

Title:

The Influence of Culture, and Religion on the Corporate Social Responsibility's Practice: Indonesia Case

Recently some of the legal, economic and management literature has begun to explore the numerous complex questions and concerns that arise with the prospect of integrating religious perspectives, values and frameworks into business life (Bruni and Uelmen, 2006). From a religious perspective, might integration of religious beliefs and business lead to their being manipulated for commercial purposes, thus threatening their authenticity and integrity? If one could map out religion's potentially powerful impact on business life, especially companies responsibility to their society, how should such principles be applied?

Recent corporate scandals and the increasingly international context within which modern businesses operate have raised important issues concerning the roles and responsibilities of companies. Pressures on companies to behave ethically have intensified and in consequence, firms face pressure to develop policies, standards and behaviours that demonstrate their sensitivity to stakeholder concerns.

This research project emerged not so much from a desire to find solutions or sources of orientation for the problems of business life, but rather from the practical experience of a particular community (small and medium scale firms located in Yogyakarta) that intuited the capacity for business endeavors to further nourish the life of the community and to express its religious values.

Undertaking business in an ethical way in order to achieve sustainable development, not only in economic terms, but also in the social and environmental sphere has become increasingly important in today's business world. A Research conducted by Williams and Zinkin (2005) using a sample of nearly 20,000 observations across 21 countries (included Indonesia as a moslem country) revealed that moslems are less concerned about CSR than non-moslems and that these differences do not appear to be explained by demographics, socio-political factors or cultural differences. This research gave a broad perspective related with CSR's practice between countries with different religions.

Another resesearch revealed that religion has sought to play a significant role in establishing and disseminating moral and ethical prescriptions that are consistent with religious doctrines and that offer practical guidance to those involved in business concerning ethical conduct (Bremer, et.al, 2006). For example, the interfaith declaration on business ethics was developed to codify "the shared moral, ethical and spiritual values" of Christianity, Islam, and Judaism in order to "draw up a number of principles that might serve as guidelines for international business behaviour". More direct action has been taken by the Interfaith Centre on Corporate

Responsibility, an organization committed to using the “power of persuasion backed by economic pressure from consumers and investors to hold corporations accountable.”

The Principal Questions of This Research:

It become interesting to explore more detailed for Indonesian firms especially moslem firms compared with catholic and christian firms in some area such as their corporate culture, CSR's practice and their concern in improving the quality of society life.

The question to be addressed in this topic is:

“How is the influence of Indonesian corporate culture and religious on the attitudes of managers (or owners) towards the Corporate Social Responsibility's Practice?”

The Objectives of This Research:

1. To investigate differences in attitudes towards Corporate Social Responsibility's practice between managers (or owners) in different corporate culture in Indonesia (especially Yogyakarta).
2. To investigate differences in attitudes towards Corporate Social Responsibility's practice between managers (owners) in different religions in Indonesia (especially Yogyakarta).
3. To explore the role of catholic firms in improving the quality of their society life through their CSR's practice.

Research Methodology

The sample are managers or owners of small to medium scale companies in Yogyakarta and surrounding that will be interviewed deeply to get information related with their companies' corporate culture, their policy in CSR, and the role of their companies in improving the quality of society life. Data will be collected through questioner and interview as well as documented reports (financial report) and other secondary data. Convenience sampling will be chosen as a method to determine the respondents. Data will be analysed by descriptive statistics and objective interpretation.

Anticipated Results

1. Corporate culture will influence attitudes towards CSR's practice between managers (or owners) in different corporate culture in Indonesia .
2. Religions will influence attitudes towards CSR's practice between managers (and owners) in different corporate culture in Indonesia.
3. The more understand the managers (or owners) of Catholic firms to their religion's value, the more their concern in improving the quality of their society life.