Di jaman milenial, keuntungan yang kontinu penting sekali. Menurut saya uang itu hanya berguna sekali pakai.”</i></p> <p>“I hope to get continuous advantage from the scholarship, ilke workshop or mentoring. There are many top brass and figure, inspiring famous people from Kalbe. In this millennial time, continuous advantage is very essential. I think money is useful but disposable.”</p>	Continuous Assistance (Mentoring Workshop) &

5	<p><i>“Kalbe adalah salah satu perusahaan farmasi terbesar skala Asia Tenggara. Saya harap saya bisa kerja di luar negeri dengan menjual nama beasiswa yang saya dapatkan atau kalau bisa direkomendasikan.”</i></p> <p>“Kalbe is one of the biggest pharmacy business in South East Asia. I hope I can work abroad by selling the fact that I got scholarship or even get recommendation from the company.”</p>	Employment Opportunity
6	<p><i>“Saya tahu kalau Kalbe banyak mengadakan acara atau kegiatan yang dapat menguntungkan saya. Saya berharap dengan mendapatkan beasiswa ini, saya dapat mengikuti acara-acara tersebut secara gratis dan mendapatkan lebih banyak kenalan.”</i></p> <p>“I know that Kalbe conducts many activities and events that can give advantage to me. I hope with this scholarship, I can join those activities and events for free and gain more acquaintance.”</p>	Connection
7	<p><i>“Saya mau berkarir di Kalbe Farma. Oleh karena itu saya berusaha mendapatkan beasiswa Kalbe. Seharusnya penerima beasiswa Kalbe diprioritaskan dapat menjadi bagiannya di masa depan.”</i></p> <p>“I want to pursue career in Kalbe Farma. Thus, I tried to get Kalbe scholarship. Recipients of scholarship in Kalbe supposed to be prioritized for being part of the company in the future.”</p>	Employment Opportunity
8	<p><i>“Saya memiliki penyakit turunan dari keluarga. Kalbe bekerja di bidang farmasi (kesehatan). Saya berharap mendapatkan bantuan untuk melawan penyakit saya. Saya tidak berharap bantuan dalam bentuk dana, tapi mungkin bisa dalam bentuk bantuan asuransi kesehatan, kenalan, bahkan ilmu pengetahuan. Sejumlah uang yang saya terima bahkan tidak bisa membiayai seperlima dari biaya pengobatan saya.”</i></p> <p>“I have hereditary disease from my family. Kalbe works in the field of pharmacy (health sector). I hope I can get assistance to fight my hereditary disease. I do not expect the assistance in the form of money, but perhaps in the form of health insurance, acquaintance, or even knowledge. The amount of money that I got even cannot pay one fifth of the cost.”</p>	Continous Assistance
9	<p><i>“Saya lebih berharap mendapatkan bantuan dalam meniti karir saya yang sebidang dengan perusahaan Kalbe.”</i></p> <p>“I prefer assistance in my career path that is align with Kalbe business.”</p>	Employment Opportunity
10	<p><i>“Ekspektasi saya setelah lulus studi tidak perlu terlalu pusing mencari kerja karena mendapatkan kesempatan lebih untuk bekerja di Kalbe.”</i></p> <p>“My expectancy after graduated is no longer worried about finding work because I will get more opportunity to work in Kalbe.”</p>	Employment Opportunity

Table 1: Preliminary Study Interview Result

No	Author	Year	Title	Findings
1	Elena Fraj-Andres, M. Eugenia Lopez-Perez, Iguacel Melero-Polo, Rosario Vazquez Carrasco	2011	Company image and corporate social responsibility: reflecting with SME's managers	Ways CSR influence the company image of SMEs and construct framework for steering of CSR activities in related topic.
2	Kresno Agus Hendarto & B.M. Purwanto	2012	Market Reactions of Mandatory Implementation of Corporate Social Responsibility: Indonesia Context	Exhibit research on verifying that Indonesian companies that hold CSR voluntarily obtain affirmative feedback when obliged CSR was announced.
3	Siphiwe P. Mandina, Christine V. Maravire, Victoria S. Masere	2014	Effectiveness of Corporate Social Responsibility in Enhancing Company Image	Validate philanthropic projects boost company image correspondent with relatives of the firm.
4	Alexander Newman, Ingrid Nielsen, Qing Miao	2014	The impact of employee perceptions of organizational corporate social responsibility practices on job performance and organizational citizenship behavior/ evidence from the Chinese private sector	Organizational Citizenship Behavior (OCB) is not affected by employee perception toward CSR done in the direction to employee, customers, or executives. Meanwhile, OCB is strongly influenced by employee perceptions of CSR to social and non-social stakeholders.
5	Youngran Shin & Vinh V. Thai	2014	The Impact of Corporate Social Responsibility on Customer Satisfaction, Relationship Maintenance and Loyalty in the Shipping Industry	Powerful marketing tool that requires further research on its advantages is CSR, systemic examination in CSR occupation in shipping industry spot CSR reports the elected tool between major shipping companies, and verification that bolster up value has notable impression on customer's perception of CSR performance.
6	Charles Kang, Frank Germann, Rajdeep	2015	Washing Away Your Sins? Corporate Social Responsibility, Corporate	CSR interconnected with company performance and by doing CSR, firm

	Grewal		Social Irresponsibility, and Firm Performance	obtained economic advantage
7	Sayedeh Parastoo Saeidi, Saudah Sofian, Parvaneh Saeidi, Sayyedah Parisa Saeidi, Seyyed Alireza Saaeidi	2015	How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction	Only competitive advantage and company image arbitrate the connection between CSR and firm performance.
8	Gangi Francesco & Eugenio D'Angelo	2016	The Virtuous Circle of Corporate Social Performance and Corporate Social Disclosure	Reciprocal connection between performance and disclosure.
9	Taridi Kasbi Ridho	2016	The Influence of CSR on Performance and Its Determinants in Listed Companies in Indonesia	Relationship of corporate governance and CSR along with impression top 200 listed companies in Indonesia toward their stakeholders.
10	Adriana Galant & Simon Cadez	2017	Corporate Social Responsibility and Financial Performance Relationship: A Review of Measurement Approach	Relation and measurement between CSR and CFP that inherent profit.
11	Karl V. Lins, Henri Servaes, Ane Tamayo	2017	Social Capital, Trust, and Firm Performance/ The Value of Corporate Social Responsibility during the Financial Crisis	The making of firm-specific social capital is the way to seek security and will ensure to face the time of crisis occurred toward investors or company.
12	Ewa Stawicka	2017	Sustainable Development and The Business Context of CSR Benefits on The Polish Market	The evolution of inventive and adequate in CSR in Polish Market.
13	Jaja Suteja, Ardi Gunardi, Rani Janisa Aurisi	2017	Does Corporate Social Responsibility Shape The Relationship between Corporate Governance and Financial Performance?	Regulate the positive connection between CSR and corporate governance along with corporate financial achievements
14	Jose M. Moneva & Julio Hernandez-Pajares	2018	Corporate social responsibility performance and sustainability reporting in SMEs: an analysis of owner-managers' perceptions	In the SMEs with influence of Spanish and Peruvian, the CSR is highly affected by the rules of conducts from owners and managers and CSR is aimed to achieve competitive advantage in

				the companies correspondence with stakeholders.
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Table 2: State of the Art

