



Exposure of CSR Dimension for Business Development: Case Study in Industrial Estate

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Abstract

This study aims to find out how contribution of companies in industrial estate has an active involvement in corporate social responsibility (CSR) programs. In addition, the study also encourages companies to develop business in industrial estates, especially for industrial manufacturers in various business backgrounds through strengthening of the company's active involvement in corporate social responsibility programs. Research has been conducted data collection and testing for the management in industrial estate at West Java, Indonesia. The sample selection was collected by using random sampling. Observations were made in time horizon or cross-sectional. Data were tested using structural equation modeling. The results concluded that the company has not been optimally involved in corporate social responsibility program. This can be seen from the lack of corporate contribution related to the role of company to engage directly on corporate social responsibility that can be felt and utilized by surrounding community to develop resources around it. The research expects for manufacturing industries in industrial estates to increase active involvement in corporate social responsibility programs as they positively impact business development in the future.

INTRODUCTION

In general, the goal of corporate social responsibility (CSR) is sustainable business as good environment for surrounding community and society. Companies are required to do business that has social responsibility and be able to contribute for sustainable development. Development must take into account the ability of future generations to meet their life needs. The impact of corporate activities directly or indirectly has created added value and sustainable prosperity for community.

CSR programs need to involve stakeholder participation in order to run well. Community beneficiaries of CSR programs need to be actively involved to support success of the program. Communication with government from village level to national level is done in an effort to sy-

nergize sustainable development. Company continuously ensures consistent CSR programs every year to assist the various layers of society around industrial estates, especially in economic, social and environmental sectors in order to create mutual prosperity.

Not yet optimal contribution for company in the implementation of CSR is allegedly related to low contribution of company to development and improvement of education quality for surrounding community. This is also explained by Nawawi, et al (2015) which states that education is low correlated with existence of industry, for which company is required to hold activities related to education so that the level of public education becomes more increased. The potential of CSR funds reaches Rp12 trillion per year. CSR with value of that size has not been able to be ma-

naged optimally so that in the future must be optimized to empower community and develop the economy of local people. The amount of funds is calculated through estimates from the acquisition of CSR funds from about 700 companies from both state and private companies in Indonesia (Yambise, 2015). The legal of implementation of CSR for state enterprises is regulated in law no. 19 of 2003 and regulation no Per-05 / MBU / 2007 on Partnership and Community Development Program (PKBL). CSR activities for private companies are regulated in law no. 40 of 2007 for companies whose businesses involve natural resources. CSR is implemented using budget and expenses of the company (Maharani, 2015).

Indonesia is ranked 112 out of 178 countries in the world related to assessment of environmental performance index. Environmental performance indexes prioritize environmental issues as excellent priority in health protection from environmental hazards and ecosystem protection (YCELP, 2014). The government requires companies to implement CSR programs in environment around the company. CSR program is a form of corporate concern to surrounding community so as to benefit. CSR programs are much less referring to intent and purpose. CSR programs are often conducted without clear direction so as to have not given tangible results. The basic idea of CSR is directed to develop the ability for achieve independence of surrounding community, instead of even increasing public dependence on the company. This happens because implementation of CSR is not accompanied by comprehensive planning and has not been conducted monitoring and evaluation by companies and government (Nurjanah et al., 2013). CSR is directed towards solving social problems, creating better societies and addressing environmental issues. The integration of CSR in business processes is directed towards the development of products for consumers who benefit for community (Srisuphaolarn, 2013), provides benefits to financial performance for discovery of new business opportunities that impact on company's reputation (See, 2009), as an effective way companies create an attitude that can benefit consumers (Mark et al., 2011).

CSRHUB discloses data regarding the number of companies involved in CSR programs in Indonesia of 125 companies with value of 56. Comparison of CSR involvement based on the number of companies for each country, Indonesia lags behind Malaysia with the involvement of 225 companies while Singapore with involvement as many as 159 companies. CSR Ranking of In-

donesia is under Papua New Guinea and Thailand with rating of 63 and 57 (CSRHUB, 2016). CSRHUB divides CSR assessment area not only by country but the assessment is also conducted based on regional group where Indonesia belongs to Southeast Asia region group. Southeast Asia covers 7 countries with CSR involving 607 companies and has rating of 55. Corporate involvement in CSR programs in Indonesia is included in low category when compared to North USA covering 3 countries with 6691 corporate and European involvement includes 45 countries with 3549 corporate engagement as well as Asia covering 8 countries with 2177 corporate involvement (CSRHUB, 2016).

CSR is the company's interest in improving the balance between corporate and community growth to achieve sustainable development (Kim et al., 2017). This research is to investigate perceptions of CSR initiatives that affect corporate image for casino customers. The ethics of CSR have strong impact on company's image that includes economic and philanthropic. It can be advantageous to know how specific CSR initiative is being done so as to develop a company image and increase customer retention. CSR is a new business opportunity for value creation (Kim et al., 2017). This study examines relationship between CSR and internal consequences of CSR perceptions of hotel employees in South Korea. The results of research (Kim et al., 2017) explained that CSR perception of hotel employees positively affect quality of life in work, commitment, organizational behavior and improve work performance. (Palihawadana et al., 2016) defines CSR as shared dependency on businesses and communities that emphasize the importance of growth. Research conducted on young Vietnamese with a sample of 319 respondents. The conclusion in this study states that perception of CSR as a mediation relationship between idealism or egoism and product evaluation. Differences in ideological ethics have different effects on the perception of CSR for customers.

Understanding CSR according to Fatma et al. (2016) is company's commitment to maximize prosperity for economically, socially and environmentally in long term through business practices, policies and resources. This study aims to develop new model scale to measure perceptions of CSR activities in tourism industry at India. This study offers contributions in comprehensive framework based on sustainable development approach to measure customer perceptions of CSR activities. Gaurangkumar (2015) describes the notion of CSR as process with the goal of embracing res-

ponsibility for corporate action and promoting its impact through environmental activities for consumers, employees, communities, stakeholders and all members of community who are stakeholders and includes environmental sustainability, community engagement and practice of marketing ethics. Gaurangkumar conducted an analysis of all companies listed on Johannesburg Stock Exchange (JSE) South Africa to get an integrated report on environmental, social and economic performance with annual financial reports. The function of CSR policy as regulatory mechanism through business monitoring and ensuring active compliance in accordance with international law, ethical standards and norms.

Kaur (2015) describes that the notion of CSR as sense of corporate responsibility to the ecological, social communities and environments in which the company operates. Companies apply CSR through waste reduction and pollution processes, contribute to educational and social programs and get adequate returns from resources used. The results of Kaur's research describe that business scenarios have changed significantly from traditional ways of focusing on profit and fulfilling social responsibility that contribute to various stakeholders such as investors, consumers, employees and larger community, and affected by corporate activity. The growth of competition and the increase of globalization have prompted companies to redesign the strategy and business model in order to survive for long periods of time so that CSR is expected to play an important role in the future.

The definition of CSR according to Halder & Mishra (2015) is responsibility for companies that generate profits in meeting social challenges, so that businesses can operate and can take advantage of the environment so that companies have responsibility for ecosystem improvement, social equity improvement, uphold the application ethics and good governance by preserving the environment, minimizing the waste of natural resources, recycling products, helping for the needy and work for greater good. The results of his research conclude that most companies do not adhere to the code of ethics in implementation of good corporate governance, especially related to the implementation of CSR and CSR norms in India less attention to corporate governance practices because the company is required to meet the needs of more people big.

Understanding CSR according to Cierna & Sujova (2015) that CSR becomes the company's ability to act ethically that is capable of contributing to sustainable economic development and

improving the quality of life for employees, families, local communities and society as a whole. Cierna & Sujova produce conclusions in his research which explains that the application of EFQM Excellence model in systematic and professional relationship with CSR that can generate maximum value added. CSR is company's promise in acting at accordance with ethics for contributing to sustainable economic development and to improve the quality of life continuously. CSR is based on general ethical principles such as impartiality, participation, active co-operation with related parties and transparency which is then identified based on universal characteristics, highlights voluntary involvement, focuses on active cooperation with interested parties.

Understanding CSR according to Khatun et al. (2015) is an organizational commitment in conducting business in economic, social and environmental sustainability in order to meet various stakeholder interests. CSR refers to organizational responsibility and the impact of organizational activity on consumers, employees, shareholders, communities and the environment in all aspects of operations. The research by Khatun uses cluster system as research method, among others, with three aspects of research that are developed, namely ethical practice, credibility and social responsibility towards company manager. The focus of CSR practices is austerity to business practices so as to conduct business in more ethical way to achieve sustainable development. CSR is important for businesses that not only provide products and services for customer satisfaction but also ensure that their business is not harmful in environment. Business is built on ethics and the company must be in action according to ethics.

The notion of CSR according to Hongjun (2014) refers to corporate responsibility to its impact as reflected in intentions, actions and performance of enterprises to maximize social welfare governed through management, economic, environmental and social responsibilities in the community. The result of Hongjun's research concludes that the institution can influence the performance of CSR on multinational corporations and economic institutions as well as cultures both having significant negative relationship with the performance of CSR on multinational corporations. Vijayalakshmi & Nandhini (2012) outlines the notion of CSR as corporate concept in contributing to better society and environment. CSR is company's ethical behavior towards society. CSR represents the company's contribution to society through business activities and social investment. CSR brings the company's behavior

along with social norms, values and expected performance expectations. The analytical unit developed in this study includes 4 multi-national companies in India. Analytical techniques developed include percentage analysis, weighted average method and chi-square analysis. Vijayalakshmi & Nandhini concluded that companies should pay more attention to CSR that contributes to society. Companies that realize their obligations by contributing to society are based on CSR then the company's becomes friendly to community and get better appreciation.

This research uses definition concept of CSR variable from Khatun et al. (2015), Kim et al. (2017) and Cierna & Sujova (2015). Expert opinion is used basis study because definition of CSR developed has similarities among others are, economic responsibility, environmental responsibility, philanthropic and ethics. However, the concept of variables developed by Haldar & Mishra (2015) was not developed in this study because the data used were secondary data obtained from stock market so that it was less suitable to be used in this research. Based on definition of CSR, this research develops construct of CSR in industrial estate defined as company's commitment to carry out economic responsibility (Fatma et al, 2016) and (Khatun et al, 2015), environment (Cierna & Sujova, 2015) and (Vijayalakshmi & Nandhini, 2012), philanthropic (Kim et al., 2017), and ethics (Khatun et al, 2015) and (Kim et al., 2017) in achieving company goals.

The translation of the use of concept is as: a) economic field provides comprehensive contribution in development of industrial estates through improving product quality, customer quality, profitable, decreasing operational costs and minimizing customer complaints; b) company's contribution to environment gets better assessment of community in industrial estates through implementation of environmental management system, pollution prevention, climate change control, environmentally friendly energy utilization, empowerment, improvement of education quality, public health improvement; c) philanthropic is able to maintain balance between corporate growth and community environment in industrial estates through participation in contributing to local communities, fulfilling social responsibility, helping the poor, and participation in voluntary activities; d) company business is run through ethical ways to achieve sustainable development in industrial estates by implementing code of conduct, implementation of justice system, dissemination of correct information and application for regulation.

The dimensions of CSR developed by Kim et al. (2017) in his research use the four dimensions of CSR, namely economic, legal, ethics and philanthropy. Research Kim et al. (2017) to investigate perceptions of CSR initiatives affecting corporate image for existing casino customers in South Korea with sample 596. Economic dimensions have indicators consisting the development of tourism industry, creating employment opportunities, actively trying to activate at local economy, and strive to achieve sustainable growth. The legal dimension has indicators that include making rational rules, implementing rules well, setting appropriate rules for customers, and trying to trust the rules. Ethical dimension have indicators that include making ethical guidelines for business activities, trying to have trusted corporate ethic, trying to leave out irregularities, and treating customers properly. The dimension of philanthropic has indicators that contribute to industry by sport, participation in voluntary activities, supporting social welfare projects and supporting educational programs.

Kim et al. (2017) is new business opportunity for value creation. The dimensions of CSR activities in this study include law, ethics, philanthropic, economics. Legal dimensions use indicators include informing relevant environmental regulations, all products must conform to standard rules, all agreements must be respected. The ethical dimension are using indicators such as business has comprehensive code of conduct, members of organization follow professional standards, justice to colleagues and business associates. Dimensions of philanthropic with indicators include contributions to local communities, fulfillment of social responsibility, helping the poor. Economic dimensions with indicators include procedures in responding to customer complaints, improving product or service quality, trying to lower operational costs.

Palihawadana et al. (2016) outlines common reliance on businesses and communities that emphasize the importance of growth as concept of CSR. The four dimensions of CSR developed include law, philosophy, ethics, and economics. Legal dimensions with indicators include compliance with local and state laws, and regulations, complying with legal obligations, products and services in accordance with requirements of the rules. The dimensions of philosophy with indicators such as voluntary participation in charitable projects, active sponsorship of social activities, being a direct part of charitable income donated to, improving people's quality of life. Ethical dimensions with indicators include respecting or

developing ethical and moral norms of society, consistent with expectations of social norms and ethical norms, monitoring the negative effects of business on communities. Economic dimensions with indicators include maximum profit during the move, improving economic performance, and keeping in strong competitive position.

CSR research by Fatma et al. (2016) aims to develop new model scale to measure perceptions of CSR activities in tourism industry at India. This research develops three dimensions of CSR that is economic, social and environment. Economic dimensions with indicators include ensuring long-term survival and success, improving economic performance, tight financing controls, honest of information about economic situation to shareholders. Social dimensions include helping to solve social problems, taking part in society, improving the general welfare of society, providing training and promotion opportunities to employees. Environmental dimensions with indicators of exploiting renewable energy, taking into account and protecting natural environments, tendency to use, buy and produce environmentally friendly goods, reduce natural resource consumption, and communicate with customers regarding environmental practices.

The dimension of CSR based on opinion of Khatun et al (2015) states that CSR is an organizational commitment to conduct business in the field of economic, social and environmental sustainability in order to balance the interests of stakeholders so that it refers to responsibility organization and impact of its activities on customers, employees, shareholders, communities and environment in all aspects of operations. So the dimensions described by Khatun et al. (2015) include organizational commitment, economic responsibility, social responsibility and environmental responsibility. This is in line with CSR dimension presented by Hongjun (2014) for implementing the CSR dimension covering economic responsibility, social responsibility and environmental responsibility in its research.

The measurement of CSR dimension according to Kaur (2015) includes corporate responsibility to society, environment, ecology, social. Kaur argues that CSR is sense of corporate responsibility to both ecological and social societies and environments in which firms operate so that firms must disclose ways of waste reduction and pollution, contribute to educational and social programs, get adequate return on resources used. Unit of analysis consist of 135 companies in India through exploratory research utilizing secondary data sources such as journals, maga-

zines, articles and media reports. The dimensions of this study are consistent with those proposed by Haldar & Mishra (2015) which have similar CSR dimensions of ethics and social responsibility. In his exploratory research, Haldar & Mishra conducted observations of 24 companies in BSE SENSEX which moved outside banks and financial companies by utilizing secondary data. Profits, social challenges, ecosystem improvements, social equity and governance are also part of research dimensions presented by Haldar & Mishra (2015).

Ethical behavior, environmental responsibility and community responsibility, volunteering is measurement dimension proposed by Vijayalakshmi & Nandhini (2012), in his research that outlines CSR as ethical behavior of company to society where the company voluntarily contributes to society and environment. CSR is implemented through business activities and social investments. While CSR dimensions described by Cierna & Sujova (2015) include ethics, sustainable economic development, improved quality of life, community. Gaurangkumar (2015) also describes the dimensions of CSR in its research including the processes and responsibilities that include processes, objectives, actions, responsibilities to environmental, consumers, employees, communities and stakeholders.

This research combines several dimensions of CSR from experts who have similarities in measurement dimensions including research conducted by Kim et al. (2017) covering economics, ethics, law and philanthropy. For research of Paliawadana et al. (2016) develops CSR dimensions such as economics, ethics, philosophy, law. Fatma et al. (2016) describes the dimensions of CSR covering economy, social and environment. The dimensions of CSR by Hongjun (2014) are economic responsibility, social responsibility and environmental responsibility. The dimensions of CSR according to research conducted by Kaur (2015) include community responsibility, environmental responsibility, ecological responsibility, social responsibility. So is the research put forward by Haldar & Mishra (2015) which have similarities of ethical dimensions, environmental responsibility, and social responsibility. The ethical dimension and environmental responsibility are also put forward by Vijayalakshmi & Nandhini, (2012). While the ethical dimension is also elaborated by Cierna & Sujova (2015) and the dimensions of environmental responsibility developed by Gaurangkumar (2015). Quality of life became one of the dimensions developed in this research of Cier-

na & Sujova (2015), but the dimension is not used in this study because the concept in form of EFQM model does not describe in detail the dimensions for quality of life and in this study the concept of quality of life has been translated through variables another.

From several notions of CSR that have similarities, for this research conducted on industrial estates in West Java, the dimensions of CSR that will be used are economic (Fatma et al, 2016) and (Khatun et al, 2015) (Kim et al., 2017)), ethics (Khatun et al, 2015) and (Kim et al., 2017). The research does not use governance dimensions described by Haldar & Mishra (2015) because these dimensions are more appropriately applied to banking and finance industries.

best industrial estates in West Java, Indonesia, namely MM2100, KIIC and Jababeka. Total population of companies in industrial estate is 1253 companies. Based on number of population in this study, calculation of samples using Slovin's formula (Almeda et al., 2010), produces as many as 304 companies in three industrial estates.

Total population located in Jababeka industrial estate is 973 companies with various fields of business. Research sampling of companies in Jababeka industrial estate amounted 236 companies with various fields of business companies. The total population of the company located in MM2100 industrial estate is 188 companies that have various business fields and countries of origin from various invest. The rese-

Table 1. Comparison With Previous Research For CSR Dimensions

Kim et al. (2017)	Fatma et al. (2016)	Haldar & Mishra (2015)	Cierna & Sujova (2015)	Research
Economic	Economic	Ecosistem	Ethic	Economic
Ethic	Social	Environtmental	Economic Develop-ment	Environtment
Law	Environment	Social Equity	Quality of Life	Philanthropy
Philanthropy		Ethic		

METHOD

The method used in this research is descriptive survey method to describe systematically and accurately to facts and characteristics of certain field and explanatory survey method. The type of investigation in this study is type of causality where is research that shows direction of relationship between variable based on construction research model. Observation using time scope that is cross-sectional or one shoot, meaning that information or data obtained is result of research conducted in certain time that is in the span of time from January until March 2020. Data were tested using structural equation modeling and SPSS. Source of data and information to be used and obtained from two sources is results of research directly in field as primary data and another data that have been available as secondary. Primary data sources used in this study were obtained from observations from manager in the best industrial estate in West Java, Indonesia. While the secondary data source obtained from ministries, offices associated with the unit of analysis and scope of its community, especially related to manufacturing industrial base data and government policies related to research topics. Population in this study is all companies in three

arch sample used in this research is 46 companies located in MM2100 industrial estate with various business background of company having different and various company based on investment origin. Companies located at MM2100 when viewed from country of origin from investment then Japan is the most abundant. KIIC industrial estate has population of 92 companies with various business backgrounds and various countries that invest among them Japan, India, and Korea. The sample of this research is 22 companies in KIIC industrial estate.

RESULT AND DISCUSSION

Operationalization of research variables is determination of construct with various values to provide description of the phenomenon so that it can be measured. Construct is abstraction of phenomena or reality used for research purposes and should be operated in the form of variables measured by various values (Cooper & Schindler, 2007). Operationalization of research variables aims to facilitate the preparation of questionnaires. Based on the results of literature review, then developed into operationalization of variables to obtain data and information from number of variables complete with concepts, dimensions,

indicators, size and scale. To show the operationalization of variable in this study can be seen in the table 2 below.

items are arranged based on concept dimension correlated with total score then it can be said that measuring instrument has validity.

Table 2. Result of Validity Intrument

Dimension	Indicator	Validity (n=30) rtable = 0.361	Validity (n=304) rtable = 0.113	Remark
Economic	Product quality	0.561	0.293	Valid
	Customer satisfaction	0.637	0.338	Valid
	Increase profit	0.481	0.351	Valid
	Reduce cost	0.686	0.347	Valid
	Decrease customer complaint	0.610	0.208	Valid
Environment	Environment management system	0.527	0.338	Valid
	Pollution prevention	0.619	0.369	Valid
	Control of climate change	0.712	0.403	Valid
	Utilize of environment friendly energy	0.565	0.281	Valid
		0.544	0.245	Valid
	Poverty reduction	0.488	0.230	Valid
	Improving the quality of education	0.450	0.246	Valid
Philanthropy	Improvement of health			
	Contribute to local community	0.635	0.205	Valid
	Fulfillment of social responsibility	0.487	0.211	Valid
	Help people	0.502	0.126	Valid
Ethic	Participation of voluntary activities	0.694	0.181	Valid
	Application the code of conduct	0.451	0.153	Valid
	Implementation of justice	0.413	0.157	Valid
	Dissemination of information appropriately	0.541	0.209	Valid
	Commitment to regulation	0.480	0.125	Valid

Table 3. Result of Reliability Instrument

Variable	Cronbach's Alpha (n=30)	Cronbach's Alpha (n=304)	Remark
CSR	0.927	0.732	Reliable

Validity is measured that indicates the validity of a test. A test is said to be valid if the test measures what it wants to measure. The test has high validity if the results match the criteria, in the sense of having alignment between test and criteria (Arikunto, 1999). The type of validity according to Hartono (2014) consists of external validity and internal validity. Construct validity is obtained by correlating between scores obtained by each item that can be either the question with an item score. This total score is the value derived from the sum of all item scores. The correlation between the item score with total score should be significant based on statistical measures. If it turns out the score of all

Reliability is the level of how much a meter is able to measure with stable and consistent. The level of reliability is indicated by coefficient value is the reliability coefficient (Hartono, 2014). Reliability variable can be measured based on its reliability value. The reliability value used in this reliability test is 0.7 or above.

The following is the distribution of respondents' answers about the economic dimensions represented by five statements consist of: company improves the product quality (csr1), company implements customer satisfaction (csr2), company tries to increase profit (csr3), company tries to decrease the operational cost (csr4), and company minimizes customer complaints (csr5).

Table 4. Distribution of Economic Dimensions

Code	Criteria	Respondents Result					Total	Index
		1	2	3	4	5		
CSR1	Frequency	0	0	40	161	103	304	4.21
	%	0	0	13.16	52.96	33.88	100	
	Score	0	0	120	644	515	1279	
CSR2	Frequency	0	18	126	96	64	304	3.63
	%	0	5.92	41.45	31.58	21.05	100	
	Score	0	36	378	384	320	1118	
CSR3	Frequency	0	4	46	164	90	304	4.12
	%	0	1.32	15.13	53.95	29.61	100	
	Score	0	8	138	656	450	1252	
CSR4	Frequency	0	44	93	122	45	304	3.55
	%	0	14.47	30.59	40.13	14.80	100	
	Score	0	88	279	488	225	1080	
CSR5	Frequency	0	27	84	131	62	304	3.75
	%	0	8.88	27.63	43.09	20.39	100	
	Score	0	54	252	524	310	1140	
Total Score		0	186	1167	2696	1820	5869	3.86

Table 5. Distribution of Environmental Dimensions

Code	Criteria	Respondents Result					Total	Index
		1	2	3	4	5		
CSR6	Frequency	0	6	86	128	84	304	3.95
	%	0	1.97	28.29	42.11	27.63	100	
	Score	0	12	258	512	420	1202	
CSR7	Frequency	0	6	114	122	62	304	3.79
	%	0	1.97	37.5	40.13	20.39	100	
	Score	0	12	342	488	310	1152	
CSR8	Frequency	0	3	123	111	67	304	3.80
	%	0	0.99	40.46	36.51	22.04	100	
	Score	0	6	369	444	335	1154	
CSR9	Frequency	0	7	90	139	68	304	3.88
	%	0	2.30	29.61	45.72	22.37	100	
	Score	0	14	270	566	340	1180	
CSR10	Frequency	0	31	113	114	46	304	3.58
	%	0	10.20	37.17	37.50	15.13	100	
	Score	0	62	339	456	230	1087	
CSR11	Frequency	0	46	91	140	27	304	3.49
	%	0	15.13	29.93	46.05	8.88	100	
	Score	0	92	273	560	135	1060	
CSR12	Frequency	0	21	117	111	55	304	3.66
	%	0	6.91	38.49	36.51	18.09	100	
	Score	0	42	351	444	275	1112	
Total Score		0	164	1593	2448	1475	5580	3.72

Based on table 4 it can be seen that indicators of company improves the product quality has highest index value of 4.21 compared with other indicators on economic dimension such as company tries to increase profit of 4.12. When viewed from economic dimension, company sees the importance of improving product quality as one of the most crucial factors in ensuring the sustainability of company's operations, especially economically. Product quality is able to encourage the strengthening of company's economy.

Environmental dimension describes the distribution of respondents' answers represented by five statements consists of: company implements environmental management system (csr6), company undertakes pollution prevention (csr7), company strives to control climate change (csr8), company seeks to utilize environmentally friendly energy (csr9), company participates in poverty alleviation (csr10), company contributes to improving quality of education (csr11), and company is involved in improving the health of surrounding community (csr12).

Environmental management system applied company in industrial estate has most dominant indicator value index of 3.95 when compared with other indicators on environmental dimension such as company seeks to utilize environmentally friendly energy with value index of 3.88, this can be seen from table 5. In the table 5 can be explained that company views it important to implement environmental management systems to help companies in managing the environment well. Compliance with environmental regulations and implementation of management

systems for company in industrial estate is generally part of demands and prerequisites of consumers to purchase products as requirement that must be met. To guarantee good quality products and according to standards expected by consumers then various requirements related to environment must be met to gain trust of consumers.

Distribution of respondents' answers to dimensions of philanthropic consists of four representative statements such as contributions to local communities (csr13), social responsibility fulfillment (csr14), helping the poor (csr15), and participation in voluntary activities (csr16). The four statements on each item on dimension of philanthropic have been given answers by respondents with the distribution of answers that can be seen in table.

Participation in volunteer activities as form of active role for the company is involved in helping social activities have highest index value of 4.0 compared to size of index on other indicators such as social responsibility fulfillment of 3.86, contribution to local community of 3.73 and help the community of 3.62 which can be seen in table 6. The table 6 shows that participation in volunteer activities for companies in industrial estate has very important role in the dimension of philanthropic to get involved in helping to develop community and environment to be more advanced and better. Active involvement in volunteer activities in addition to influencing social needs for surrounding community also has impact to introduce company related products to be more familiar and understood by public at large. Social activities undertaken by company can simultaneously impact on strengthening the company's business activities.

Table 6. Distribution of Philanthropy Dimension

Code	Criteria	Respondents Result					Total	Index
		1	2	3	4	5		
CSR13	Frequency	0	15	104	132	53	304	3.73
	%	0	4.93	34.21	43.42	17.43	100	
	Score	0	30	312	528	265	1135	
CSR14	Frequency	0	0	104	138	62	304	3.86
	%	0	0	34.21	45.39	20.39	100	
	Score	0	0	312	552	310	1174	
CSR15	Frequency	0	9	144	104	47	304	3.62
	%	0	2.96	47.37	34.21	15.46	100	
	Score	0	18	432	416	235	1101	
CSR16	Frequency	0	6	54	177	67	304	4.00
	%	0	1.97	17.76	58.22	22.04	100	
	Score	0	12	162	708	335	1217	
Total Score		0	60	1218	2204	1145	4627	3.81

On the measurement of ethical dimensions presented through distribution of answers from respondents developed four statements such as implementation of the code of ethics by company (csr17), importance of the company to implement justice (csr18), correct and accurate information dissemination by company (csr19), and firm commitment in comply with regulation (csr20).

business ethics for companies in industrial estate. Establish policies and work procedures that are fair in the workplace by management in effort to balance between rights and obligations for employees become important thing applied companies in industrial estate in order to maintain psychological condition of employees well in the activities of daily work. The construct of CSR consists of four dimensions that reflect behavior of manage-

Table 7. Distribution of Ethical Dimension

Code	Criteria	Respondents Result					Total	Index
		1	2	3	4	5		
CSR17	Frequency	0	12	112	120	60	304	3.75
	%	0	3.95	36.84	39.47	19.74	100	
	Score	0	24	336	480	300	1140	
CSR18	Frequency	0	6	76	145	77	304	3.96
	%	0	1.97	25.0	47.70	25.33	100	
	Score	0	12	228	580	385	1205	
CSR19	Frequency	0	7	80	157	59	304	3.88
	%	0	2.30	26.64	51.64	19.41	100	
	Score	0	14	243	628	295	1180	
CSR20	Frequency	0	3	87	158	56	304	3.88
	%	0	0.99	28.62	51.97	18.42	100	
	Score	0	6	261	632	280	1179	
Total Score		0	56	1068	2320	1260	4704	3.87

The highest index value of 3.96 in table is shown by indicator of the level for corporate interest in implementing justice for all employees when compared with application code of ethics of 3.75, correct and appropriate information dissemination of 3.88 and company's commitment to comply with regulation of 3.88. The importance of companies to implement justice for all employees has significant role in developing bu-

ment on the implementation of CSR in industrial estate so as to form perception for stakeholders to establish mutually beneficial relationships with company. The four dimensions measured are economic, environmental, philanthropic and ethical. The following is calculation result of confirmatory factor analysis on construct of CSR

The results calculation for the four dimensions of CSR after being modified by adding an

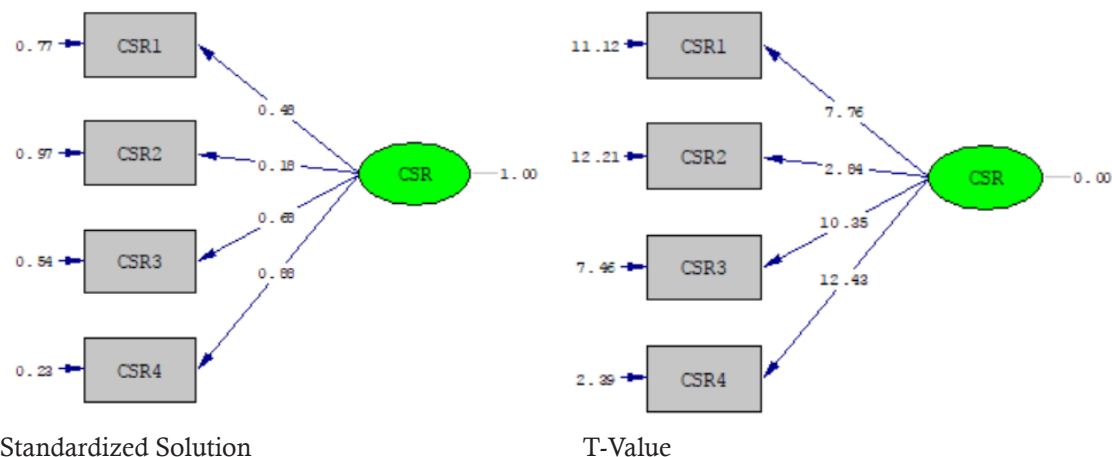


Figure 1. Value of Standardized Solution and T-count in CSR

error variance resulting in standardized loading factor greater than cut of value of 0.5. Value of t-count, each dimension is greater than rule of thumb of 1.96 and the model is saturated that has free parameters as many as the number of moments and when analyzed with complete data then model will always match with perfect sample data so that all indicators in CSR dimension are valid and can be used for this study. It can be interpreted that the indicators in economic, environmental, philanthropic and ethical dimensions are believed to be able to measure the constructs of CSR in manufacturing industry because they have similar data to variables measured. Here is table of measurement equation models on the constructs of CSR.

Table 8. CSR Equation Model

Dimension	Model	Loading factor	Significancy	Error variance	Remark
Economic	CSR1= 0.48CSR	0.48	7.76	0.77	Significant
Environment	CSR2= 0.18CSR	0.18	2.84	0.97	Significant
Philanthropy	CSR3= 0.68CSR	0.68	10.35	0.54	Significant
Ethic	CSR4= 0.66CSR	0.66	12.42	0.23	Significant

Based on table 8 above, it can be seen that most of dominant dimension to measure the construct of CSR is dimension of philanthropy. So it can be stated that respondents perceive that the dimension of philanthropy for company in industrial estate is considered good so that if the company located in industrial estate at West Java want to increase participation in CSR then the aspect of philanthropy can be one of main priorities to be attention greater than. It can be interpreted that dimension of philanthropy is able to represent construct of CSR that is greater than other dimensions such as economy, environment, and ethics.

CONCLUSION AND RECOMMENDATION

Competition in manufacturing industry in industrial estate as an effort in the development of economic, environmental, philanthropy and ethic is absolutely done through increase of companies to actively engage in social activities so as to impact on better of CSR. Strategy needs to be developed by companies in industrial estate in order to gain an enhanced performance through the development of CSR. Along with high competition in industrial business in West Java, the company is faced with variety of problems, especially in the operation of the company so there are many companies that experience business instability resulting. This condition occurs because CSR as

one of part for identity of company has decreased due to the company's defeat in product marketing than competitors. In addition, CSR perceived industrial estate have not been optimally implemented. Active role of manufacturing industries for involvement in CSR is needed by stakeholders in order to sustain the economic, social and environment (Sarjana et al., 2017).

Based on results of this research it can be concluded that CSR in industrial estates in West Java are less superior. CSR in industrial estate has not been actively implemented because there are still some problems including low contribution to improvement for environment. To increase CSR in West Java industrial estate related to economic field is prioritized to strengthen the marketing sys-

tem through expansion of product promotion, and make company's resource efficiency. While associated with ethics need to increase awareness to surrounding community and the existence of strict sanctions for companies that violate the rules, especially against companies in industrial estate.

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