

The Influence of Hofstede's Cultural Dimensions on Corporate Social Responsibility (CSR) Implementation Study on State-Owned Enterprises in Indonesia

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The Influence of Hofstede's Cultural Dimensions on Corporate Social Responsibility (CSR) Implementation Study on State-Owned Enterprises in Indonesia

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ABSTRACT

The purpose of this study is to examine the influence of culture on CSR implementation. The culture used in this study uses the concept proposed by Hofstede's.

To test the hypothesis, we use multiple linear regression analysis with a sample of 50 SOE's companies in Indonesia with 100 SOE's employees as respondents. the questionnaire returns as much as 62%. The findings of this study indicate that the five dimensions of Hofstede's culture are only Power Distance and Individualism / Collectivism which can predict the implementation of CSR in state-owned companies in Indonesia. This shows that Power Distance and individualism / Collectivism have a positive influence on CSR implementation companies, while Uncertainty Avoidance, Masculinity / Femininity and long-term / short-term Orientation have a negative influence on it. the results of this study are different from the findings from Halkos & Skouloudis, (2016) dan Halkos & Skouloudis, (2017).

ABSTRAK

Tujuan dari penelitian ini adalah untuk menguji pengaruh budaya terhadap implementasi CSR. Budaya yang digunakan dalam penelitian ini menggunakan konsep yang diajukan oleh Hofstede's.

Untuk menguji hipotesis, kami menggunakan analisis regresi linier berganda dengan sampel 50 perusahaan BUMN di Indonesia dengan responden yaitu pegawai BUMN sebanyak 100 orang. tingkat pengembalian kuesioner sebanyak 62%. Temuan penelitian ini menunjukkan bahwa kelima dimensi budaya Hofstede's hanya Power Distance dan Individualism/Collectivism yang dapat memprediksi implementasi CSR pada perusahaan BUMN Di Indonesia. Hal ini menunjukkan bahwa Power Distance dan Individualism/Collectivism memiliki pengaruh positif terhadap implementasi CSR perusahaan, sementara Uncertainty Avoidance, Masculinity/Femininity dan Long-term/short-term Orientation memiliki pengaruh negatif terhadapnya. hasil studi ini berbeda dengan temuan dari Halkos & Skouloudis, (2016) dan (Halkos & Skouloudis, (2017)

1. INTRODUCTION

Every aspect of human life will never be separated from cultural problems. Corporate Social Responsibility (hereinafter abbreviated as CSR) is a product of corporate and community activities that have their own "face" culture. Some researchers have

recognized the existence of these differences and discussed culture as main factor among CSR drivers (Jamali & Karam, 2018). CSR is the company's responsibility towards to society (Aguilera, Rupp, Williams, & Ganapathi, 2007; Lee & Carroll, 2011). Corporate Social Responsibility (hereinafter

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abbreviated as CSR) arises in the era of awareness of the company's long-term sustainability is more important than profit. This is considering the community is one of the parties that is quite important in maintaining the existence of a company. The community is the party that feels the most impact from the company's activities, both positive and negative. This impact can occur in the social, economic, political and environmental fields (Miska, Szócs, & Schiffinger, 2018).

Some researchers claim that CSR is a mechanism for an organization that voluntarily integrates their attention on social and environment in each of its operational activities and always interacts with stakeholders even though profit is the ultimate goal (Friedman, 2007; Roberts, 1992; Dobers & Halme, 2009; Millon, 2015). The company's ability to serve stakeholders is an obligation that cannot be negotiable. However, the impact of companies serving stakeholders turns out to be of considerable benefit. Some of the main benefits that can be felt by companies are increased profitability and financial performance (Yang & Baasandorj, 2017; Bhardwaj, Chatterjee, Demir, & Turut, 2018).

Księżak & Fischbach (2018) states that CSR implementation in companies will have an impact on increasing profitability for example through environmental efficiency, increasing accountability and assessment of the investment community, encouraging employee commitment because they are cared for and valued, reducing turmoil with the community and enhancing reputation and corporate branding. So, it can be concluded that companies that implement CSR well will have the opportunity to increase the company's value which is always communicated to its stakeholders. The stakeholder perspective is the most important factor in creating a company's image and value. One of stakeholder perspective that is always inherent is the culture in each region

or country (Ringov & Zollo, 2007; Sungkharat, 2010) because it has a normative movement into a situated CSR perspective

The company was established as a result of a social contract formed by the cultural system in which the company was established (Korroum, 2012). (Korroum, 2012) states that the cultural system model can present a 4 point to understand how CSR is framed and built with the cultural boundaries that exist in a country. Cultural factors in developing countries will be different from cultures in developed countries. Similarly, the eastern and western factors of culture. Therefore, cultural factors are a necessity to be able to influence the implementation of CSR in a company. This is in accordance with the opinion (Khalitova, 2019). which states that the cultural system model can display a main point that understands how CSR should be framed and developed with cultural boundaries in a country. Cultural factors in developing countries will be very different from cultures in developed countries (Džupina, 2016). This will certainly be very interesting to study more deeply.

Several studies have seen cultural factors as one of the drivers for the success of CSR implementation (Ioannou & Serafeim, 2012. Ioannou & Serafeim, 2012 states that there is a significant influence of national institutions or national companies on CSR. The influence is determined by politics, labor, culture and the Education system. Whereas Jamali & Neville (2011) conceptualized dipolar convergence versus divergence in CSR and argued that overall convergence in CSR was explicitly seen by CSR conceptualization that would be shaped by the historical, cultural, economic, and political contexts of each country and company

In some researches in Indonesia, the cultural factors of the community are still not widely conducted. This is due to the diversity of Indonesian culture and it is still difficult to link CSR implementation with the existing culture. Cultural diversity in Indonesia causes

companies to rarely use cultural indicators that influence factors with CSR implementation. If we look more deeply Indonesia consists of various ethnic groups that have a diversity of religions, customs, languages, arts, crafts, livelihoods, so that it is known as the largest multicultural country in the world. Because of that diversity must always be preserved and grown and developed while maintaining the noble values contained therein through the process of education of cultural meaning

Community culture that has been maintained for generations will form a behavior that affects each other between humans and the environment (Widodo, 2012). Interaction of human with the environment can affect worldview understand the nature of the environment. Environmental reactions to their life activities and views of life accumulate in people's behavior and are known as local community culture (Vitasurya, 2016).

A well-appreciated community culture will foster awareness of the surrounding environment. A conducive culture can help others and benefit the community. For this reason, CSR activities can facilitate personal and professional development for employees or the community. For example, when employees volunteer for team-based CSR activities, this can then create bonds and improve working relationships and hence increase their ability to work more effectively on other business projects. Whereas in the implementation of CSR, socio-cultural factors, local conditions, politics, economy affect the implementation of CSR in various countries. For example In Thailand, local people play an important role in social and political attitudes (Sungkharat, 2010). This was also expressed by several researchers including M. Lee & Kim, (2017); Lunenberg (2014) which states that CSR activities include programs in the development of both the economy, education, public health, culture, human rights and companies will involve the ideas of local

communities from the beginning to the end of the CSR program (Suriany, 2013).

Based on the explanation above, this study aims to look more closely and deeply at the influence of community culture on corporate social responsibility

Research question:

How have Hofstede's cultural dimension which consists of Power Distance, Individualism/Collectivism Dimension (IDV), Uncertainty Avoidance Dimension (UAI), Masculinity/Femininity (MAS) Dimension, Long-term/short-term Orientation (LTO) affected CSR Implementation?

THEORETICAL FRAMEWORK AND HYPOTHESIS

Corporate Social Responsibility

Corporate Social Responsibility is a concept that continues to develop and does not yet have a standard definition or set of specific criteria that are fully recognized by the parties involved in it. According to (Lindgreen & Swaen, 2009). CSR is management's support for the obligation to consider earnings, customer satisfaction and community welfare equally in evaluating company performance. Whereas the World Business Council and Sustainability Development (WBCSD) in 2002, gave an understanding of corporate social responsibility as follows:

"The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large".

Although the concept of CSR applies to all organizations, the focus tends to be on large companies because they carry more power and are more visible to the public (Carroll & Shabana, 2010).

Furthermore, CSR is a legal, ethical responsibility for oneself and others trans-

mitted in a causal model. CSR is sometimes interpreted as a voluntary contribution but is done in earnest as a form of legitimacy and is a fiduciary obligation that forces it to a higher standard that is for the company (Carroll & Shabana, 2010). Whereas Jamali & Karam (2018) defines CSR as a company's commitment to account for the impact of its operations in the social, economic, and environmental dimensions and continuously maintain that these impacts contribute to the benefit of society and the environment.

The substance approved by CSR is the sustainability of the company itself by building cooperation among the stakeholders facilitated by the company by organizing community development programs in the vicinity. There are six main priorities that increasingly show the importance of CSR, namely the debate about the rich and the poor, the priority of the country is more important for its people, the more important the meaning of sustainability, the more intense the critical spotlight and the strengthening of the expected community and anti-corruption, the hope for a more fulfilling life good and humane (Shim, Chung, & Kim, 2017).

Carroll (2004) classifies CSR implementation in companies as follows: 1) Economic Responsibility meaning that it remains profitable for shareholders, provides good jobs for its employees, and produces quality products for its customers. 2) Legal Responsibility is Every company action must follow the law and apply according to the rules of the game 3) Ethical Responsibility is doing business with morals, doing what is right, what is done must be fair and not cause damage 4). Philanthropic Responsibilities is contributing voluntarily to the community, giving time and money for good work

Based on the explanation above, it seems clear that the implementation of CSR does not only involve profit, but there are also other aspects, namely ethical and philanthropic. The Ethical Aspect shows that CSR practices

must heed ethical issues, which means that ethics and norms in society need to be considered as sustainability. While the philanthropic aspect is more emphasized that CSR implementation is voluntary with the goal of the common good. For that CSR can be said as a future savings for companies to get profits. The benefits obtained are not just financial benefits, but rather the trust of the surrounding community and stakeholders based on the principle of volunteerism and partnership (Campbell, 2013)

Research conducted by Ringov & Zollo, (2007); Yakovleva & Vazquez-Brust, (2012); Mahmood & Humphrey, (2013); Cheruiyot & Onsando, (2016); Gualtieri & Topić, (2016) proves that companies that respect stakeholders well will improve their groups as a form of quality management. Stakeholders are not only the community in the narrow sense of the people who live around the location of the company but the wider community, such as government, investors, political elites, and so on. The form of cooperation created between companies and stakeholders is also cooperation that can provide mutual opportunities for mutual progress and development. CSR programs are made for the welfare of society and will ultimately be returned to the company (Ismail, 2009). The hope is that the company and all stakeholders can jointly develop CSR. So that the sustainability of the company is good for the benefit of the economy (Mahmood & Humphrey, 2013).

The Culture and Hofstede's Culture Dimension

Indonesia is a country that has a very diverse culture both in number and diversity. Culture is a national identity that must be respected and maintained and needs to be preserved so that our culture does not disappear and can become a legacy for our children and grandchildren. Indonesian culture is all cultures that exist in Indonesia, namely all the peaks and valuable cultural

essence in the entire Indonesian archipelago, both those that have existed for a long time and new creations with a national spirit (Rahmawani & Hartanti, 2010).

Over the years, culture has been defined in many ways, but in principle it is related to the characteristics and meaning possessed by a group of people in society (Burton, Farh, & Hegarty, 2011). Therefore some societies change culture as separate values and translate into attitudes, beliefs and identities and norms in the norms and practices of the community (Halkos & Skouloudis, 2016). While Geert Hofstede's chose culture as "software of the mind" which guides humans to think and behave in certain ways (Hofstede's, 2011). That is, culture is a programming collection of thoughts that distinguish group members or categories of people from others.

Hofstede's & G.Hofstede's, (1985) analyzed the cultures of several countries (90,000 people in 66 countries) and grouped them into several dimensions. The Cultural Dimension according to Hofstede's is "Dimension of culture is the comparison of cultures presupposes that there is something to be compared-that each culture is not unique that any parallel with another culture is meaningless"

This means that culture is something that can be compare and each culture is in harmony with other cultures that have certain meanings. Hofstede's theory has 6 main dimensions, namely 1) Power Distance Dimension, this dimension is based on the suggestion that people in the society are unequal in status and social power (Alumaran, Bella, & Chen, 2015). Hofstede's argued that power is distributed unfairly in any society (Hofstede, 2011); 2) Individualism /Collectivism Dimension, Individualistic cultures are comprised of individuals that prioritize interests of their own and of their direct families rather than collective objectives (Hofstede's & G.Hofstede's, 1985; Hofstede's, 2011), 3) Masculinity /Femininity Dimension,

which is related to the division of emotional roles between women and men. In masculine countries, gender roles are very different and separate. Men are assertive and tough; women are modest and tender (Alumaran et al., 2015), 4) Uncertainty Avoidance Dimension, This dimension focuses on the level of stress in the society in the face of unknown and unexpected future events (Hofstede, 2011). Companies operating in areas with high uncertainty avoidance tend to be more difficult to meet their social and environmental demands (Widagdo, 2010), 5) Long term/short term Orientation, The dimension argues in opposing short-term aspect of the Confucian thinking and thrift and focuses on personal stability, respect and valuing traditions (Alumaran et al., 2015), 6) Indulgence, Higher levels of the indulgence dimension indicate cultures that allow relatively free gratification of basic and natural human desires connected to enjoying life and having fun (Hofstede's, 2011).

Studies on culture that have an influence on CSR have been conducted by several researchers including Caprar, Devinney, Kirkman, & Caligiuri, (2015) stating that culture is an antecedent or problem related to the implementation of sustainability. Several other studies state that culture is a determining and important variable in terms of sustainability (Nguyen & Truong, 2016; Ringov & Zollo, 2007 ; Salvi, Giakoumelou, & Petruzelle, 2017). While Ioannou & Serafeim, (2012) states that the characteristics of the culture of society play an important role in explaining the implementation of CSR throughout the company. Likewise, in the context of society towards corporate responsibility, various studies related to culture in all countries Miska, Szócs, & Schiffinger (2018).

Hypothesis Development

Research on the influence of Culture on CSR has been carried out Waldman et al., (2006) using the GLOBE dimension on social

culture that examines the relationship between cultural dimensions proxied in Institutional Collectivism and Power Distance indicators and CSR Values of top-level managers. Ringov & Zollo (2007) combine the Hofstede's cultural dimension and the GLOBE dimension as indicators of community culture and investigate the impact of differences in community culture on corporate financial performance. The results are Power Distance dimension,

Individualism, Masculine and Uncertainty Avoidance Dimension intensively describe lower levels of CSR performance. Peng, Dashdeleg, & Chih, (2014) use the Hofstede's cultural dimension as a cultural indicator and the Dow Jones Sustainability Index as an indicator of CSR. Whereas Halkos & Skouloudis, (2017) use Hofstede's and NCSRI cultural dimensions as a tool to measure the implementation of CSR.

Table 1
Previous Research

Author	Sample Identification	National Culture Operationalization	CSR Operationalization
Waldman et al., (2006)	15 countries	GLOBE dimensions of societal culture	Managerial perceptions of CSR values in decision-making
Ringov & Zollo, (2007)	23 countries	Hofstede's and GLOBE cultural dimensions	Innovest's Intangible Value Assessment Score
Peng et al., (2014)	Companies included in S&P Global 1200	Hofstede's cultural dimensions	Dow Jones Sustainability Index
Gănescu, Gangone, & Asandei, (2014)	27 EU countries	Hofstede's cultural dimensions	Composite index of corporate responsibility towards consumers

Source: (Halkos & Skouloudis, 2016)

Power Distance Dimension (PDI)

Hofstede's defines of Power Distance dimension as follow:

The power distance a boss B and a subordinate S in a hierarchy is the difference between the extent to which B can determine the behavior of S and the extent to which S can determine the behavior of B (Hofstede, 2011)

Halkos & Skouloudis, (2016) stated that Power distance (PDI), describing the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. The cultural dimension in the condition of small power distance

expects and accepts more consultative and democratic power relations. someone relates to one another regardless of their formality position. Subordinates will feel more comfortable and demand the right to contribute in decision making (Y.-S. Peng et al., 2014).

Whereas the countries with large power distance tend to use power relations that are more autocratic and paternalistic. Subordinates recognize the power of others based only on where they are in a formal structure or a certain hierarchical position. Thus, the distance index of power is defined by Hofstede's, (2011) not reflecting objective differences in power distribution, but rather

the way people perceive power differences.

The power of distance can be a useful concept in CSR social and political development models, where companies are responsible for everything that arises because of the power they have. This power is related and regulated by the distance in the communities where the company is operated. Waldman et al., (2006) assessed the relationship between cultural dimensions namely Power Distance Dimension and CSR values of top-level managers.

H1: Does Power Distance Dimension affect CSR implementation

Individualism/Collectivism Dimension (IDV)

Individualism/collectivism related to the integration of individuals into primary groups (Hofstede, 2011). This dimension is distinguished between individual and group behaviour within the society. Hofstede's & G.Hofstede's, (1985) described this dimension by stating that it is "the relationship between the individual and the collective that prevails in a given society it". Individualism describes when people place their personal interests and goals ahead of those of the social group within the society. It is emphasized that how individuals behave in society is based on their own interests and goals, regardless of group interests and goals (Alumaran et al., 2015). There are several factors that influence individualism in an organization. These factors include social norms, educational level, organizational culture and organizational history (Waldman et al., 2006).

In the context of CSR taxonomy this dimension can help explain or improve models based on the integration of social demands into the management of CSR problems. At a more micro level, Burton et al., (2011) shows that some cultural traits have a direct impact on managerial policy, which is conceptualized as "latitude of managerial action". Thus, the nature of culture will also have an impact on

managerial decision making related to CSR. Given that CSR is based on social objectives, the cultural dimension of individualism / collectivism tends to be related to three main dimensions (shareholders / owners, stakeholders, community / state welfare) of managerial values that are relevant to CSR decision making (Waldman et al., 2006).

One of the fundamental elements of the cultural system that has been identified previously is related to the problem of autonomous vs. consensus-based actions (Halkos & Skouloudis, 2017). A society characterized by a high level of individualism usually allows for a greater margin of individual initiative and is more willing to tolerate unilateral decision making. In countries with low levels of individualism, community members form expectations that the decision-making process will be broader, more participatory, and more consultative (Crossland & DC. Hambrick, 2011).

H2: Does Individualism/Collectivism Dimension affect CSR Implementation

Uncertainty Avoidance Dimension (UAI)

Avoiding uncertainty is not the same as avoiding risk; this is related to people's tolerance for ambiguity. This shows the extent to which a culture programs its members to feel uncomfortable or comfortable in unstructured situations (Hofstede's, 2011). This dimension focuses on the level of stress in society in the face of unknown and unexpected future events. It represents the ability and willingness of the community to embrace change and unwillingness to overcome and deal with ambiguity. From an organizational point of view, organizational culture can be influenced by unexpected future events, such as periods of recession or sudden war (Alumaran et al., 2015).

While some studies (e.g., Peng et al., 2014; Halkos & Skouloudis, 2017; Miska et al., 2018) identify positive effects of uncertainty avoidance on corporate social responsibility.

On the one hand, sustainability practices tend to be associated with high costs and uncertain benefits (Salvi et al., 2017). This can explain why companies with high uncertainty avoidance can refrain from engaging in this activity, because they aim to take moderate risks. On the other hand, a positive relationship between uncertainty avoidance and the company's economic, social and environmental sustainability practices is acceptable (Burton et al., 2011).

H3: Does Uncertainty Avoidance Dimension affect CSR Implementation

Masculinity/Femininity Dimension

Hofstede's & G.Hofstede's, (1985) explains masculinity and femininity as the dominant pattern of gender roles in most traditional and modern societies. Masculinity is related to the value of gender differences in society or the distribution of emotional roles between different genders. The values of the masculine dimension are values of competitiveness, firmness, materialism, advocacy and power. While the dimension of femininity determines more value on relationships and quality of life. In the masculine dimension, the difference between gender roles seems more dramatic and less flexible than the feminine dimension which sees men and women having the same values, emphasizing simplicity and caring (Salvi et al., 2017).

Previous studies have shown a negative relationship between masculinity (MAS) and CSR commitment (Ringov & Zollo, 2007; Peng et al., 2014). Ringov & Zollo, (2007) study the effects of differences in national cultures (expressed by Hofstede's model) on corporate non-financial performance around the world and postulate that countries where power distance, individualism, masculinity, and uncertainty avoidance are intense, they exhibit lower levels of CSR performance. (Peng et al., 2014; GĂnescu, Gangone, & Asandei, 2014) and more recently (Kim & Kim, 2010) also

utilize Hofstede's cultural dimensions and offer fruitful findings on the impact of cultural dynamics on corporate non-financial performance and CSR engagement. Studies. The findings suggest that the Hofstede's cultural dimensions have significant impacts on CSR performance, both positively and negatively depending on a given dimension of CSR.

H4: Does Masculinity/Femininity Dimension affect CSR Implementation

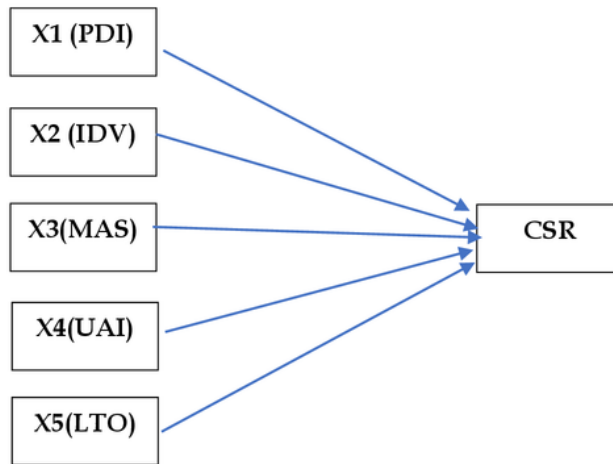
Long-term vs Short-term Orientation Dimension (LTO)

This dimension was developed by Hofstede's with Michael Harris Bond in Hong Kong. This dimension is strongly influenced by Confucian teachings. This element consists of 4 dimensions, namely: 1) Social stability is based on the inequality of relationships between people. For example, a junior gives honor as obedience to seniors and provides protection to juniors, 2) Family is the basic form of all social organizations. Chinese culture has the belief that losing the dignity of a family is the same as losing a member of the body. This shows respect for people called "giving face" in their culture, 3) Virtuous behavior towards others implies not treating others as you do not want to be treated as such by others, 4) Doing good is one of life's tasks by increasing knowledge, skills, working hard, not being wasteful, patient and choosing (Hofstede, 2011).

Value is something that has a higher position in the cultural dimension and is associated with increased perseverance, savings and maintenance of relationships based on status. Whereas Culture is oriented in the short term by respecting tradition, protecting personal reputation, stability and reciprocal social commitment. Long-term orientation is often associated with countries that are easily adaptable to the practices adopted by other countries and cultures

H5: Long-term/short-term Orientation Dimension affect CSR Implementation

Figure 1
Research Framework



Source: Researcher

The Information:

- X1 : PDI (Power Distance)
- X2 : IDV (Individualism/Collectivism)
- X3 : MAS (Masculinity/Femininity)
- X4 : UAI (Uncertainty Avoidance)
- X5 : LTO (Long term Orientation/Short term Orientation)
- Y : CSR (Corporate Social Responsibility)

3. RESEARCH METHOD

This study uses a quantitative approach. The objective of the researcher to use a quantitative approach is to determine the effect of the variables that have been determined in this study.

Population and Sample

The population used in this study are General Managers and Senior Managers of CSR who work in SOEs throughout Indonesia, amounting to 115 SOEs, but the sample taken by researchers is 50 SOEs

located in Java for reasons of time and cost making it easier to distribute questionnaires in obtaining data.

This study uses SOEs as research objects because SOEs are companies that have the obligation to carry out CSR. CSR is mandatory, namely through 1) Law No. 40 of 2007 article 74 concerning Limited Liability Companies (UU PT) and Law No. 25 of 2007 article 15 (b) and article 16 (d) concerning Investment (PM Law), each company or investor is required to carry out an effort to carry out the corporate responsibilities that

have been budgeted and calculated as the Company's costs. 2) Decree of the Minister of Finance of the Republic of Indonesia No. 316 / KMK 016/1994 concerning the Program for the Development of Small Businesses and Cooperatives by State-Owned Enterprises, which was then reaffirmed by Decree of the State Minister for State-Owned Enterprises no. Kep-236 / MBU / 2003 stipulates that each company is required to set aside profits after tax of 1% (one percent) to 3% (three percent), to carry out CSR.

Data Collection Procedures and Analysis Techniques

Data collection procedures used in this study use a questionnaire sent via email directly to SOEs. The analysis technique used in this study is multiple linear regression analysis technique. The equation model is to use 5 indicators of Hofstede's cultural dimensions, namely Power Distance Dimension (PDI), Individualism vs. Collectivism Dimension (IDV), Uncertainty Avoidance Dimension (UAI), Masculinity versus Femininity (MAS) Dimension, Long-term Orientation (LTO).

Whereas CSR Implementation is more emphasized on the influence of Macro CSR by controlling aspects of efficiency in institutions and socioeconomic conditions called Gross Domestic Product growth (GDP_{gr}), Macroeconomic stability (MS), the ease of doing business index (EDB) and corruption control (COR) are all government and SOE projects. For this reason, the equation in this research is

$$\text{NCSRI} = f(\text{PDI, IDV, MAS, UAI, LTO, GDP}_{gr}, \text{MS, EDB, COR})$$

4. DATA ANALYSIS AND DISCUSSION

The sample in this study were echelon 1 and echelon 2 employees at 50 state-owned enterprises in Indonesia. Questionnaires distributed by email were 100 copies and questionnaires were sent back as many as 72

copies. This means that 62% of respondents are willing to participate in this study. The following is a sample description and rate of return:

Table 2
Sample and Return Rate of the questionnaire

Questionnaire sent	100
Questionnaire that was not responded	18
Questionnaire responded	72
Defective questionnaire	2
The questionnaire is not consistent	8
Questionnaire that can be processed	62
Questionnaire return rate	$62/100 \times 100\% = 62\%$

Source: processed by researchers

Data Analysis

The hypothesis to be tested is to find out whether there are effects of independent variables simultaneously and partially:

Table 3
Hypothesis Testing Results
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.750	.563	.524	2.01551

a. Predictor: (Constant): X1, X2, X3, X4, X5

b. Dependent Variable: y

R value is used to measure how much the relationship between the dependent variable with the independent variable. While the value of R Square (R²) or the coefficient of determination is measuring the extent to which the ability of the model to explain the

dependent variable. Based on the table above, it appears that R^2 is 0.563 or 56.3%. This shows that all independent variables affect the dependent variable by 56.3%. This also shows that the model used to explain the

implementation of CSR by 56.3%, while the remaining 43.6% is explained by other variables outside the model.

Table 4
ANOVA ^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	293.367	5	58.673	14.443	.000 ^a
Residual	227.488	56	4.062		
Total	520.855	61			

a. Predictors: (Constant), X1, X2, X3, X4, X5

b. Dependent Variable: y

Based on ANOVA results, it can see that the F count is 14.444 with a significance level of 0.000, which means the level of significance is less than 0.05. These results indicate that the independent variables namely PDI, IDV, MAS, UAI and LTO simultaneously influence CSR implementation.

Table 5
Multiple Linier Regression Analysis
Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.409	4.282		1.263	.212
PDI	.245	.063	.441	3.875	.000
IDV	.329	.101	.397	3.244	.002
MAS	-.066	.102	-.063	-.645	.522
UAI	.015	.089	.020	.166	.869
LTO	-.031	.079	-.039	-.393	.696

a. Dependent Variable: y

Source; Processed by researchers

Table 6
Result of Regression Analysis

Variable	Coefficient	t-count	Significance	Explanation
Constanta	5.409	1.263	0,212	
PDI	0,245	3.875	0,000	significance
IDV	0,329	3.244	0,002	significance
MAS	-0,066	-0,0645	0,522	Not Significance
UAI	0,015	0,166	0,869	Not Significance
LTO	-0,031	-0.393	0,696	Not significance

Source: Processed by researchers with SPSS 16

Discussion

Power Distance-CSR

Based on the results of regression analysis is that Power Distance has a significant effect on CSR implementation. This is indicated by the level of significance not greater than 0.005. This means that social power and equality in society are the dominant factors in CSR implementation. This means that power without equality and fairness in society will cause an imbalance that affects the company's survival. This is understandable because SOEs in Indonesia are companies whose share ownership is in the hands of the State or the community as controlling companies. Corporate responsibility towards the community as a stakeholder must be a primary concern. Without equality felt by the community, it will lead to an injustice and this will have an impact on the implementation of CSR programs run by SOEs in Indonesia.

As we know the implementation of CSR programs for SOEs is mandatory. This is in accordance with Law No. 19 of 2003 concerning BUMN, Law No. 40 of 2007 concerning Limited Liability Companies, and SOEs Ministerial Regulation No. Per-08 / MBU / 2013 concerning PKBL and ISO 26000: 2010. In addition, public policy is a positive form that is based on a legal basis that is coercive so that the implementation of the PKBL is not merely implemented but has a strong legal basis from the Central Government that is used as a guideline for the implementation of any planned program.

The results of this study are consistent with research conducted by Ringov & Zollo, (2007); Ioannou & Serafeim, (2012) In his research stated that the implementation of CSR can be realized well if the authorities do not have distance from the surrounding community, so that equality and justice can be realized properly. Cohen et al., (1996) stated that culture created by internalizing long or high distances between people and government have tendency to look at ethics

from a business perspective and prioritize benefits over the culture around it. While Waldman et al., (2006) states that culture created with a very strong power distance will encourage managers to have a very low level of concern for stakeholders such as employees and customers. Whereas (Halkos & Skouloudis, 2017) found that Power Distance is not significant with the social economic development of CSR. This is in accordance with research from Peng et al., (2012) which states that power distance has a negative impact on CSR

Individualism/Collectivism Dimension-CSR

Based on data analysis, this study found that Individualism/Collectivism in the Hofstede's dimension had a significant influence on CSR implementation. This can be shown with a significance level of 0.002 smaller than 0.005, so that t arithmetic is still greater than t table. The results showed that people who have high individual attitudes tend to tolerate unilateral decision making or can be interpreted by the community with this model tends to have properties that do not care about the surrounding circumstances. Whereas communities with a low level of individualism will form expectations that the decision-making process will be broader, more participatory, and more consultative. This condition is in accordance with what was stated by Crossland & DC. Hambrick, (2011) and if related to the concept of community culture, individualism tends to hamper the implementation of CSR (Burton & Lih Fah, 2000; Kim & Kim, 2010).

The results of this study are consistent with the findings of Burton & Lih Fah, (2000); Waldman et al., (2006); Ringov & Zollo, (2007). Waldman et al., (2006) states that the cultural dimensions of Individualism and Power Distance can predict the value of social responsibility from members of top management groups. This study contradicts the findings of Halkos & Skouloudis, (2017) and Peng et al., (2012); Peng et al., (2014).

Halkos & Skouloudis, (2017) state that Individualism from Hofstede's cultural dimension is not significant to the cultural distinctiveness of CSR. Whereas Peng et al., (2014) stated that individualism / collectivism has a negative influence on CSR performance

Masculinity/Femininity Dimension-CSR

This dimension shows that masculine societies prefer to behave autonomously and decisively, while feminine culture places more emphasis on behavior in a way that likes and dislikes. This study found that the masculine / feminine dimension did not have a significant effect on CSR implementation. This is indicated by the significance level of 0.522 greater than 0.005. The results of this study point to the fact that people in Indonesia do not have the difference between masculine and feminine for successful CSR implementation. This is understandable because the culture of people in Indonesia is familiar with the term "mutual cooperation" which is a togetherness carried out by all people to achieve common prosperity.

The results of this study are consistent with research conducted by Ringov & Zollo, (2007); Peng et al., (2014); Halkos & Skouloudis, (2016) which states that masculinity / femininity does not significantly influence CSR implementation. Different results were found by Burton & Lih Fah, (2000). In general, women with a feminine attitude are more concerned with activities that are socially aware and care for the environment.

Uncertainty Avoidance Dimension

This study found that Uncertainty Avoidance did not significantly influence CSR implementation. This is indicated by the level of significance that is equal to 0.869. This means that the results of t count are greater than t table. As result the significance is greater than 0.005.

Based on the information above, the results found show that BUMN employees in

Indonesia see that uncertainty is a necessity that cannot be used as a measure in determining the successful implementation of CSR in Indonesia. They tend not to be emotional and accept any uncertainty that occurs in their lives because this is indeed a culture instilled by their ancestors. Therefore, they are not afraid of a change even though they treat it very carefully

In some research that has been done, Uncertainty Avoidance Dimension still has a gap in its findings. the results of this research in accordance with the findings of Halkos & Skouloudis, (2017). Halkos & Skouloudis, (2017) study found that when Individualism and Long-term/short-term Orientation were high, Power Distance and Uncertainty Avoidance had a negative and insignificant impact on the CSR index. Different results were found by Ringov & Zollo, (2007); Waldman et al., (2006); Peng et al., (2012); Peng et al., (2014) which states that uncertainty avoidance has a positive and significant effect on CSR implementation

Long-term Orientation/Short-Term Orientation-CSR

The results showed that the long-term orientation had no impact on CSR implementation, which was indicated by a significance level greater than 0.005. This finding proves that social problems in the form of equality are questioned but have no impact on CSR implementation. This shows that nobleness, benefits are not the main factor in supporting CSR, there are still other factors, namely the distance of power

The results of the study contradict the findings made by Halkos & Skouloudis, (2016) and Halkos & Skouloudis, (2017).

5.CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

This study aims to examine the influence of community culture on the implementation of CSR. Cultural variables are proxied by Hofstede's Cultural dimension indicators

which have 6 dimensions namely Power Distance, Individualism / Collectivism, Masculinity / Femininity, Uncertainty Avoidance, Long-Term Orientation / Short-Term Orientation and Indulgence / Resistance. However, this study only uses 5 dimensions without spit / refuse, because this study does indeed replicate a study conducted by Halkos & Skouloudis, (2017). The difference in this study is from the sample used.

This study uses a sample of echelon 1 and 2 employees in 50 BUMN in Indonesia. The assumption is that employees are also civilized and cultured societies, while culture in Indonesia is very diverse. The location of BUMNs spread throughout Indonesia allows cultural differences. Each island in Indonesia has a different cultural character. So that this difference is possible to cause differences in the implementation of CSR.

Hypothesis testing generated in this study shows, First, the proposed research model is quite appropriate because it has fulfilled several established criteria

To test the hypothesis there are several variables that have an influence and are not significant on CSR implementation. The hypothesis that has an influence and significance on CSR implementation is H1 and H2 with the independent variable H1 is Power Distance, while H2 with the independent variable Individualism / Collectivism.

Another hypothesis is that H3 to H4 has no effect on CSR implementation, with the independent variable for H3 being Masculinity/Femininity Dimension, H4 is Uncertainty Avoidance Dimension and H5 is Long-term / Short-term Orientation. This shows that the 5 cultural dimensions discovered by Hofstede's did not all have an impact on the implementation of CSR in 50 SOEs in Indonesia.

Considering the conclusions of this study, the author is fully aware of the weaknesses and limitations that still need to be addressed

and required more attention, such as: this research only involves 50 SOE's in Indonesia, whereas SOE's in Indonesia are 115 companies. Based on discussions and conclusions from the results of multiple linear regression analysis, suggestions that can be submitted for future research are to increase the population range, to be added other variables besides power distance, Individualism/Collectivism, Masculinity-/Femininity, Uncertainty Avoidance, long-term/short-term Orientation and to involve more respondents in a wider place the scope of the work unit, so the results are produced will be more comprehensive.

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