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Creating Shared Valua As Profit and Social Welfare Growth Solution

HARDYANTO RIVAI
GAGARING PAGALUNG
Universitas Hasanuddin

Abstract:*The purposes of this paper are to measure the means different of profit and social welfare indicators in creating shared value and corporate social responsibility implementation and to explore the relationship between return on asset and direct and indirect energy consumption, direct and indirect greenhouse gases, and fatalities of employees in creating shared value implementation. The data involving 30 corporates listed on world securities exchange, from 2003 to 2010 is conduct. The data analyses are compare-means independent sample t-test and linear multiplier regression. The results were found (i) the means of profit and social welfare indicators in creating shared value and corporate social responsibility implementation are significantly different; (ii) negative relationship between return on asset and direct and indirect energy consumption, direct and indirect greenhouse gases, and fatalities of employees in creating shared value implementation.*

Keywords: *Creating Shared Value, Profit, Social Welfare.*

Abstrak: Tujuan makalah ini adalah untuk mengukur sarana yang berbeda dari indikator laba dan kesejahteraan sosial dalam menciptakan nilai bersama dan pelaksanaan tanggung jawab sosial perusahaan dan untuk mengeksplorasi hubungan antara laba atas aset dan konsumsi energi langsung dan tidak langsung, gas rumah kaca langsung dan tidak langsung, dan korban jiwa karyawan dalam menciptakan implementasi nilai bersama. Data yang melibatkan 30 perusahaan yang terdaftar di bursa efek dunia, dari 2003 hingga 2010 adalah perilaku. Analisis data adalah membandingkan-berarti uji t sampel independen dan regresi linier berganda. Hasilnya ditemukan (i) sarana profit dan indikator kesejahteraan sosial dalam menciptakan nilai bersama dan pelaksanaan tanggung jawab sosial perusahaan secara signifikan berbeda; (ii) hubungan negatif antara laba atas aset dan konsumsi energi langsung dan tidak langsung, gas rumah kaca langsung dan tidak langsung, dan kematian karyawan dalam menciptakan implementasi nilai bersama.

Kata Kunci *: Menciptakan Nilai Bersama, Keuntungan, Kesejahteraan Sosial Bersama.*

*** Corresponding author**: gpagalung@yahoo.com

1. Introduction

Some commentators have identified a difference between the Canadian (Montreal school of CSR), the Continental European and the Anglo-Saxon approaches to CSR (Saether and Aguilera, 2008). And even within Europe, the discussion about CSR is very heterogeneous (Habisch and Wegner, 2005). An approach for CSR that is becoming more widely accepted is a community-based development approach. In this approach, corporations work with local communities to better themselves (ACCA 2002, Thompson and Zakaria, 2004). For example, the Shell Foundation's involvement in the Flower Valley, South Africa. In Flower Valley, they set up an Early Learning Centre to help educate the community's children as well as develop new skills for the adults. Marks and Spencer are also active in this community through the building of a trade network with the community guaranteeing regular fair-trade purchases. Often activities companies participate in are establishing education facilities for adults and HIV/AIDS education programmers. The majority of these CSR projects are established in Africa. JIDF For You is an attempt to promote these activities in India.

A more common approach of CSR is philanthropy. This includes monetary donations and aid given to local organizations and impoverished communities in developing countries (O'Dywer, 2002). Some organizations do not like this approach as it does not help build on the skills of the local people, whereas community-based development generally leads to more sustainable development (Neu, Warsame, and Pedwell, 1998). Another approach to CSR is to incorporate the CSR strategy directly into the business strategy of an organization. For instance, procurement of Fair-Trade tea and coffee has been adopted by various businesses including KPMG. Its CSR manager commented, "Fairtrade fits very firmly into our commitment to our communities (Crowther, 2000).

Another approach is garnering increasing corporate responsibility interest. This is called Creating Shared Value (CSV). The shared value model is based on the idea that organizational success and social welfare are interdependent. A business needs a healthy, educated workforce, sustainable resources, and adept government to compete effectively, for society to thrive, profitable and competitive businesses must be

developed supported to create income, wealth, tax revenues, and opportunities for philanthropy. CSV received global attention in the Harvard Business Review article *Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility* by Michael E. Porter, a leading authority on competitive strategy and head of the Institute for Strategy and Competitiveness at Harvard Business School; and Mark R. Krammer, Senior Fellow at the Kennedy School at Harvard University and co-founder of FSG Social Impact Advisors. The article provides insights and relevant examples of companies that have developed deep linkages between their business strategies and corporate social responsibility. Many approaches to CSR pit business against society, emphasizing the costs and limitations of compliance with externally imposed social and environmental standards. CSV acknowledged trade-offs between short-term profitability and social or environmental goals but focuses more on the opportunities for competitive advantage from building a social value proposition into corporate strategy.

Accordingly, the objectives of this study are to measure the means different of profit and social welfare indicators in creating shared value and corporate social responsibility implementation, and to explore the relationship between return on asset and direct and indirect energy consumption, direct and indirect greenhouse gases, and fatalities of employees in creating shared value implementation.

2. Literature Review

2.1 Corporate Social Responsibility

Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable, responsible business) (Wood, 1991) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public

sphere. Furthermore, CSR-focused business would proactively promote the public interest (PI) by encouraging community growth and development and voluntarily eliminating practices that harm the public sphere, regardless of legality. CSR is the deliberate inclusion of PI into corporate decision-making, that is the core business of the company or firm, and the honoring of a triple bottom line: people, planet, profit.

The term "corporate social responsibility" came into common use in the late 1960s and early 1970s, after many multinational corporations formed. The term of stakeholder, meaning those on whom an organization's activities have an impact, was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, *Strategic management: a stakeholder approach in* 1984. Proponent argues that corporations make more long-term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Others argue CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations.

CSR is a title to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. Development businesses ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment. ISO 26000 is the recognized international standard for CSR (currently a Draft International Standards). Public sector organizations (the United Nations for example) adhere to the triple bottom line (TBL). It is widely accepted that CSR adheres to similar principles but with no formal act of legislation. The UN has developed the Principles for Responsible Investment as guidelines for investing entities.

2.2 The Roots of Shared Value

At a fundamental level, the competitiveness of a company and the health of the communities around it are closely intertwined. A business needs a successful community, not only to create demand for its product but also to provide critical public assets and a supportive environment. A community needs successful businesses to provide jobs and wealth creation opportunities for its citizens. This interdependence

means that public policies that undermine the productivity and competitiveness of businesses are self-defeating, especially in a global economy where facilities and jobs can easily move elsewhere. NGOs and governments have not always appreciated this connection (Porter and Krammer, 2011). In the old, narrow view of capitalism, business contributes to society by making a profit, which supports employment, wages, purchases, investments, and taxes. Conducting business, as usual, is sufficient social benefit. A firm is largely a self-contained entity, and social or community issues fall outside its proper scope.

This perspective has permeated management thinking for the past two decades. The firm focused on enticing consumers to buy more and more of their products. Facing growing competition and shorter-term performance pressures from shareholders, manager resorted to waves of restructuring, personnel reduction, and relocation to lower-cost regions, while leveraging balance sheets to return capital to investors. The results were often commoditization, price competition, little true innovation, slow organic growth, and no clear competitive advantage. In this kind of competition, the communities in which companies operate perceive little benefit even as profit rise. Instead, they perceive that profits come at their expense, an impression that has become even stronger in the current economic recovery, in which rising earnings have done little to offset high unemployment, local business distress, and severe pressures on community services.

It was not always this away. The best companies once took on a broad range of roles in meeting the needs of workers, communities, and supporting businesses. As other social institutions appeared on the scene, however, these roles fell away or were delegated. Shortening investor time horizons began to narrow thinking about appropriate investments. As the vertically integrated firm gave way to greater reliance outside vendors, outsourcing and offshoring weakened the connection between firms and their communities. As firms moved disparate activities to more and more locations, they often lost touch with any location. Indeed, many companies no longer recognize a home-but see themselves as "global" companies.

These transformations drove significant progress in economic efficiency. However, something profoundly important was lost in the process, as more meaningful opportunities for value creation were missed. The scope of strategic thinking contracted.

Strategy theory holds that to be successful, a company must create a distinctive value proposition that meets the needs of a chosen set of customers. The firm gains competitive advantage from how it configures the value chain, or the set of activities involved in creating, producing, selling, delivering, and supporting its products or services. For decades businesspeople have studied positioning and the best ways to design activities and integrate them. However, companies have overlooked opportunities to meet fundamental societal needs and misunderstood how societal harms and weaknesses affect value chains. Our field of vision merely has been too narrow.

2.3 How Shared Value is Created

Companies can create economic value by creating societal value. There are three distinct ways to do this: by reconceiving products and markets, redefining productivity in the value chain, and building supportive industry clusters at the company's locations. Each of these is part of the virtuous circle of shared value; improving value in one area gives rise to opportunities in the others. The concept of shared value resets the boundaries of capitalism. By better connecting company's success with societal improvement, it opens up many ways to serve new needs, gain efficiency, create differentiation, and expand markets.

The ability to create shared value applies equally to advanced economies and developing countries, though the specific opportunities will differ. The opportunities will also differ markedly across industries and companies-but every company has them. And their range and scope are far broader than has been recognized (Porter and Krammer, 2011).

2.4 Reconceiving Products and Markets

Society's needs are huge-health, better housing, improved nutrition, help for the aging, greater financial security, less environmental damage. Arguably, they are the most significant unmet needs in the global economy. In business, we have spent decades learning how to parse and manufacture demand while missing the most important demand of all. Too many companies have lost sight of the most fundamental questions: Is our product good for our customers? Or for our customers' customers?

In advanced economies, the demand for products and services that meet societal needs is rapidly growing. Food companies that traditionally concentrated on taste and quantity to drive more and more consumers are refocusing on the fundamental need for better nutrition. In these and many other ways, whole new avenues for innovation open up, and shared value is created. Society's gains are even greater because businesses will often be far more effective than governments and nonprofit are at marketing that motivates customers to embrace products and services that create societal benefits, like healthier food or environmentally friendly products.

Equal or greater opportunities arise from serving disadvantaged communities and developing countries. Though societal needs are even more pressing there, these communities have not been recognized as viable markets. Today attention is riveted on India, China, and increasingly, Brazil, which offers firms the prospect of reaching billions of new customers at the bottom of the pyramid-a notion persuasively articulated by C.K. Prahalad. These countries have always had huge needs, as do many developing countries.nSimilar opportunities await in nontraditional communities in advanced countries. We have learned, for example, that poor urban areas are America's most underserved market; their substantial concentrated purchasing power has often been overlooked.

The societal benefits of providing appropriate products to lower-income and disadvantaged consumers can be profound, while the profits for companies can be substantial. For example, low-priced cell phones that offer mobile banking services are helping the poor save money securely and transforming the ability of small farmers to produce and market their crops. In Kenya, Vodafone's M-PESA mobile banking

service signed up 10 million customers in three years; the funds it handles now represent 11% of that country's GDP. In India, Thomson Reuters has developed a promising monthly service for farmers who earn an average of $2,000 a year. For a fee of $5 a quarter, it provides weather crop-pricing information and agricultural advice. The service research indicates that it has helped increase the incomes of more than 60% of them in some case even tripling incomes. As capitalism begins to work in more impoverished communities, new opportunities for economic development and social progress increase exponentially (Porter and Krammer, 2011).

For a company, the starting point for creating this kind of shared value is to identify all the societal needs, benefits, and harms that are or could be embodied in the firm's products. The opportunities are not static; they always change as technology evolves, economies develop, and societal priorities shift. An ongoing exploration of societal needs will lead companies to discover new opportunities for differentiation and repositioning in traditional markets and to recognize the potential of new markets they previously overlooked.

Meeting needs in underserved markets often requires redesigned products or different distribution methods. These requirements can trigger fundamental innovations that also have application in the traditional market. Microfinance, for example, was invented to serve unmet financing needs in developing countries. Now it is growing rapidly in the United States, where it is filling a significant gap that was unrecognized.

2.5 Redefining Productivity in the Value Chain

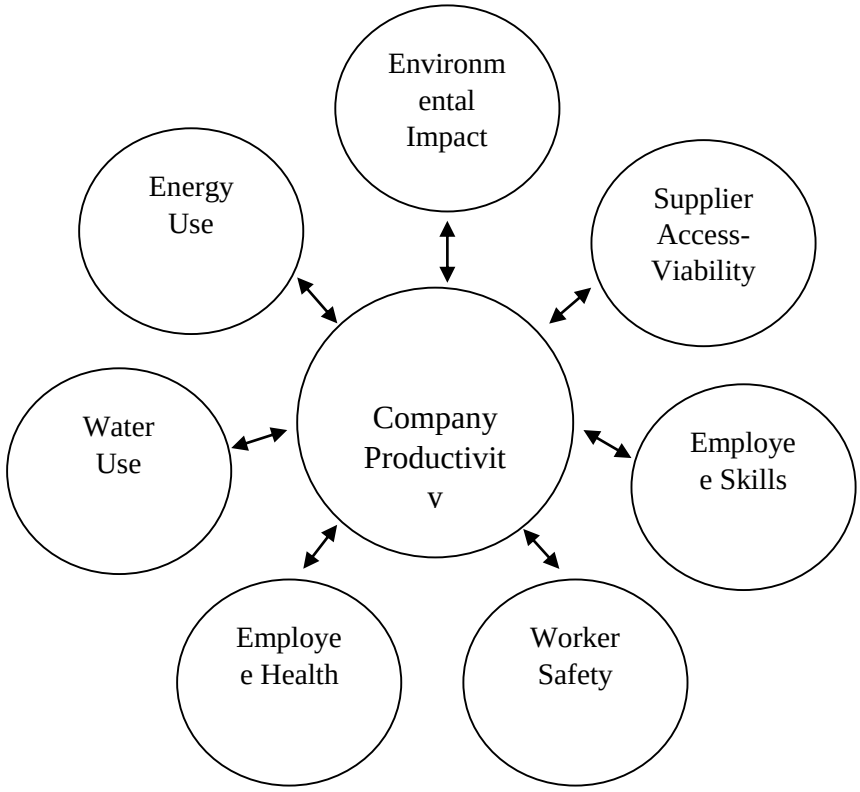
A company's value chain inevitably affects-and is affected by numerous societal issues, such as natural resource and water use, health and safety, working conditions, and equal treatment in the workplace. Opportunities to create shared value arise because societal problems can create economic cost in the firm's value chain. Many so-called externalities inflict an internal cost on the firm, even in the absence of regulation or resource taxes. The excess packaging of products and greenhouse gases are not just costly to the environment but costly to the business. Wal-Mart, for

example, was able to address both issues by reducing its packaging and rerouting its truck to cut 100 million miles from its delivery routes in 2009, saving $200 million even as it shipped more products. Innovation in disposing of plastic used in stores has saved millions in lower disposal cost to landfills (Porter and Krammer, 2011).

The new thinking reveals that the congruence between societal progress and productivity in the value chain is far greater than traditionally believed (see the exhibit "The Connection Between Competitive Advantage and Social Issues"). The synergy increases when firms approach societal issues from a shared value perspective and invent new ways of operating to address them. So far, however, few companies have reaped the full productivity benefits in the areas such as health, safety, environmental performance, and employee retention and capability.

Picture 1.

The Connection Between Competitive Advantage and Social Issues



But there are unmistakable signs of change. Efforts to minimize pollution were once thought to inevitably increase business costs-and to occur only because of regulation and taxes. Today there is a growing consensus that major improvements in environmental performance can often be achieved with better technology at nominal incremental cost and can even yield net cost savings through enhanced resource utilization, process efficiency, and quality.

In each of the areas in the exhibit, a deeper understanding of productivity and a growing awareness of the fallacy of short-term cost reduction (which often actually lower productivity or make it unsustainable) are giving rise to new approaches. The following are some of the most critical ways in which shared value thinking is transforming the value chain, which is not independent but often mutually reinforcing. Efforts in these and other areas are still working in the process, whose implication will be felt for years to come.

a. Energy use and logistic

The use of energy throughout the value chain is being reexamined, whether it be in processes, transportation, buildings, supply chain, distribution channels, or support services. Triggered by energy price spikes and a new awareness of opportunities for energy efficiency, this reexamination was under way even before carbon emissions became a global focus. The result has been striking improvements in energy utilization through better technology, recycling, cogeneration, and numerous other practices-all of which create shared value.

b. Resource use

Heightened environmental awareness and advances in technology are catalyzing new approaches in areas such as utilization of water, raw materials, and packaging, as well as expanding recycling and reuse. The opportunities apply to all resources, not just those that have been identified by environmentalist. Better resource utilization-enabled by improving technology-will permeate all parts of the value chain and will spread to suppliers and channels. Landfills will fill more slowly.

c. Procurement

The traditional playbook calls for companies to commoditize and exert maximum bargaining power on suppliers to drive down prices-even when purchasing from small businesses or subsistence-level farmers. More recently, firms have been rapidly outsourcing to suppliers in lower-wage locations.

d. Distribution

Companies are beginning to reexamine distribution practices from a shared value perspective. As iTunes, Kindle, and Google Scholar (which offers the text of scholarly literature online) demonstrate, profitable new distribution models can also dramatically reduce paper and plastic usage. Similarly, microfinance has created a cost-efficient new model of distributing financial services to small business.

e. Employee productivity

The focus on holding down wage levels, reducing benefits, and offshoring is beginning to give away to an awareness of the positive effects that a living wage, safety, wellness, training, and opportunities for advancement for employees have on productivity. Many companies, for example, traditionally sought to minimize the cost of "expensive" employee health care coverage or even eliminate health coverage. Today leading companies have learned that because of lost work days and diminished employee productivity, poor health costs them more than health benefits do. Take Johnson & Johnson. By helping employees stop smoking (a two-thirds reduction in the past 15 years) and implementing numerous other wellness programs, the company has saved $250 million on health care costs, a return of $2.71 for every dollar spent on wellness from 2002 to 2008. Moreover, Johnson & Johnson has benefited from a more present and productive workforce. If labor unions focused more on shared value, too, these kinds of employee approaches would spread even faster.

f. Location

Business thinking has embraced the myth that location no longer matters because logistics are inexpensive, information flows rapidly, and markets are global. The

cheaper the location, then, the better. Concern about the local communities in which a company operates has faded.

2.6 Enabling Local Cluster Development

No company is self-contained. The success of every company is affected by the supporting companies and infrastructure around it. Productivity and innovation are strongly influenced by "clusters" or geographic concentrations of firms, related businesses, suppliers, service providers, logistical infrastructure in a particular field such as IT in Silicon Valley, cut flowers in Kenya, and diamond cutting in Surat, India.

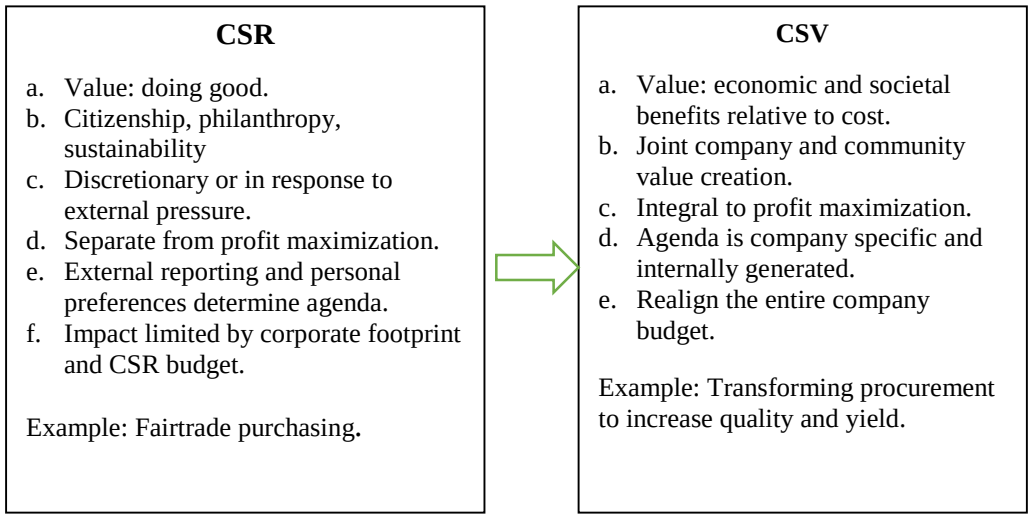
Clusters include not only businesses but institutions such as academic programs, trade associations, and standards organizations. They also draw on the broader public assets in the surrounding community, such as school and universities, clean water, fair competition laws, quality standards, and market transparency (Porter and Krammer, 2011).

Cluster are prominent in all successful and growing regional economies and play a crucial role in driving productivity, innovation, and competitiveness. Capable local suppliers foster greater logistical efficiency and ease of collaboration, as we have discussed. Stronger local capabilities in such areas as training, transportation services, and related industries also boost productivity. Without a supporting cluster, conversely, productivity suffers.

2.7 How Shared Value Differs from Corporate Social Responsibility

Creating shared value (CSV) should supersede corporate social responsibility (CSR) in guiding the investments of companies in their communities. CSR programs focus mostly on reputation and have only a limited connection to the business, making them hard to justify and maintain over the long run. In contrast, CSV is integral to a company's profitability and competitive position. It leverages the unique resources and expertise of the company to create economic value by creating social value (Porter and Krammer, 2011).

Picture 2.
The difference of Corporate Social Responsibility (CSR) to Creating Shared Value (CSV)



2.8 Prior CSV Research and Hypothesis

2.8.1 Prior CSV Research

The previous study by Michael E. Porter and Mark R. Krammer (2011), shared value holds the key to unlocking the next wave of business innovation and growth. It will also reconnect company success and community success in ways that have been lost in an age of narrow management approaches, short-term thinking, and deepening divides among society's institutions. Shared value focuses companies on the right kind of profits-profits that create social benefits rather than diminish them. Capital markets will undoubtedly continue to pressure companies to generate short-term profits, and some companies will surely continue to reap profits at the expense of societal needs. But such profits will often prove to be short-lived, and far greater opportunities will be missed. The moment for an expanded view of value creation has come. A host of factors, such as the growing social awareness of employees and citizens and the increased scarcity of natural resources, will drive unprecedented opportunities. Thus, creating shared value can increase profit and social welfare.

2.8.2 Hypothesis

According to prior studies, hypotheses are:

a. The means of profit and social welfare indicators in creating shared value and corporate social responsibility implementation are significantly different.
b. The negative relationship between return on asset and direct and indirect energy consumption, direct and indirect greenhouse gases, and fatalities of employees in creating shared value implementation.

3. Methodology

3.1 Research Approach

The research approach was quantitative. Quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or computational techniques. The objective of quantitative research is to developed and employ mathematical models, theories, and/or hypotheses pertaining to phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships.

3.2 Population and Sample

The sample in this study consists of the 30 largest companies, which taken out of a population of 45 companies listed on the world securities exchange (NYSE, TYSE, FWB) during the period 2003 to 2010, which the companies had creating shared value and corporate social responsibility report. The selection is based on their highest return on asset.

3.3 Data

Data type were quantitative and qualitative data. Quantitative data were financial statements, creating shared value key performance indicators, and corporate social responsibility key performance indicators, which they were collected for the years

2003-2010. Qualitative data was information data type. The data source was secondary data, and it is downloaded through the website.

3.4 Data Analysis

3.4.1 One Way ANOVA (Test of Homogeneity of Variance)

The one-way analysis of variance (ANOVA) is an inferential statistical test that allows testing if any of several means are different from each other. It assumes that the dependent variable has an interval or ratio scale, but it is often also used with ordinally scaled data (Pallant J., 2001).

3.4.2 Compare-Means Independent Sample t-test

The independent t-test compares the means between two unrelated groups on the same continuous, dependent variable t-test procedure allows the testing of equality of the variances (Levene's test) and t value for both equal and unequal variance. It also provides the relevant descriptive statistic (Pallant J., 2001).

Table 1.
Variable Operational Definition

Variable		Measure
X1	X2	
Return on asset in CSV implementation	Return on asset in CSR implementation	%
Direct energy consumption in CSV implementation	Direct energy consumption in CSR implementation	Peta Joule
Indirect energy consumption in CSV implementation	Indirect energy consumption in CSR implementation	Peta Joule
Direct GHG emission in CSV implementation	Direct GHG emission in CSR implementation	Million Tonnes CO2
Indirect GHG emission in CSV implementation	Indirect GHG emission in CSR implementation	Million Tonnes CO2
Fatalities of employee in CSV implementation	Fatalities of employee in CSR implementation	%

3.4.3 Multiple Linear Regression

Multiple regression is used to describe the relationship between one predicted (dependent) and many predictors variables (independent).

$$Y' = a + b1X1 + b2X2 + b3X3 + b4X4 + b5X5$$

Y' = independent variable (predictable value)

X1, X2, X3, X4, X5 = independen variable

a = constant (Y' value if X1, X2…X5 = 0)

b1, b2, b3, b4, b5 = regression coefficient

Table 2.
Variable Operational Definition

Variabel	Skala
Return on asset (Y')	%
Direct energy consumption (X1)	Peta Joule
Indirect energy consumption (X2)	Peta Joule
Direct GHG emission (X3)	Million Tonnes CO2
Indirect GHG emission (X4)	Million Tonnes CO2
Fatalities of employee (X5)	%

4. Result

4.1 One Way ANOVA (Test of Homogeneity of Variance)

a. Hypothesis

Ho: Two variances are equal.

Ha: Two variances are unequal.

b. One Way ANOVA (Test of Homogeneity of Variance)

Table 3.
Test of Homogeneity of Variance

Return on Asset

Levene Statistic	df1	df2	Sig.
52,332	1	58	,000

Direct Energy Consumption

Levene Statistic	df1	df2	Sig.
7,613	1	58	,008

Indirect Energy Consumption

Levene Statistic	df1	df2	Sig.
1,223	1	58	,273

Direct GHG Emission

Levene Statistic	df1	df2	Sig.
1,096	1	58	,300

Indirect GHG Emission

Levene Statistic	df1	df2	Sig.
3,044	1	58	,086

Fatalities of Employees

Levene Statistic	df1	df2	Sig.
,490	1	58	,487

*) a level for this test = 0,05

This is an important assumption made by the analysis of variance. To interpret this output, look at the column labeled Sig. This is the p-value. If the p-value is less than or equal to a level for this test, then it can reject the Ho that the variances are equal. If the p-value is greater than a level for this test, then fail to reject Ho which

increases our confidence that the variances are equal and the homogeneity of variance assumption has been met. The p-value for every indicator:

(1) Return on Asset

p = 0,000 because the p-value is less than 0,05, we can reject the Ho that the variances are equal.

(2) Direct Energy Consumption

p = 0,008 because the p-value is less than 0,05, we can reject the Ho that the variances are equal.

(3) Indirect Energy Consumption

p = 0,273 because the p-value is greater than 0,05, we fail to reject Ho that the variances are unequal.

(4) Direct GHG Emission

p = 0,300 because the p-value is higher than 0,05, we fail to reject Ho that the variances are unequal.

(5) Indirect GHG Emission

p = 0,086 because the p-value is greater than 0,05, we fail to reject Ho that the variances are unequal.

(6) Fatalities of Employees

p = 0,487 because the p-value is greater than 0,05, we fail to reject Ho that the variances are unequal

4.2 Influence of Corporate Social Responsibility (CSR) and Creating Shared Value (CSV) Implementation to Profit and Social Welfare Growth

a. Hypothesis

Ho: The means of profit and social welfare indicators in creating shared value and corporate social responsibility implementation are not significantly different.

Ha: The means of profit and social welfare indicators in creating shared value and corporate social responsibility implementation are significantly different.

b. Compare-Means Independent Sample t test

(1) Group Statistic

Table 4.
Group Statistic Table

Concept		N	Mean	Std. Deviation	Std. Error Mean
Return on Asset	CSR	30	8.4923	.53919	.09844
	CSV	30	14.3380	1.57935	.28835

Concept		N	Mean	Std. Deviation	Std. Error Mean
Direct Energy Consumption	CSR	30	92.4510	2.02210	.36918
	CSV	30	85.2850	1.37267	.25061

Concept		N	Mean	Std. Deviation	Std. Error Mean
Indirect Energy Consumption	CSR	30	68.3157	1.02937	.18794
	CSV	30	64.0563	1.23534	.22554

Concept		N	Mean	Std. Deviation	Std. Error Mean
Direct GHG Emission	CSR	30	4.3263	.12164	.02221
	CSV	30	3.8303	.14656	.02676

Concept		N	Mean	Std. Deviation	Std. Error Mean
Indirect GHG Emission	CSR	30	4.0810	.16602	.03031
	CSV	30	3.2473	.20703	.03780

Concept		N	Mean	Std. Deviation	Std. Error Mean
Fatalities of Employee	CSR	30	20.7220	1.80055	.32873
	CSV	30	13.6187	1.72414	.31478

First, we see the descriptive statistics for the two groups. We see that the mean for:

(a) Return on Asset

The “CSR" group is lower than that of the "CSV" group (8,4923 < 14,3380). That is, return on the asset in CSV implementation, on average, higher than CSR implementation.

(b) Direct Energy Consumption

The “CSV” group is lower than that of the “CSR” group (85,2850 < 92,4510). That is direct energy consumption in CSV implementation, on average, lower than CSR implementation.

(c) Indirect Energy Consumption

The “CSV” group is lower than that of the “CSR” group (64,0563 < 68,3157). That is indirect energy consumption in CSV implementation, on average, lower than CSR implementation.

(d) Direct GHG Emission

The “CSV” group is lower than that of the “CSR” group (3,8303 < 4,3263). That is, direct GHG Emission in CSV implementation, on average, lower than CSR implementation.

(e) Indirect GHG Emission

The “CSV” group is lower than that of the “CSR” group (3,2473 < 4,0810). That is indirect GHG Emission in CSV implementation, on average, lower than CSR implementation.

(f) Fatalities of Employee

The “CSV” group is lower than that of the “CSR” group (13,6187 < 20,7220). That is fatalities of an employee in CSV implementation, on average, lower than CSR implementation.

2). Independent Sample t test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Return on Asset	Equal variances assumed	52.332	.000	-19.186	58	.000	-5.84567	.30469	-6.45557	-5.23576
	Equal variances not assumed			-19.186	35.670	.000	-5.84567	.30469	-6.46380	-5.22753

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Direct Energy Consumption	Equal variances assumed	7.613	.008	10.60E1	58	.000	7.16600	.44621	6.27281	8.05919
	Equal variances not assumed			10.60E1	5.105E1	.000	7.16600	.44621	6.27022	8.06178

	Levene's Test for Equality of Variances		t-test for Equality of Means						
								95% Confidence Interval of the Difference	
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Indirect Energy Consumption									
Equal variances assumed	1.223	.273	14.508	58	.000	4.25933	.29358	3.67167	4.84700
Equal variances not assumed			14.508	56.172	.000	4.25933	.29358	3.67126	4.84740

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Direct GHG Emission	Equal variances assumed	1.096	.300	14.264	58	.000	.49600	.03477	.42639	.56561
	Equal variances not assumed			14.264	56.096	.000	.49600	.03477	.42634	.56566

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Indirect Energy Consumption	Equal variances assumed	1.223	.273	14.508	58	.000	4.25933	.29358	3.67167	4.84700
	Equal variances not assumed			14.508	56.172	.000	4.25933	.29358	3.67126	4.84740

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Fatalities of Employee	Equal variances assumed	.490	.487	15.607	58	.000	7.10333	.45514	6.19227	8.01440
	Equal variances not assumed			15.607	57.891	.000	7.10333	.45514	6.19223	8.01444

*) α = 5% : 2 = 2,5%

**) df = N-2 = 30-2 = 28

***) t table = 2,048

(a) Return on Asset

t value < -t table (-19,186 < -2,048) and significance (0,000 < 0,05). Therefore, we can say that there is a significant difference between the CSV and CSR groups. Return on asset in CSV implementation had significantly higher than CSR implementation.

(b) Direct Energy Consumption

t value > t table (10,60 > 2,048) and significance (0,000 < 0,05). Therefore, we can say that there is a significant difference between the CSV and CSR groups. Direct energy consumption in CSV implementation had significantly lower than CSR implementation.

(c) Indirect Energy Consumption

t value > t table (14,508 > 2,048) and significance (0,000 < 0,05). Therefore, we can say that there is a significant difference between the CSV and CSR groups. Indirect energy consumption in CSV implementation had significantly lower than CSR implementation.

(d) Direct GHG Emission

t value > t table (14,264 > 2,048) and significance (0,000 < 0,05). Therefore, we can say that there is a significant difference between the CSV and CSR groups. Direct GHG emission in CSV implementation had significantly lower than CSR implementation.

(e) Indirect GHG Emission

t value > t table (17,207 > 2,048) and significance (0,000 < 0,05). Therefore, we can say that there is a significant difference between the CSV and CSR

groups. Indirect GHG emission in CSV implementation had significantly lower than CSR implementation.

(f) Fatalities of Employee

t value > t table (15,607 > 2,048) and significance (0,000 < 0,05). Therefore, we can say that there is a significant difference between the CSV and CSR groups. Fatalities of employee in CSV implementation had significantly lower than CSR implementation.

4.3 Relationship of Return on Asset (ROA) Growth to Direct and Indirect Energy, Direct and Indirect Greenhouse Emission, and Fatalities of Employee

a. Hypothesis

Ho: Positive relationship between return on asset and direct and indirect energy consumption, direct and indirect greenhouse gases, and fatalities of employees in creating shared value implementation.

Ha: There is a negative relationship between return on asset and direct and indirect energy consumption, direct and indirect greenhouse gases, and fatalities of employees in creating shared value implementation.

b. Multiple Linear Regression

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Pemimpin Wanita, Emisi GHG Langsung, Kecelakaan Kerja, Emisi GHG Tidak Langsung, Energi Tidak Langsung, Energi Langsung[a]	.	Enter

a. All requested variables entered

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000[a]	1.000	1.000	.00027

a. Predictors: (Constant), Pemimpin Wanita, Emisi GHG Langsung, Kecelakaan Kerja, Emisi GHG Tidak Langsung, Energi Tidak Langsung, Energi Langsung

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	157.795	6	26.299	3.5438	.000[a]
	Residual	.000	1	.000		
	Total	157.795	7			

a. Predictors: (Constant), Pemimpin Wanita, Emisi GHG Langsung, Kecelakaan Kerja, Emisi GHG Tidak Langsung, Energi Tidak Langsung, Energi Langsung

b. Dependent Variable: ROA

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	211.231	.036	
	Energi Langsung	-.942	.000	-2.025
	Energi Tidak Langsung	-.208	.000	-.450
	Emisi GHG Langsung	-1.305	.002	-.182
	Emisi GHG Tidak Langsung	-4.031	.015	-.206
	Kecelakaan Kerja	-4.137	.001	-.788
	Pemimpin Wanita	2.782	.001	2.295

a. Dependent Variable: ROA

Coefficients[a]

Model		T	Sig.
1	(Constant)	5945.457	.000
	Energi Langsung	-2079.926	.000
	Energi Tidak Langsung	-1105.513	.001
	Emisi GHG Langsung	-607.649	.001
	Emisi GHG Tidak Langsung	-260.160	.002
	Kecelakaan Kerja	-3010.154	.000
	Pemimpin Wanita	2705.948	.000

a. Dependent Variable: ROA

$$Y' = a + b1X1 + b2X2 + b3X3 + b4X4 + b5X5$$

$$Y' = 211{,}231 - 0{,}942X1 - 0{,}208X2 - 1{,}305X3 - 4{,}031X4 - 4{,}137X5$$

(1) The Variables Entered/ Removed part of the output simply states which independent variables are part of the equation and what the dependent variable.

(2) The Model Summary part of the output is most useful when you are performing multiple regression (which we are not doing). Capital R is the multiple correlation coefficient that tells us how strongly the multiple independent variables are related to the dependent variable. R = 1.000, absolutely social welfare indicators are related to return on asset.

(3) The ANOVA part of the output is not very useful for four our purposes. It tells us whether the regression equation is explaining a statistically significant portion of the variability in the dependent variable from variability in the independent variables. Sig = 0,00 < 0,05 = significantly.

(4) Still the ANOVA part. $\alpha = 5\%$, df1 = variables total – 1 = 6 – 1 = 5, and df2 = samples total – independent variables total – 1 = 30 – 5 – 1 = 24, so we have F table = 2,621. And F value = 3,5438. F value > F table. We reject Ho.

5. Conclusion

The purposes of this paper are to measure the means different of profit and social welfare indicators in creating shared value and corporate social responsibility implementation and to explore the relationship between return on asset with direct and indirect energy consumption, direct and indirect greenhouse gases, and fatalities of employees in creating shared value implementation. The results were found (i) the means of profit and social welfare indicators in creating shared value and corporate social responsibility implementation are significantly different; (ii) negative relationship between return on asset and direct and indirect energy consumption, direct and indirect greenhouse gases, and fatalities of employees in creating shared value implementation. We may conclude, creating shared value as profit and social welfare growth solution.

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