

COMPLETION REPORT

Employment Perception on Corporate Responsibility Toward Job Satisfaction: Experience from Japanese Companies in Indonesia

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The purpose of this study is to explore the influence of employees' perception on corporate social responsibilities toward job satisfaction as measure of employees' well-being. The growing awareness of CSR issue based on ISO 26000 social responsibilities guidance is high attention in some Asian countries, but the research and discussion how company implement it into their organizational commitment to realize employee well-being is not many discussed in the literature. Most of the literature defined CSR based on Caroll's definition concept and three domain model (Zeng, 2010; Fang, 2010; Tsoura; 2004). To the best of our knowledge, there are limited studies on the impact of CSR using ISO 26000 guidance which include all internal and external stakeholders. This empirical study will conducted in three Japanese manufacturing companies which operate around Bogor and Tangerang. In total, there will 150 employees are questioned over the period from July to December 2014. We use Structural Equation Method as main research methods analysis and various quantitative methods such as mean comparison, one way analyses of variance as well as correlation and factor analyses are applied.

Our study found that Japanese manufacturing companies has a wide horizon on CSR although most of them do not have good understanding on ISO 26000. We learn that initially CSR should begin with treat employees as a part of business not only as an engine of factory. This research indicates that CSR contributes to increase job satisfaction and organizational commitment of employees. Four out of seven components of CSR namely accountability, transparency, respect for the rule of laws, and respect for human rights have significant effect on CSR formation. In addition, based on employees' perception, reputable of company among their stakeholders, charity program and encouraging employment productivity are very important to drive CSR activities. However, employees are not satisfied on their career since there are limited program to improve their skills.

This study also indicates that job satisfaction of employee will not merely caused by the level of salary. As Japanese companies are obey on the rule of manpower in Indonesia, thus most of employee state that they are satisfy to stay work on these companies. They fell their salary is met with their basic needs. Workload and career opportunity for them sometimes could be an obstacle to improve productivity. However, supervision, the nature of work and social relation have been maintained well so that employee can work well in the good atmosphere.

Overall, CSR activities that reflected in the seven major categories has significant impact to increase job satisfaction of employee, although CSR variables can explain only 18 percent and the rest proportion on job satisfaction formation will be explained by other factors such as business environment, managerial and others. The outcome of this research, then we expect that we can contribute to improve the performance of Japanese companies to create job satisfaction among Indonesia's employees, thus the inter-relationship between Japan and Indonesia will

be better and have great impact to increase employee well-being as well as high contribution to Indonesia economic development.. For Indonesia companies the result of this study could be a good knowledge to learn much how Japanese companies conducting and managing CSR for increasing employees' well-being.

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