

CORPORATE SOCIAL RESPONSIBILITY AND CREATING SHARED VALUE: A PRELIMINARY STUDY FROM INDONESIA

Suripto

Universitas Pamulang, Jakarta, Indonesia
e-mail: suriptobs@gmail.com

Abstract

As a country who has a mandate for energy and extractive companies to implement and disclose Corporate Social Responsibility (CSR) program, Indonesia emphasizes the importance of CSR and Creating Shared Value (CSV) practices. As CSV is a new concept, which is considered as more comprehensive compared to CSR, this paper aims to provide a preliminary picture of how stakeholders understand and differentiate their perceptions on both CSR and CSV concepts. This study examines the different stakeholders' perceptions of CSR and CSV concepts. This study targeted 50 samples of stakeholders from companies that have created shared values and disclosed them through their Sustainability Report, Annual Report, as well as website. Paired Sample Test, Independent Sample T-Test, and ANOVA test were carried out as the analytical method. The results show that there are different perceptions among stakeholders on CSR and CSV concepts in Indonesia. Different stakeholder types, internal and external, also contributes to a different perception of CSR and CSV. Likewise, the diversity of stakeholder positions, from Director; Manager; Corporate Secretary; Employee; Supplier; and Sub-District Head (*Camat* and *Lurah*), affects their different perceptions of CSR and CSV. On the contrary, different types of gender among stakeholders do not result in any significant difference in their perceptions of CSR and CSV concepts. This pilot study developed a questionnaire which adopts a theory which highlights the difference between CSR and CSV concepts. Previously, there is no research regarding stakeholders which emphasizes the different concept of CSR and CSV in Indonesia nor other countries. This study will fill some of that gap which then will lead to conducting a major study in the same field.

Keywords: Corporate Social Responsibility, Creating Shared Value, CSR Perception, CSV Perception, Indonesia, Stakeholders

JEL Classification: G32, M14, Q5

**Corresponding Author*

INTRODUCTION

This pilot study aims to provide preliminary findings on stakeholder's perception of CSR and CSV concept in Indonesia before commencing the major study in the same field. The objective of this study is to understand stakeholders' perceptions of CSR and CSV concepts in Indonesia, whether they can differentiate the two concepts based on their response on the questionnaire as well as from unstructured in-depth interview in the following. In general, this study is expected to contribute to the knowledge and practices of CSR and CSV that is specifically still limited in Indonesia. Thus, conducting this pilot study is necessary to provide initial evidence of the stakeholders' perceptions of social responsibility practices by the company which implements shared value.

Along with its development, social responsibility practices can be considered as one of the company's strategies to face business challenges, such as environmental challenges and rejection from other parties, as well as maintain business durability. Through their activities in fulfilling the society's needs, a company can give back to the surrounding society which has been affecting and affected by the operational activities of a company. Giving back to society is considered as a noble act where the company is seen to be committed and willingly contribute to the society which can bring good impacts to the company's reputation and business. Such an act can also be considered necessary for the company to gain trust (Alpana, 2014), approval, and support from different stakeholders within the society. Nowadays companies around the world acknowledge the importance of social responsibility practices since they may bring goodness to the company's business and performance (Lapina, Borkus, and Starineca, 2012).

In a developing country, such as Indonesia, CSR practice, which is considered as a philanthropy act, is becoming a norm where the society expects companies and business people do (Visser, 2006). The economic condition often becomes the main driving factor which makes philanthropy necessary to improve the living standard and quality of communities. Apart from its importance and despite the Indonesian Government has numerous CSR regulations, not all companies in Indonesia have already implemented CSR practices. The different perception from various stakeholders regarding the concept of social responsibility may cause a lack of awareness about its significance, hence not all companies are fulfilling their social responsibility.

This research studies sample in Indonesia as the largest economy in Southeast Asia, a member of the G20, and classified as newly industrialized country, therefore CSR and CSV issues in Indonesia are becoming more relevant to discuss and be understood by broader groups. Through the Law No.40/2007 about Limited Company Liability and supported by the Government Regulations No.47/2012 on Limited Company Liability's Social and Environmental Responsibility, the government has made Indonesia as the first country to ever made CSR activities and disclosure mandatory for companies in the energy and extractive industries. Not only private companies, but the government also conducted CSR regulation for State-Owned Enterprises in State-Owned Enterprises (BUMN) Ministerial Decree No.Kep-236/MBU/2003. Indonesian Government also emphasizes their seriousness in handling CSR issues, regarding economic and environmental sustainability, by making CSR an

obligatory condition for foreign investors who come to Indonesia through Law No.25/2007. Therefore, this study to examine stakeholders' perceptions of CSR and CSV concepts in Indonesia is relevant to be discussed further to maximize the implementation of social responsibility practices.

The concept of CSV is barely widely known nor implemented by the companies in Indonesia. CSV is often perceived as not being novel and providing an overlapping concept as CSR (Crane et al., 2014) only with different packaging. Whereas Porter and Kramer (2011) mention that there are differences between the two concepts. While CSR is putting social responsibility practices as an act to respond to the external pressures, then CSV is present to make social responsibility practices as tools to create shared economic and social value. Therefore, CSV concept can offer a more integrated strategy to contribute to society but at the same time creating profit for the company. Their contribution to the society is not mere philanthropy which adds more cost for the company's operational expenditure (Porter and Kramer, 2011), but it can create a synergy between the needs of the society and the goal of their business.

CSR concept places social responsibility practices as a tool to "bribe" the society so that their business practices can be accepted by those vulnerable groups who are harmed and become victims of the company's business activities. In other words, a company runs CSR activities as one of its public relations strategies (Lapina, Borkus, and Starineca, 2012). A company who does CSR as mere philanthropy does not consider integration between giving charity for the society and achieving a company's mission to enact the company's values and goals. Looking at this phenomenon, it is no surprise that CSR is seen as an additional cost for the company and hardly can make their business more profitable and durable.

On the other hand, CSV presents a new concept where a company can make a strategy to transform social problems into a business opportunity (William and Hayes, 2013). CSV concept is not intended to let a company gives aid or donation for the society only when there's a disaster, social problems, or other unfortunate events. Instead, CSV is expected to become a long-term solution as well as building an immune and prosperous society through the business approach. Doing good practices for society can also bring profit for the company and not only perceived as additional costs if the company adjusts social responsibility practices by considering stakeholders' interests. By fulfilling the society's needs as well as the stakeholders' concerns, a company can invest to gain the society's trust as well as support from its stakeholders (Alpana, 2014). CSV not only helps improving society's living standard but can also be a strategy that has good impacts for the company's business performance and durability, or in other words as Porter and Kramer (2011) described, "create economic value by societal value". Porter and Kramer (2011) also mentioned that social progress also means business progress, which means a business may not be able to operate well if a company is surrounded by the societies that fail (Visser, 2006).

Relating how CSV offers a more comprehensive concept of social responsibility practices than CSR, it is relatively more strategist if business people would shift from CSR to CSV. Before implementing the relatively new concept, it is necessary to know how stakeholders' perceptions of the difference between the two concepts. Specifically, this paper provides early finding whether Indonesia, as an emerging economic power in Southeast Asia, has started to implement the mandated social responsibility practices by referring to CSV concept. This paper will discuss further and answer questions about 1) how stakeholders' perceptions on CSR and CSV concepts are, 2) whether

Suripto

stakeholder types, internal and external, affects their different perceptions on CSR and CSV concepts, 3) whether gender difference affects stakeholders' perceptions on CSR and CSV concepts, and 4) whether stakeholders' job positions affect their perceptions of CSR and CSV concepts.

LITERATURE REVIEW

Every company needs to maintain its trustworthy reputation to gain support from its stakeholders. Stakeholders are defined as individuals and groups of individuals, both from an internal or external party of the company's organization, who can affect and be affected by the company's activities (Freeman, 1984). Among others, there are creditors, employee, owner, customers, manager, director, supplier, government, and surrounding communities where the company operates. A trust gained by the company from the related stakeholders may indirectly affect the way the company makes an economic profit (Freeman et al., 2010).

Stakeholders are paying attention to the company's business, decisions, actions, practices, and profitability (Motilewa et al., 2016). It is possible if stakeholders are watching how the company reacts towards social issues and external pressures, yet at the same time maintaining their business operations. Departing from that understanding, it is safe to say that a company's social responsibility can be one of the tools for the stakeholder to assess the company's performance. Stakeholders may concern whether a company can provide multi-benefits for them at the same time do good deeds for the society, or only doing philanthropy as an additional expenditure which may affect their economic gain. This section will show whether social responsibility can relate to a company's business interest by providing a conceptual understanding of the difference between CSR and CSV.

Corporate Social Responsibility has long been known by business actors as one of the tools a company can enact to meet the society's standard and answer external pressures on how good a company should act. On the early days of modern CSR, Bowen (1953) defined CSR as “[...] obligation of the businessman to pursue these policies, to make those decisions or to follow those lines of action which are desirable in term of objective and values of our society”. Supporting Bowen's argument, Carroll (1979) explained that the basic idea of the CSR concept emerged to emphasize the importance of a company to show their responsibility towards societal and environmental problems. In other words, CSR presents as a response once societal and environmental problems show up and a company is expected to show that they are responsible and being a good company citizen.

A company executes CSR practices by using their business revenue to invest in various activities: recycling, giving money to social causes, reporting on social and environmental impacts, and engaging employees in community works (Moore, 2014). CSR practices are manifested into numerous types of activities, one of them is Community Development. A cost to carry out Community Development activity is counted as an additional expenditure by the company which however costly it is necessary to be implemented for making sure the company's activities are accepted by the surrounding communities. Placing CSR activities as additional costs shows that this concept tends to separate social responsibility practices from the company's main business activities. CSR is perceived may cause a declining company's profitability. This means that for years, CSR practices are done without a mission to enact and share

company's values as well as pursuing the organization's objective at the same time (Motilewa et al., 2016).

Some people still perceive that CSV is the same concept as CSR only with different packaging. Through an interview in 2012, Porter and Kramer (Moore, 2014) later explained the differences between the two concepts. The concept CSV presents and is popularly referred to Strategic CSR (Motilewa et al., 2016) since it becomes an answer for those arguments against CSR. When companies who do CSR are criticized that business actors should only be the focus on profit-making activities rather than giving attention to societal problems that reduce the company's profit, CSV answers the challenge. CSV becomes a platform which can accommodate the critic where companies can still be the focus on profit-making while doing social responsibility practices. Such concept offers the idea to create economic value by creating societal value.

Liel (2016) explains that we cannot neglect the fact how business always after for private's profit, which therefore it needs a strategy to still be able creating positive values for the society while pursuing economic profit. Departing from that fact, CSV concept is present to offer a combined relationship between business and society (Wieland, 2017). Porter and Kramer (2011) further explain that CSV concept is acknowledged as "[...] policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates". In line with Wieland (2017) and Liel (2016) arguments on CSV, Porter, and Kramer (2011) also defined the basic idea of CSV concept came from the interdependent relationship between business and social prosperity. A company can increase its competitiveness and win the business competition healthily if they succeed in an attempt to ameliorate social-economic conditions within the society.

Scagnelli and Cisi (2014), as well as Awale and Rowlinson, (2014) argue that the implementation of CSV can bring positive impact to the company's reputation, competitiveness, performance, profitability, as well as sustainability and durability. A company will gain benefits from CSV social responsibility practices since they align the practices with the company's vision and mission, therefore social responsibility practices are not considered as additional costs. Porter and Kramer (2011) explained a company which implements CSV will transform their core business and integrate social, environmental, and economic values or triple bottom line practices into their strategy, structure, people, process, and rewards (Moore, 2014).

Different from CSR, CSV is not just a public relations strategy and fulfilling external pressures. CSV as a concept brings social responsibility practices as a long-term solution to build a better society through business approach, not just as a direct response to external pressures or societal and environmental problems. By transforming societal problems into business opportunity proves that CSV can lead a company to contribute for the society and help them face challenges, yet at the same time making greater profitability for their organization and economic activities.

From the above explanation of the difference between CSR and CSV, it concludes that CSR is perceived by companies as their additional expenditure to be accepted in the community. Whereas CSV makes companies being responsible for the community as a long-term investment since they integrate social responsibility practices into their business strategy which will create economic value and bring multi-benefits for stakeholders. Taking notes to the importance of stakeholders' role and

Suripto

power which may define company's business sustainability, a company will attempt to fulfill their stakeholders' interest, that is to implement social responsibility which can profit their business at the same time.

METHODS

This study is conducted as quantitative research, which implements validity test, reliability test, normality test, and ANOVA test. Quantitative research is necessary to test if the instruments used in this and future research are valid, consistent, and normally distributed. If this preliminary study confirms the quality of the instruments, therefore they can be used, and it is safe to conduct future research to assess the stakeholders' perceptions on the difference between CSR and CSV concepts.

Around 65 copies of the developed questionnaire were spread and used to measure the extent of stakeholders' perceptions of the CSR and CSV concepts. The answers collected from the respondents will be considered as the primary data to help in analyzing this preliminary study. 50 respondents were approached and handed the questionnaire in person. This approach is expected to be more effective in gaining quality responses compared to the free shared online questionnaire. The direct approach is expected to make respondents more interested with the issue brought on the table, hence they will answer the questions provided thoroughly.

Referring to Porter and Kramer's (2011) CSR and CSV definitions as well as differentiation, a comprehensive questionnaire is developed to understand whether stakeholders notice the difference between different points that show different parameters of CSR and CSV concept. 14 statements characterize each CSR and CSV concept provided for stakeholders to respond or show their degree of agreement or disagreement without knowing which one is entitled CSR or CSV. The developed questionnaire is completed with the 1-6 Likert Scale. The Likert Scale is helpful to measure on scale 1 to 6 regarding what extent a subject or respondents of the questionnaire agree or disagree with the statements provided regarding CSR and CSV concepts. The alternative answers for the questionnaire will be codified referring to Likert Scale as follows:

Strongly disagree	= 1
Disagree	= 2
Partially Disagree	= 3
Partially Agree	= 4
Agree	= 5
Strongly Agree	= 6

The collected responses from the questionnaire that has a greater amount of number or accumulated score show a higher degree of respondents' agreement with each statement provided. This raw data collected from stakeholders can help us to see the tendency of stakeholders' perceptions of CSR and CSV concepts.

The data collecting process is not limited to the response-gathering activity through a questionnaire, this study also includes an unstructured in-depth interview with 10 percent of the total respondents. Unstructured in-depth interview is aimed to delve further the answers they have submitted on the questionnaire previously, regarding the reasons why they chose their answers and whether they notice the prominent difference between CSR and CSV. Additionally, the interview will ask

respondents, among others, about whether social and environmental responsibility practices only expected to maintain company's reputation, have a limited budget, decrease company's profit or the other way around. Their deeper and more completed answer through the interview will help this research process in analyzing responses from the questionnaire.

Stakeholders' responses from the questionnaire and interview will be analyzed further adopting Porter and Kramer's (2011) theory of the difference between CSR and CSV concept as a measuring tool. The notion of each CSR and CSV concept, referring to Porter and Kramer's (2011) argument, will be breaking down into six indicators along with its parameters, as follows:

Table 1. Stakeholders' Perceptions of CSR and CSV Concepts Indicators

Indicators	CSR Parameters	CSV Parameters
Value	Social Responsibility Practices is perceived as the company's additional cost.	Social Responsibility Practices may bring multi-benefits.
Concept	Social Responsibility Practices is a tool to deliver sympathy from companies to the communities, or as a charity.	Social Responsibility Practices can bring more opportunities for the company.
Characteristic	A company executes Social Responsibility Practices to respond external pressures.	A company executes Social Responsibility Practices because it is necessary for them.
Outcome	Social Responsibility Practices may affect to the declining of the company's profitability.	Social Responsibility Practices may help to increase the company's profitability.
Agenda	Social Responsibility Agenda has a short-term impact.	Social Responsibility Agenda has a long-term impact.
Impact	The limited funding use for Social Responsibility Practices only creates small outcomes.	The limited funding use for Social Responsibility Practices does not limit companies to create greater outcomes.

The parameters listed above will be a reference to list 14 statements for each CSR and CSV concept in the questionnaire from which stakeholders can choose to what extent they agree or disagree with the statements provided. This preliminary study also makes sure to include all indicators that define the two concepts. The indicators can be useful once the total score from the questionnaire gathered to see which indicator gained greater or lesser score that will define the significant difference between stakeholders' perceptions on CSR and CSV, whether stakeholders tend to agree or disagree more with which aspect among value, characteristic, agenda, outcome, or impact of CSR or CSV concept.

Regarding the main topic of this preliminary study, that is stakeholders' perceptions on CSR and CSV, fifty stakeholders with different backgrounds were randomly selected as respondent sample for this research. Stakeholders, in this case, include the internal and external ones who are highly affected, positively and negatively, by the company's activities (Freeman, 1984). Choosing 50 respondents is based on several concerns:

1. Internal stakeholders, that consist of Director, Corporate Secretary, Manager of CSR, Manager of Public Relations, Manager of HRD, as well as employees, are chosen since they are directly involved in implementing social responsibility practices by the company.

Suripto

2. External stakeholders consist of Supplier, which has interdependent relations with the company where each of the party needs each other, and Sub-district Head (*Camat* and *Lurah*) as the representative of local government which is expected to understand the dynamics within the communities they govern. Both *Camat* and *Lurah* have the power to affect and be affected by the company's activities within their working areas.

To be more precise, the number of respondents for this preliminary study is described below:

Table 2. Respondents Details for Pilot Study on CSR and CSV Perception

No.	Respondent	Number	Notes
1.	Internal Stakeholders:		
	a. Employee	7	a. Employees consist of those from CSR, Public Relations, Production, and HRD divisions with working experience for more than 5 years.
	b. Manager	9	b. Including especially CSR Manager, Public Relations Manager, Business Development Manager, HRD Manager, and General Manager with working experience for more than 10 years.
	c. Corporate Secretary	6	c. All Directors and Corporate Secretaries on State-Owned Enterprises and Non-State-Owned Enterprises registered in Indonesia's Stock Exchange.
	d. Director	7	
2	External Stakeholders:		
	a. Supplier	7	a. Supplier for raw materials used for production as well as supplier for office equipment.
	b. <i>Lurah</i>	9	b. <i>Lurah</i> and <i>Camat</i> who govern the areas where the companies exist.
	c. <i>Camat</i>	5	
TOTAL		50	

Before disclose and analyze findings of this preliminary study, validity test, reliability test, and normality test (see attachment) are done to make sure if the instruments used to assess stakeholders' perceptions are suitable and valid, consistent, and normally distributed. The results from those tests show that the indicators and data used to assess stakeholders' perceptions are valid, consistent, and normally distributed, which means the results gained from the respondents' answers are also considered valid and trusted to be analyzed further. The results of the tests on the indicators used to assess stakeholders' perception of CSR and CSV concepts are attached below along with this research report.

RESULTS

This preliminary study prepared 65 copies of the questionnaire about CSR and CSV concepts to be distributed to stakeholders as respondents, among others, there were 50 copies returned with completed answers whereas the other 15 copies were not complete nor had returned. From 50 responses collected, they consist of 29 responses from internal stakeholders and 21 responses from external stakeholders. From internal stakeholders, there are 7 Directors, 9 Managers, 7 Employees, and 6 Corporate Secretaries. External stakeholders consist of 7 Suppliers, 5 *Camat*, and 9 *Lurah*. The respondents also differ based on their gender, 18 women and 32 men to be precise.

From the stakeholders' responses in the questionnaire with a 1-6 scale which shows their agreeable or disagreeable level towards provided statements about each

concept's characteristic, this preliminary study finds that stakeholders tend to agree more with CSV than CSR concept. As this study uses Likert's Scale where score number 1 shows least agree and score number 6 shows most agree, therefore, if the accumulated data shows higher score number, then it is most likely to show how stakeholders agree most with the parameters of a certain concept. 50 copies of questionnaire present data where stakeholders agree more with CSV concept with accumulated average score of 58.3 compared to CSR concept with accumulated score 45.26 (see Table 3). The average score numbers are obtained from accumulating all scores the 50 respondents gave for each statement provided in the questionnaire. In other words, all respondents 81.095% agree with CSV concept and 68.671% agree with CSR concept.

Table 3. Total Score from Respondents

Average Likert Scale Score on CSR Statements	Statements on CSR Concept	Statements on CSV Concept	Average Likert Scale Score on CSV Statements
4.2	Company's social responsibility practices as additional costs	Company's social responsibility practices bring benefits for the company and communities	4.68
4.16	Social responsibility practices are perceived as good deeds from the company to the communities	Social responsibility practices are tools for company and communities creating shared values to benefit all parties	5
4	Social responsibility practices are forms of company's responsibility and obligation towards stakeholders	Social responsibility practices are intended to help to solve societal problems along with profit-making activities	4.66
4.06	Social responsibility practices put stakeholders and communities as separate objects from the company and often cause conflictual relations	Social responsibility practices put stakeholders and communities as partners and/or subjects to avoid conflictual relations	5.04
4.18	A company implements social responsibility practices since they receive external pressures from society, media, or government	A company implements social responsibility practices since it is necessary for them to fulfill the company's and stakeholders' interests	4.68
4.1	Social responsibility practices are a part of community empowerment programs	Social responsibility practices are a part of the company's core business strategy	4.7
4.04	Social responsibility practices are a part of the company's risk management implementation to respond to external pressures	Social responsibility practices are a part of strategies to integrate and increase the company's business competitiveness	4.9
4.12	Company's social responsibility practices are not enough to bring serious impact to solve the root of societal problems in the communities	Company's social responsibility practices are not only capable to help to solve societal problems within communities but also the company	4.92
4.18	Company's social responsibility practices can improve the company's image in the short term	Company's social responsibility practices can bring benefits and maintain the company's business sustainability in the long term	4.9

Suripto

Average Likert Scale Score on CSR Statements	Statements on CSR Concept	Statements on CSV Concept	Average Likert Scale Score on CSV Statements
4.04	Social responsibility practices only bring short term impact for the company	Social responsibility practices can bring long term impact for the company	4.8
4.12	Company's social responsibility practices highly depend on external pressures	Company's social responsibility practices are conducted based on internal and external considerations	5.06
4.06	Company's social responsibility practices are executed without a strategy and affect to the decline of the company's profitability	Company's social responsibility practices are executed by integrating business with social prosperity which affects to the incline of the company's profitability	4.64
4.12	Company's social responsibility practices have a limited budget, therefore the program tends to be short term only	Company's social responsibility practices budgeting is integrated into the overall company's budget, not as an additional cost, therefore the program can be enacted for a long term	4.98
4.22	Only external parties benefit from the company's social responsibility practices	External and internal parties can benefit from the company's social responsibility practices	5.16
Total: 45.26			Total: 58.3

The general significant difference between Average CSR Perception and CSV Perception is also shown and confirmed in the result of the Paired Sample Test explained further in the attachment. From Table 3, which lists the questionnaire responses as well as scores for each statement, several statements show significant score differences between CSR and CSV concepts. Among others, there is a CSV concept which states stakeholders are a partner rather than separate objects from the company which has 49 score difference where stakeholders tend to agree more with the CSV than CSR statement. Followed with statements about the value that not only external parties but also internal parties who can benefit from social responsibility activities and about a characteristic that social responsibility practices are taking internal and external considerations that each has 47 score differences where stakeholders tend to agree more with CSV concept. The least significant score difference, with 24 score difference, is shown in the statement about a value regarding whether social responsibility practices are considered as additional costs for the company or not, but still, tend to agree more with CSV concept. This brief explanation of score differences from questionnaire results shows that stakeholders tend to agree more with CSV compared to CSR concept if it is regarding stakeholders' importance and relations with the company. In other words, judging from the indicators, there are concept and characteristic that have significantly different stakeholders' perceptions between CSR and CSV concepts.

The different type of stakeholders, internal and external, is believed to affect different stakeholders' perceptions of CSR and CSV concepts. This preliminary study used T-test to prove whether the results support or against the hypothesis. Based on the

result of Independent Sample Test (see attachment below) which shows Significance F Score $1.065 > 0.05$, the result concludes the Equal Variance Assumed or both type of perception groups, internal and external, are identical. T-test value shows a result of a score of $0.000 < 0.05$, which means H_0 is declined. From the result shown in Table 6, this study finds Average CSR Perception and CSV Perception between internal and external stakeholders are different.

Another point in this preliminary study expects that gender diversity among respondents will bring impact to the different perception between women and men stakeholders. However, based on the T-test result (see attachment below), there is no significant difference in perception between women and men stakeholders. Based on Independent Sample Test's result, shows Significance F Score $0.279 > 0.05$ which implies Equal Variance Assumed or both type of groups, women, and men stakeholders' perceptions, are identical. Whereas the T value scores $0.445 > 0.05$ that indicates H_0 is accepted. This means the average CSR and CSV Perceptions between Women and Men Stakeholders are not different.

This preliminary study finds that gender difference among stakeholders does not make different perceptions of CSR and CSV concepts between women and men. Stakeholders' perceptions of CSR and CSV concepts are not affected by their different gender identity. This finding may imply that regardless the gender, stakeholders have the same perception towards the two concepts because the knowledge and understanding about CSV concept within the communities are still lacking, compared to the more popular CSR concept. In future research, this preliminary finding can be further analyzed.

Different job positions of stakeholders who are participating as respondents in this preliminary study are believed to drive the different perceptions on CSR and CSV concepts among them since they have different interests depending on each position they have. To test the hypothesis, this study executed ANOVA Test (see attachment below) to the different positions of Director, Manager, Employee, Corporate Secretary, Supplier, *Camat*, and *Lurah* as the participating respondents.

The ANOVA test result shows Levene Statistic Score 1.606 with the Significance (probability) score $0.169 > 0.05$ which indicated that 7 varieties of population, or seven different positions of participating stakeholders, are identical, therefore further analysis regarding the diverse stakeholders' positions can be executed. The identical result of variety test is followed with the ANOVA test to see whether the seven samples have the same average. From the ANOVA test, the F scores 10.297 with Significance score $0.000 < 0.05$. The ANOVA test result shows us there are perception differences among Director, Manager, Employee, Corporate Secretary, Supplier, *Camat* and *Lurah* on CSR and CSV concepts. This finding confirms the hypothesis proposed earlier in this preliminary study that stakeholders' different position, which also different by the job desc and workload, affects the way they perceive CSR and CSV concepts.

Based on the tests done towards stakeholders' responses, this preliminary study approves and declines some proposed hypotheses explained below:

Table 4. Hypotheses Test Results Conclusion

Hypotheses	Test Result	Notes
There is a significant difference in the Average CSR Perception and CSV Perception.	Sig 0,000 < 0,05	Hypothesis approved
There is a difference in CSR and CSV perceptions	Sig t value 0.000 < 0.05	Hypothesis approved

Suripto

Hypotheses	Test Result	Notes
between internal and external stakeholders.		
There is a difference in CSR and CSV perceptions between women and men stakeholders (based on gender).	Sig t value 0.445 > 0.05	Hypothesis declined
There is a difference in stakeholders' perceptions of CSR and CSV based on the different job positions (among director, manager, employee, corporate secretary, supplier, <i>camat</i> , and <i>lurah</i>).	Sig F value 0.000 < 0.05	Hypothesis is declined

DISCUSSION

The data gathered from 50 copies of the questionnaire and the tests results provided above answer the research questions asked earlier in this preliminary study. There are different stakeholders' perceptions of CSR and CSV concepts. Stakeholders' backgrounds, such as the job position as well as the type of stakeholder, can also affect how each stakeholder perceives the two concepts. Different job positions and types of stakeholder depend on stakeholders' individual experiences and educational background that lead them to their job and position now. Their different experiences and educational background are likely to affect their knowledge and understanding, therefore lead to different perceptions of CSR and CSV concepts. Whereas gender identity among stakeholders is not affecting the different perceptions.

Using 1-6 Likert Scale, with score number 1 indicates least agree and score number 6 indicates most agree, the questionnaire results show that 50 stakeholders tend to agree more with the statements provided that characterize CSV concept than the statements characterize CSR concept. The accumulated score on CSV concept questionnaire is greater with the number of 3,406 compared to CSR concept with accumulated score 2,880, this proves stakeholders gave a higher score to show their agreement more for CSV concept. Stakeholders responded to the given questionnaire without knowing which statements characterize CSR or CSV.

The higher score for CSV concept questionnaire indicates that stakeholders have already perceived that social and environmental responsibility practices should be done by implementing what CSV concept covers. This finding shows that stakeholders are aware of how they expect their companies properly execute social and environmental practices. However, this preliminary study finds another interesting finding from an in-depth interview with 5 stakeholders. From the following interview to delve their responses on the questionnaire further, they admitted they did not know if the statements they agreed most on the questionnaire are CSV concept. Instead, they perceived that the statements they agreed upon are what the CSR is. They gave the same reaction while answering the interview questions. They tended to answer that social and environmental responsibility practices are well-planned according to company's long-term needs, can increase company's profit, create shared value with the society and are not a mere philanthropy act or obligation. Yet, on the other hand, they assumed that their answers on how such practices should be done are basically how the CSR concept is.

CONCLUSION

Stakeholders' responses from the questionnaire as well as an in-depth interview in this preliminary study conclude that stakeholders have been already aware and had

the perception that social and environmental responsibility practices should be implemented refer to CSV concept. They agree more on the notion that such practices should integrate internal and external considerations, benefit for all, and be a part of the company's business strategy. On the other hand, they are not aware of the different terminology between CSR and CSV. They tend to perceive that all company's responsibility practices are called CSR, even when the content of their activities imply CSV concept. The difference between CSR and CSV is not just by their terminology, but also values, concept, characteristics, outcome, and impact (Porter and Kramer, 2011). Their ignorance of the different terminology may happen because CSR term is more popular, first known, and commonly used in the company's activities.

From the above findings and discussions, the limitation and future research are developed as follows: Respondents' understandings on CSR and CSV concepts vary and cannot be controlled or specified for they were chosen randomly; Respondents' background experiences and educations in this preliminary study are diverse and not limited. Different stakeholders' job positions may have different experiences and educational background which affect their understanding of CSR and CSV concepts. Directors, managers, and employees may understand the two concepts more than *camat* or *lurah*.; Mapping specific respondents might be required for future research. Categorized and specified respondents could help the research process better through more focused answers from and discussion with stakeholders with the same understanding level on CSR and CSV concepts compared to random stakeholders. And Before spreading questionnaire and collecting stakeholders' responses from the in-depth interview, it is expected in future research to do a brief explanation to the respondents on the topic they are about to discuss. This practice is necessary to collect more focused and deeper answers from the respondents as data required for the research.

REFERENCES

- Alpana. (2014). Traditional CSR Vs Creating Shared Value: A Process of Stakeholder Engagement, *IOSR Journal of Economics and Finance*, 3(4), pp. 61–67.
- Awale, R. & Rowlinson, S. (2014). A conceptual framework for achieving firm competitiveness in construction: A “creating shared value” (CSV) concept, in Raiden, A. B., and Aboagye-Nimo, E. (eds) *30th Annual ARCOM Conference*. Portsmouth, pp. 1284–1294. DOI: 10.13140/RG.2.1.3352.9447.
- Bowen, H. (1953). *Social responsibilities of the businessman*. New York: Row.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate social performance, *Academy of Management Review*, 4.
- Crane, A. et al. (2014). Contesting the Value “Creating Shared Value” Concept, *California Management Review*. DOI: 10.1525/cm.2014.56.2.130.
- Freeman, R. E. (1984) *Strategic Management: A Stakeholder Approach*. New York: Cambridge University Press.
- Freeman, R. E. et al. (2010). *Stakeholder Theory: The state of the art, Stakeholder Theory: The State of the Art*. DOI: 10.1017/CBO9780511815768.
- Lapina, I., Borkus, I. & Starineca, O. (2012). Corporate Social Responsibility and Creating Shared Value: Case of Latvia. *International Journal of Economic and Management Engineering*, 6(8), pp. 2228–2234.
- Liel, B. Von. (2016). *Creating Shared Value as Future Factor of Competition: Analysis*

Suripto

and Empirical Evidence. Munchen: Springer VS.

Moore, C. (2014). *Corporate Social Responsibility and Creating Shared Value: What's the Difference?* Arkansas.

Motilewa, B. D. et al. (2016). Creating Shared Value: A Paradigm Shift from Corporate Social Responsibility to Creating Shared Value, *International Journal of Social, Behavioral, Educational, Economic, Business, and Industrial Engineering*, 10(8), pp. 2443–2448. DOI: <http://scholar.waset.org/1999.10/10005087>.

Porter, M. E., & Kramer, M. R. (2011) The Big Idea: Creating Shared Values: Rethinking Capitalism, *Harvard Business Review*. Available at: <https://hbr.org/2011/01/the-big-idea-creating-shared-value>.

Scagnelli, S. D. & Cisi, M. (2014). Approaches to Shared Value Creation: CSR 2.0 or Something More? Insights and Issues about the New Sustainability Perspective, *Business, and Economic Journal*, 5(2), pp. 1–3.

Visser, W. (2006). Revisiting Carroll's CSR pyramid: an African perspective. Edited by M. Huniche and E. P. Rahbek. Copenhagen: Copenhagen Business School Press.

Wieland, J. (2017). *Creating Shared Value: Concepts, Experience, Criticism*. Berlin: Springer.

William, R. & Hayes, J. (2013) *Literature Review: Seminar Papers on Shared Value*. Oxford.