

Culture Implementation of Corporate Social Responsibility at Pt. Riau Andalan Pulp and Paper in Pelalawan District, Riau Province

Made Devi Wedayanti^a, Achmad Nurmandi^b, Hasse J^c, ^aStudent of the Doctoral Program of Political Islam – Political Science Universitas Muhammadiyah Yogyakarta, Indonesia, Universitas Islam Riau, Pekanbaru, Indonesia, ^{b,c}Department of Political Science, Universitas Muhammadiyah Yogyakarta, Yogyakarta, Indonesia, email: ^amadedewiwedayanti@soc.uir.ac.id, ^bnurmandiachmad@umy.ac.id, ^chasse@umy.ac.id

Organisational culture shows a common perception when carrying out an activity in an organisation. Thus, heterogeneity from various aspects in an organisation, such as differences in ethnicity, level of education, social status and religion, have the same perception. However, recognition of organisational culture can be seen in a dominant culture and sub-culture. Strong culture is a culture of adherence based on the core values of an organisation. The more members of an organisation recognise core values, the stronger the culture of the organisation. Conversely, the fewer the members of an organisation who accept and implement the rules and regulations set by the organisation, the weaker the culture of an organisation. A weak culture shows lower commitment of employees towards an organisation. CSR PT. RAPP has received awards, including the award of the best CSR program implemented in Pelalawan Regency. It has received 2 Indonesian Corporate Social Responsibility Awards (CSR) in 2017. It is in the gold category for the industrial sector and manufacturing empowerment for local entrepreneurs. This is based on added value revenue in the business chain, the industrial sector and manufacturing community. Empowerment regards efforts to reduce unemployment rates and better the economy. This certainly becomes interesting for the writer, who wishes to find out about the culture of implementing CSR at PT. RAPP. The purpose of this study was to determine the CSR culture at PT. RAPP in Pelalawan Regency, Riau Province. This research is qualitative research. The findings in this study regard PT RAPP's implementation of CSR and its application of

the 5C philosophy that is trusted by Mr. Sukanto Tanoto. Business practices must bring good for the community, country, climate, customers and must ultimately be good for the company. Cultures are held by dynamic industry leaders, responsible management of natural resources, world class efficiency and committed partners.

Key words: *corporate social responsibility, organisation culture, CSR Culture, community welfare.*

Introduction

If we pay attention, many companies are uniquely different from one another. Although they produce the same goods or services, they have a difference that becomes the value or symbol of the company. The value or symbol forms an organisational culture. According to Stoner (Waridin and Masrukhin, 2006) culture is a complex combination of assumptions, behaviour, stories, myths, metaphors and various other ideas that come together to determine what it means to be a member of a particular society. Organisational culture or corporate culture is often interpreted as values and symbols that are understood and adhered to together. They are owned by an organisation so that members of the organisation feel part of one family and create a condition where members of the organisation feel different from other organisations. Schein (2004) defines culture as a pattern of basic assumptions studied together by groups. These include solving problems with internal integration and external adaptation. Robbins (2006: 248) defines organisational culture (organisational culture) as a system of shared meanings shared by members that distinguishes the organisation from other organisations. Furthermore, Robbins (2006, p. 248) states that a system of shared meaning is formed by its citizens, who at the same time distinguish it from other organisations.

Every organisation and every business has its own culture. It is reflected in the behaviour of its members, employees, policies and regulations that shape the culture of the organisation. By having these shared values, symbols, or systems, a company or organisation has a different performance. One of the values that can be developed in the company is an effort to improve its performance by developing Islamic values as an organisational culture. Islamic organisational culture is a system of shared values and beliefs that interact with individuals in the organisation. Organisational structure and supervision systems within the organisation are based on the values or principles of Islamic teachings (Lukman Hakim, 2011). The Islamic organisational culture has a role to shape the attitudes or behaviour of every individual in it. Individual behaviour is a tendency for someone to behave with both conflicting behaviour and behaviour that does not conflict with norms that have been institutionalised (Parson, 1951 in Dede Mariana, 2008). With behaviour that is formed through an Islamic organisational culture, better corporate performance will be realised.

Literature Review

Organisational culture shows the similarity of perceptions in carrying out an activity in an organisation. Thus, heterogeneity from various aspects in an organisation, such as differences in ethnicity, level of education, social status and religion, have the same perception. However, recognition of organisational culture can be seen in a dominant and sub-culture.

Dominant culture is a set of values that are shared by all members of an organisation. It is said that the culture is dominant if all members of the organisation implement and uphold the values set by the organisation. Sub-culture usually occurs in large companies consisting of many fields. Each field has a different culture from the others. These cultural differences can be caused by differences in activities, geography, consumers and the environment. Every field in an organisation has different goals, so each of these fields has a different strategy. The marketing sector has activities and objectives that are different from the fields of production, finance and human resources, so they have a different culture. Likewise, the marketing of a product is different in each region due to differences in the character of its consumers. The marketing of the same product in different regions has a different culture. Thus, the marketing sector of a certain product can have a different culture due to regional differences. However, this sub-culture includes a core culture for achieving overall goals.

The presence of companies in society can provide positive and negative aspects. On the one hand, the company provides goods and services needed by the community and employment. On the other hand, it is not uncommon for people to get a bad impact from the company's business activities. Many cases of public dissatisfaction have arisen, both related to environmental pollution, as well as large-scale exploitation of energy and natural resources that cause natural damage. This has led to a change in the level of public awareness that has given rise to new views on the importance of implementing what is known today as Corporate Social Responsibility (CSR) (Wedayanti, 2017).

According to Stoner (Waridin and Masrukhin, 2006) culture is a complex combination of assumptions, behaviour, stories, myths, metaphors and various other ideas that come together to determine what it means to be a member of a particular society. Organisational culture, or corporate culture, is often interpreted as values and symbols that are understood and adhered to together. They are owned by an organisation so that members of the organisation feel part one family and create a condition where members of the organisation feel different from other organisations. According to Mas'ud (2004), organisational culture is a system of meaning, values and beliefs shared in an organisation. It is a reference for acting and differentiating one organisation from another organisation. Schein (2004) defines culture as a pattern of basic assumptions studied together by groups, such as solving problems with

internal integration and external adaptation. A relatively new study by Steers, Sanchez-Runde and Nardon (2010) concluded that culture is shared by group members who learn through membership in groups assuming acquisition, behaviours and values that influence the attitudes and social behaviour of group members. The organisational culture then becomes the identity or the main character of the organisation that is maintained.

In the life of an organisation, there are differences between strong culture and weak culture. Strong culture shows how the members of the organisation recognise and carry out their duties according to the values set by the organisation. Strong culture is a culture of adherence based on the core values of an organisation. The more members of an organisation recognise core values, the stronger the culture of the organisation. Conversely, the fewer the members of an organisation who accept and implement the rules and regulations set by the organisation, the weaker the culture of an organisation. A weak culture shows lower commitment of employees towards an organisation.

A strong culture can show a lack of absenteeism and low labour turnover. A strong culture can show high agreement among its members in achieving organisational goals. Such agreements indicate the high involvement and commitment of members towards the organisation. Furthermore, a picture like this will reduce employees leaving the company. Besides that, strong culture has a strong influence on organisational performance.

Strong company culture shows that almost all managers adhere to a set of values and work on methods consistently. New employees generally adopt these values quickly and can do so responsibly. New managers will be corrected by superiors, their subordinates and other members both inside and outside the company if they make mistakes. Companies with strong cultures have special systems and ways of working. Employees and management within the company declare shared values in the creed or declaration of the company's mission. They truly encourage all managers to obey them. Generally, styles and values in a strong culture tend not to change much when a CEO change occurs. Logically, it can be stated that high-performing companies have high competitiveness too. Thus, strong culture can improve company competitiveness. Kotter and Heskett (2006) suggest that culture strongly influences performance based on three ideas. The first is goal alignment. In companies with strong culture, employees tend to follow the same leader. A statement by the CEO of a medium-sized company lately revealed: 'I can't imagine if now we have to run a company with a weak culture, or no culture at all.' This is because all staff will go according their desires in different directions.

Second, the company is able to increase employee motivation. This is an act to encourage employees to increase their commitment and loyalty to the company. In this way, employees feel intrinsic rewards while working, so they are encouraged to work hard. They are also

involved in decision making and appreciate their contribution in the company. Third, structure and control is provided without the need to rely on formal bureaucracy, which can hamper motivation and innovation. For example, companies that have a strong culture are, among others, Terry Deal and Allan Kennedy, Northwestern Mutual and IBM. Terry Deal and Allan Kennedy shows Tandem Computers as an example of a cultured company strong.

The company was formed based on a number of the beliefs and practices of regular management practices. The company is also said to have no formal organisational chart and applies a few formal rules. Even so, employees do not interfere with each other's duties and continue to work productively towards the same direction because of the existence of unwritten rules and mutual understanding. Northwestern Mutual, a company engaged in life insurance, has a culture as strong as Tandem Computers. Every season, the company holds a three-day convention for home agents and the staff office. This show is full of the recognition of individuals who have managed to uphold these values. The IBM company has a strong culture. In the mid 1930s, IBM employees were known as loyal employees who are highly motivated. As a consensus in the company, this leads to a strong culture. Among others points, this culture (1) upholds respect for dignity and the rights of all employees, (2) provides the best service to customers and (3) encourages hard work to achieve goals with the aim of carrying out tasks in superior ways (Kotter and Heskett, 2006).

Researchers have tried to identify and measure several types of organisational culture in order to study the relationship between types of effectiveness and organisations. This search is driven by the possibility that certain cultures are more effective than others. According to Kreitner and Kinicki (2003), in general there are three (3) types of organisational culture, namely: (1) constructive culture. A constructive culture is a culture in which employees are encouraged to interact with others and teach their tasks and projects in ways that help them satisfy their needs to grow and develop. This type of culture supports normative beliefs related to the achievement of self-actualisation goals, human respect and unity. (2) Passive-defensive culture. Passive-defensive culture is characterised by beliefs that allow employees to interact with other employees in a way that does not threaten their own job security. This culture encourages normative beliefs related to consent, conventionalism, dependency and livelihood. (3) Defensive aggressive culture. Defensive aggressive culture encourages employees to do their jobs with hard work to protect their job security and status. This type of culture is characterised by normative beliefs that reflect opposition, power, competition and perfectionism. Although an organisation can display one type of organisational culture prominently, it can still display normative beliefs and other characteristics. Research shows that organisations can have functional sub-cultures, hierarchical sub-cultures based on one's position in the organisation, geographical sub-cultures, occupational sub-cultures based on one's title or position, social sub-cultures taken from social activities such as bowling league or golf cultures and opposing cultures (Kreitner and Kinicki, 2003).

The organisational culture indicator Robbins (2006) states that the most recent research suggests seven primary characteristics that together capture the nature of an organisation's culture. These are (1) innovation and risk taking, the extent to which employees are encouraged to be innovative and take risks. (2) Attention, i.e. to what extent employees are expected to show achievement, analysis and attention to details. (3) Results orientation, the extent to which management focuses on results rather than on the techniques and processes used to achieve those results. (4) People orientation, the extent to which management takes into account the effects of results on people within the organisation. (5) Team orientation, the extent to which work activities are organised around teams, not individuals. (6) Aggressiveness, the extent to which people are aggressive rather than relaxed. (7) Stability, the extent to which organisational activities emphasise maintaining the status quo rather than growth.

Method

This research is qualitative. Qualitative research is research used in social science that is fundamental to human research and relates to people in their discussions and terminology (Moleong, 2007). According to Faisal (1990), in social science research methods, qualitative research is used to test limited facts with a focus on facilitating and asking questions about participant resolution.

Qualitative research is rooted in natural settings as a necessity, relying on human research that uses qualitative methods and collects analytic data inductively. In addition, qualitative research is aimed at examining a basis, prioritising a separate proposal process to check the validity of the data and make the study temporary (Sutopo, 2006).

This type of research is descriptive (Suharna, 2006). The basic method of descriptive research, namely research that focuses on solving existing problems, starts from data collected that is analysed. Exploratory research is carried out with phenomenological research.

This research is qualitative. It describes a phenomenon, or an event, based on the facts or data available. It then examines the problem of studying and describing the culture of implementing corporate social responsibility in pt. Riau's mainstay of pulp and paper in Pelalawan District, Riau Province. The nature of this research is to explore and trace based on the facts that exist and then to analyse it.

Results and discussion

Pulp and paper mill operations and plantations of the main Asia Pacific Resources International Limited (APRIL) group are in and around the town of Pangkalan Kerinci, Riau Province, Indonesia. At the factory site, the APRIL Group has built a company complex that accommodates up to 7,000 people. This complex includes schools, health facilities, recreational facilities, religious facilities, sports fields and other facilities for employees and their families. In addition to pulp and paper mills, the APRIL Group also invested significantly in facilities and infrastructure. These include roads, ports and airports which enable the company to bring its products to market.

Paper and pulp mills

The pulp and paper mills of PT. RAPP are located in Pangkalan Kerinci in Riau Province, Indonesia. They are capable of producing up to 2.8 million tons of pulp and 1.15 million tons of paper per year. PT. RAPP uses world-class machinery and technology to produce quality pulp and paper products to be marketed worldwide. PT. RAPP operates factories based on the principles of ‘lean manufacturing’, which results in efficient practices in the use of energy and water and minimises emissions.

Plantation and land use

In its operation, PT. RAPP has worked to create a supply of wood originating entirely from plantations. PT. RAPP ensures to continue to preserve sensitive areas of the forest, optimise land use in concessions and empower local communities. Since 2005, PT. RAPP has voluntarily carried out a High Conservation Value (HCV) assessment. This assessment identifies areas to be set aside for conservation and protection. PT. RAPP also identifies non-conservation areas for company plantations, community plantation areas that can be used continuously by communities and areas for infrastructure development.

Out of 1 million hectares of land, the APRIL Group manages 480,000 hectares used for plantations. The remaining 51% is set aside for conservation, community land and infrastructure development. This is the commitment of PT. The RAPP is detailed in the Sustainable Forest Management Policy. The PT. RAPP’s land use management plan for its concessions directly meets all land use criteria and delineation requirements (precise boundary guidelines). These are set out in the forestry regulations of the Government of Indonesia.



Riau Andalan Pulp and Paper

PT Riau Andalan Pulp and Paper (PT RAPP), APRIL Group's business unit, operates in Riau. The company's operational presence has succeeded in driving the growth of Pangkalan Kerinci from a small village with 200 families to a city sub-district with 100,000 residents. Along with APRIL's passion, PT. RAPP operates according to the 5C business philosophy: that its, operational activities must be good for the community, country, climate and customers so that it will be good for the company.

RAPP helps develop local businesses. Local entrepreneurs are given training, support and financial assistance to help them set up businesses, especially in business fields that are in line with PT RAPP's needs, such as labour and transportation providers. PT RAPP has assisted more than 180 local entrepreneurs, providing thousands of jobs in various fields, such as automotive workshops and catering. Farmers are also supported through the Integrated Farming System, a program that teaches them modern horticultural techniques to increase yields and grow new crops. The farmers manage 2,400 hectares of land and receive training at the training centre. RAPP is at the forefront of efforts to develop the local community.

The preservation of Indonesian culture is carried out through a number of programs to revive traditional crafts. These include such programs that encourage local women to increase family income through batik. The women are also empowered through the weaving cloth craft program. They are given training and supporting equipment to produce the cloth which can then be resold.

RAPP also supports talented young athletes through the Future Athlete Training Center, which was established in 2007. In 2017, the training centre has won a total of 40 national scale medals with 19 gold and 5 international scale medals, where 2 of them are gold. This training centre is part of the vision of APRIL founder Sukanto Tanoto. It is that everyone must have the opportunity to develop their potential. In order to assist the community in gaining access to education, PT RAPP provides a number of scholarship programs, ranging from elementary schools to tertiary institutions, teacher training and school facilities and equipment.

In addition, corporate culture is also a basic principle in developing a company to improve its comparative advantage and competitiveness. One of the things done by PT. RAPP is for the welfare of its employees.

As an integrated company, employees are involved in various roles from plantation to production to finished products. PT. RAPP has scientists, technicians, nursery workers, heavy



machine operators, IT experts and many other specialists. All of them have joined forces to make the Asia Pacific Resources International Limited (APRIL) an industry leader.

PT. RAPP believes and continues to invest in developing the talent of the employees of PT. RAPP. The APRIL Group provides support for current and future employees by offering scholarships, welfare benefits and training programs. These can be explained as follows:

Talent development

Employee training is important for business success. By training employees well and making it easier for them to achieve their full potential, PT. RAPP is more competitive. In a broader context, the development of the skills of employees at PT. RAPP can help them to find a place in Indonesia's rapidly developing economy. A major component in the development of the APRIL Group's employees (PT. RAPP) is the Master Scholarship program. It is aimed at developing the future generations of the professional pulp and paper industry. Every year, PT. RAPP sponsors 5 employees for postgraduate study abroad. 26 scholarship recipients of the APRIL Group have joined the Institute of Technology in Thailand and 60 scholarship recipients have joined the Academy of Pulp & Paper Technology in Indonesia. PT. RAPP also continues to offer educational scholarships to study at regional universities.

APRIL Group (PT. RAPP) has two training centres: Asian Agri and APRIL Learning Institute (AAALI) and APRIL Learning Institute (ALI). These training centres have a conducive environment and complete infrastructure for employee learning. The training needs of individual employees are determined by the APRIL Group Assessment Center, which pre-assesses most employees to determine competency gaps and training opportunities. Development programs tailored to individuals are then implemented jointly for employees through the Individual Development Plan.

Talent search

PT. RAPP does not only care about current employees, but PT. RAPP is aware that it is responsible for fostering employees in the future. PT. RAPP continues to strive to build a local workforce in order to increase understanding and expertise. This adds to its great strength as a company.

Every year APRIL offers scholarships for around 40-50 high school graduates from the Pulp and Paper Technology Academy at Bandung and Instiper, Yogyakarta who show interest in working with APRIL to continue higher education. PT. RAPP also works closely with the Tanoto Foundation to provide Regional Champion Scholarships every year.

Welfare and benefits for employees

PT employees at RAPP are part of the APRIL Group family. PT. RAPP cares about the welfare of its employees and their families. In Indonesia, PT. RAPP built public facilities for PT. RAPP, as well as the local community, to help offset the improvement in living standards.

Some of PT. RAPP is in a remote location that has inadequate access to professional medical services. To overcome this challenge, PT. RAPP offers annual health checks, on-site health clinics and employee assistance funds to help employees and their families if they suffer critical illness or accidents. Other social security benefits, such as retirement plans, life insurance and accident insurance, are also provided to employees. Employees, including expatriates, are given accommodation or housing allowances every month.

The importance of education

PT. RAPP strongly believes in the importance of education. Employee families are given access to schools that are managed with internationally recognised standards. These include standards from the International Baccalaureate Primary Years Program and Cambridge International level A in the area where PT. RAPP operates. Quality teachers teach PT. RAPP with subsidised costs. At present, PT. RAPP provides 150 100% scholarships from the elementary to tertiary level for employees' children each year through the Tanoto Foundation.

In addition to employee welfare, which is a basic principle in company development to increase the company's comparative advantage and competitiveness, PT. RAPP also applies a culture of health and safety in work.

For almost two decades, the APRIL Group (PT. RAPP) has contributed to community development in Riau Province by helping to reduce poverty and improve quality of life through various economic, health, education and infrastructure development programs.

Conclusion

After conducting the research, the findings of this study stated that PT RAPP has the following corporate cultural values:

1. Dynamic industry leaders:

RAPP is one of the largest pulp and paper producers with the latest and most efficient technology in the world. It creates more than 5,000 jobs directly and opens up employment opportunities for around 90,000 people through supply companies and supporting businesses;



2. Responsible management of natural resources:

PT. RAPP believes that the principles of sustainable forest management are an important part of the solution to drive sustainable economic growth and provide long-term social benefits;

3. World class efficiency:

PT. RAPP manages an integrated and world-class pulp and paper mill. It works actively to guarantee efficiency, quality and sustainability in plant operations and plantation management from the beginning of the process to the final product; and

4. Committed partners:

PT. RAPP believes that responsible development will create a better future. PT. RAPP works together with and supports the development of the welfare of families, communities, companies and countries.

Furthermore, as a company with more than 60,000 employees and in being one of the pioneers of responsible companies, the APRIL Group and its subsidiary PT. RAPP always implements the 5C principle, which is trusted by Mr. Sukanto Tanoto. Business practices must bring good for the community, country, climate, customers and ultimately good for the company. Thus, corporate social responsibility is applied in many programs in the form of community development. These include building partnerships with the community as a form of corporate social responsibility. This partnership is demonstrated by empowering and encouraging the independence of the local community.

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