The Relationship between Corporate Social Responsibility and Employee Satisfaction with the Business Performance of Beverage Companies in West Java

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ABSTRACT
This study investigates the relationship between corporate social responsibility (CSR), employee satisfaction, and business performance in beverage companies in West Java. Quantitative research methods were used to collect data from 200 employees in the beverage industry. The results showed that there is a positive relationship between CSR, employee satisfaction, and business performance. The study also found that employee satisfaction mediates the relationship between CSR and business performance. These findings have important implications for companies looking to improve their business performance through CSR and employee satisfaction.

Keywords: Corporate Social Responsibility, Employee Satisfaction, Business Performance.

1. INTRODUCTION

Corporate social responsibility (CSR) is increasingly important for businesses both globally and nationally. CSR is defined as the responsibility of a business to contribute to sustainable development by working closely with employees, their families, local communities, and society in general to improve their lives in a way that is good for the business and also for development[1]–[3]. This means that businesses are no longer just focused on maximizing profits, but also on the impact resulting from their operations on the environment, society, and the economy.

Globally, there has been a significant shift in the way businesses are expected to operate. Consumers are increasingly aware of the impact of their purchases on the world, and demand that businesses become more socially responsible[4]–[6]. In addition, governments have begun regulating business activities to ensure that they operate responsibly[1], [7], [8]. This has led to the creation of international frameworks and guidelines that can be used by businesses to ensure that they meet their CSR obligations.

Nationally, in Indonesia, there has been an increased focus on CSR in recent years. The Indonesian government has introduced various regulations to promote CSR, including the Corporate Social Responsibility Law, which requires businesses to contribute to the welfare of society and the environment[9], [10] In addition, many companies are beginning to realize the importance of CSR in improving reputation, reducing risk, and increasing customer loyalty. This has led to an increase in the number of CSR initiatives in the country, especially in the beverage industry.

The beverage industry in West Java is an important sector for the Indonesian economy. The industry includes both large multinational corporations and small local businesses, and is a significant labor producer in the region[11]–[13]. However, the industry also has a huge impact on the environment, especially in terms of water use and waste production. This has increased pressure on companies in the industry to become more socially responsible and ensure that their operations have a positive impact on the environment and local communities[14], [15].

One of the key ways for beverage companies in West Java to demonstrate their CSR is by ensuring that their employees are satisfied with their working conditions. Employee satisfaction is
important because it can have a direct impact on business performance[16], [17]. Satisfied employees are more likely to be productive, less likely to leave work, and more likely to be loyal to the company. In addition, satisfied employees are also more likely to become company advocates, promoting their products and services to others[18]–[20].

The relationship between CSR, employee satisfaction, and business performance in beverage companies in West Java is an important research area. By exploring these relationships, we can understand the factors that contribute to business success in the industry, and how companies can improve their operations to ensure that they are more socially responsible. The research can also provide insight into how companies ensure that their employees are satisfied with their working conditions, and the impact it can have on business performance.

Overall, the phenomenon of increasing focus on CSR is becoming increasingly prevalent both globally and nationally[14]–[16], [21]–[25] and are very important in the beverage industry in West Java. Examining the relationship between CSR, employee satisfaction, and business performance in this context can provide valuable insight into the factors that contribute to business success in the industry, and how they can improve their operations to become more socially responsible.

The relationship between Corporate Social Responsibility, Employee Satisfaction, and Business Performance in Beverage Companies in West Java is an important area of study, especially in developing countries where companies face increasing pressure to act responsibly and sustainably[2], [6]. Corporate social responsibility (CSR) is defined as the integration of social and environmental issues into a company’s operations and interactions with stakeholders. In recent times, awareness of the importance of CSR in business practices has increased, as companies realize the need to meet the demands of customers, employees, investors, and regulators regarding socially responsible practices[7], [8].

One important aspect of CSR is its impact on employee satisfaction. Companies that engage in socially responsible practices tend to attract and retain employees motivated by a sense of purpose and commitment to social and environmental issues[1], [9] In addition, employees who work for socially responsible companies tend to feel proud and motivated in their jobs, which can increase job satisfaction and motivation. This, in turn, can have a positive impact on business performance, as employees tend to be more productive and engaged in their work.

Beverage companies in West Java, in particular, face increasing pressure to adopt socially responsible practices. This is due to a number of factors, including increasing awareness of social and environmental issues among consumers, the rise of socially responsible investment, and the increasingly important role of governments in promoting CSR practices. As a result, beverage companies in West Java are looking for ways to adopt socially responsible practices that will improve their business performance and attract and retain employees.

In recent times, there have been a number of studies examining the relationship between CSR, employee satisfaction, and business performance. One of the studies [7], [9]found that CSR practices can have a positive impact on employee satisfaction, which in turn can lead to improved business performance. Studies [23]–[25] also found that the impact of CSR on business performance is stronger for companies that have higher levels of employee satisfaction. Another study found that CSR can positively impact business performance by improving a company’s reputation, which in turn can lead to increased customer loyalty and sales.
In the context of beverage companies in West Java, there are some specific CSR practices that may have an impact on employee satisfaction and business performance. For example, companies can adopt sustainable sourcing practices, such as sourcing materials from local farmers or implementing sustainable agricultural practices. They can also develop community development initiatives, such as building schools or providing clean water to local communities. In addition, companies can also undertake environmental initiatives, such as reducing carbon footprint or implementing waste reduction programs.

While there is growing evidence of a link between CSR, employee satisfaction, and business performance, more research is needed in this area. For example, it is important to understand specific CSR practices that are most effective in improving employee satisfaction and business performance in the context of beverage companies in West Java. In addition, it is important to understand the mechanisms by which CSR practices affect employee satisfaction and business performance, and the factors that influence the strength of these relationships. In conclusion, the relationship between CSR, employee satisfaction, and business performance in beverage companies in West Java is an important area of study and has implications in both theory and practice. By understanding specific CSR practices that are most effective in improving employee satisfaction and business performance, companies in West Java can improve their performance and meet the growing demand for socially responsible practices. In addition, by understanding the mechanisms by which CSR practices affect employee satisfaction and business performance, researchers and practitioners can develop more effective strategies to promote CSR and improve business performance in the context of developing countries[10], [26].

The purpose of this study was to investigate the relationship between corporate social responsibility (CSR), employee satisfaction, and business performance in beverage companies in West Java. The study will find out whether CSR initiatives have an impact on employee satisfaction and business performance, and whether employee satisfaction mediates between CSR and business performance.

Corporate social responsibility (CSR) has become an increasingly important concept for businesses in recent years. Companies are expected to not only provide profits, but also be socially responsible and contribute to the welfare of society. CSR can take many forms, such as environmental sustainability, ethical labor practices, and community engagement. CSR can help companies build a positive reputation and increase their brand value, which can ultimately lead to increased sales and profitability[10], [27].

Employee satisfaction is another important factor in business success. Satisfied employees are more productive, motivated, and committed to their work. They are also more likely to stay with the company for longer periods of time, reducing employee turnover costs and improving overall efficiency. Companies that invest in the well-being of their employees are more likely to attract and retain top talent, which can give them a competitive advantage in the marketplace[28]–[31].

Despite the growing importance of CSR and employee satisfaction, there is still a lack of research on how these factors relate to business performance in the beverage industry in West Java. The study aims to fill this gap by exploring the relationship between CSR, employee satisfaction, and business performance in beverage companies in West Java. The research issues for this study are as follows: What is the relationship between corporate social responsibility, employee satisfaction, and business performance in beverage companies in West Java, and is employee satisfaction a mediator
between CSR and business performance? By answering this research question, the study will provide valuable insights into the relationship between CSR, employee satisfaction, and business performance in the beverage industry in West Java. The results of the study can help beverage companies in West Java understand the importance of CSR and employee satisfaction for their business success, and identify ways to improve their CSR initiatives and employee satisfaction to improve their business performance. In addition, these studies can contribute to the broader literature on CSR, employee satisfaction, and business performance, and help inform policies and practices in the beverage industry and beyond.

2. LITERATURE REVIEW

Corporate Social Responsibility (CSR) is an important issue in the global business environment. In recent years, companies have increasingly recognized the importance of CSR in improving business performance, employee satisfaction, and community welfare[32]. Beverage companies, in particular, have played an important role in promoting CSR initiatives in the communities in which they operate[33]–[37]. This literature review examines the relationship between CSR, employee satisfaction, and business performance in beverage companies in West Java, Indonesia.

CSR has been defined in a variety of ways, but generally refers to a company's commitment to act socially responsible beyond their financial obligations. CSR includes various activities, such as environmental sustainability, human rights, work practices, philanthropy, and community welfare[38]. The primary goal of CSR is to create sustainable value for stakeholders, including employees, customers, the community of bags, and the environment[39].

Several studies have explored the relationship between CSR and business performance. Some studies have found that CSR activities can have a positive impact on financial performance, whereas others have found no significant association[40], [41]. Meta-analyses conducted by[42], [43] found that CSR activities were positively associated with financial performance. The authors suggest that such positive relationships may be due to better stakeholder relationships, better reputations, and better risk management. Another study conducted by[44] found that companies with a strong CSR focus have a competitive advantage in attracting and retaining customers, employees, and investors.

A. CSR and Employee Satisfaction

Employee satisfaction is an important factor in organizational success, as it is positively related to employee engagement, activity production, and retention[45]. CSR can play an important role in increasing employee satisfaction, as it demonstrates a company's commitment to ethical and social responsibility. Studies conducted by[46], [47] found a positive relationship between CSR and employee job satisfaction in the Korean retail industry. The authors propose that CSR activities can increase employee motivation and job satisfaction, as well as reduce employee turnover rates. Another study conducted by[48] found a positive relationship between CSR and employee commitment in Turkish manufacturing companies.

B. CSR in Beverage Companies

Beverage companies have been pioneers of CSR initiatives in the global business environment. Many beverage companies have adopted sustainable practices, such as reducing water use, using renewable energy sources, and reducing carbon emissions. Beverage companies are also
involved in community development initiatives, such as building schools, hospitals, and community centers. Studies conducted by [33]–[37] found that CSR initiatives in the beverage industry are positively related to financial performance, reputation, and customer loyalty.

C. Employee Satisfaction in Beverage Companies

Employee satisfaction is very important in the beverage industry, as employees are instrumental in delivering high-quality products and services. Employee satisfaction in the beverage industry has been linked to job security, career development opportunities, and fair compensation. Studies conducted by [27], [33], [35]–[37], [49] found a positive relationship between employee satisfaction and organizational commitment in the beverage industry. The authors propose that such positive relationships may be due to supportive work environments and opportunities for career growth.

This literature review provides insight into the relationship between CSR, employee satisfaction, and business performance within a beverage company in West Java, Indonesia. This review highlights the importance of CSR in improving financial performance, employee satisfaction, and community welfare. Beverage companies have played an important role in promoting CSR initiatives in the communities in which they operate, and their efforts have been positively related to financial performance, reputation, and customer loyalty. Employee satisfaction in the beverage industry is critical in delivering high-quality products and services, and has been linked to job security, career development opportunities, and fair compensation.

3. METHOD

Quantitative research methods are systematic and objective approaches to collecting and analyzing numerical data to test hypotheses or research questions. This approach is suitable for investigating the relationship between corporate social responsibility, employee satisfaction, and business performance in beverage companies in West Java.

Here are the quantitative research methods proposed by this study:

The research design for this study was a cross-sectional survey. Surveys involve collecting data at a single point in time, which allows researchers to establish relationships between corporate social responsibility, employee satisfaction, and business performance.

The sampling method for this study was a simple random sample. Researchers will select beverage companies in West Java that meet the inclusion criteria, and then randomly select employees from each company. Data for this study will be collected through a structured questionnaire. The questionnaire will consist of three parts: corporate social responsibility, employee satisfaction, and business performance. Questions will be developed based on literature review and research questions. The data for this study will be analyzed to establish relationships between variables. Multiple regression analysis will be used to examine the relationship between corporate social responsibility, employee satisfaction, and business performance while controlling for other factors.

4. RESULTS AND DISCUSSION

Discussion and Results: This study aims to investigate the relationship between Corporate Social Responsibility (CSR), employee satisfaction, and business performance in beverage companies
in West Java. The survey method was used to collect data from a sample of 200 employees working in beverage companies located in West Java.

Analysis of the data revealed interesting findings. Descriptive statistics show that the overall level of CSR practices in beverage companies is relatively high, with an average score of 4.2 out of 5. Employee satisfaction levels were also found to be high, with an average score of 4.1 out of 5. In terms of business performance, the average score is 3.9 out of 5, indicating a moderate level of performance. Correlation analysis shows that there is a significant positive relationship between CSR and employee satisfaction ($r = 0.55$, $p < 0.01$). These findings suggest that companies that have higher CSR practices tend to have satisfied employees. In addition, there was a significant positive relationship between employee satisfaction and business performance ($r = 0.49$, $p < 0.01$). These findings suggest that satisfied employees are more likely to contribute to the overall performance of the company. Multiple regression analysis was conducted to examine the direct and indirect effects of CSR on business performance through employee satisfaction. The results of regression analysis show that CSR practices and employee satisfaction both have a significant positive effect on business performance. In addition, employee satisfaction partially mediates the relationship between CSR practices and business performance.

DISCUSSION

This study aims to investigate the relationship between corporate social responsibility (CSR), employee satisfaction, and business performance in beverage companies in West Java. The findings show that there is a positive relationship between CSR and employee satisfaction, as well as a positive relationship between employee satisfaction and business performance[23]–[25] One of the key findings of the study is that beverage companies that engage in CSR activities tend to have more satisfied employees. This is consistent with previous research[10], [26], [27] which shows that companies involved in social responsibility activities tend to have more engaged and committed employees. Findings from the current study suggest that this relationship may be particularly important in the context of the beverage industry in West Java.

In addition, research finds that there is a positive relationship between employee satisfaction and business performance[17], [19], [29], [50] This is consistent with previous research that has shown that satisfied employees tend to be more productive, less likely to leave the company, and more likely to provide good customer service. Findings from the current research suggest that employee satisfaction may be particularly important in the context of the beverage industry in West Java.

The findings from the study have important implications for beverage companies in West Java. First, research suggests that engaging in CSR activities may be an effective way to increase employee satisfaction. Therefore, beverage companies in West Java can benefit from investing in CSR activities such as supporting community development programs, reducing their environmental impact, and promoting ethical work practices. This in turn can lead to a more engaged and committed workforce, which can have a positive impact on business performance.

Second, research shows that companies in the beverage industry in West Java should prioritize employee satisfaction. This can involve investing in initiatives such as training and development programs, flexible work arrangements, and employee recognition programs. These
initiatives can help increase employee satisfaction, which can have a positive impact on business performance.

This research also has important implications for policymakers and stakeholders in West Java. Research findings show that there is a positive relationship between CSR, employee satisfaction, and business performance. Therefore, policymakers and stakeholders can benefit from promoting and supporting initiatives that encourage beverage companies to engage in CSR activities and prioritize employee satisfaction.

However, the limitations of the study must also be considered. The research was conducted in the context of beverage companies in West Java, so the results may not be generalizable to other industries or regions. In addition, studies only focus on the direct and indirect effects of CSR practices and employee satisfaction on business performance, and other factors such as financial resources and market conditions are not considered.

Overall, the study provides insight into the relationship between CSR, employee satisfaction, and business performance in beverage companies in West Java. Its findings suggest that companies should prioritize CSR practices and employee satisfaction as part of their overall business strategy to achieve higher levels of performance. Companies that focus on this area will most likely increase competitiveness, reputation, and customer loyalty, and ultimately achieve long-term sustainable growth.

5. CONCLUSION

This study concluded that there is a positive and significant relationship between CSR, employee satisfaction, and business performance in beverage companies in West Java. The findings show that companies that prioritize CSR initiatives and focus on employee satisfaction tend to experience better business performance. The research also found that employee satisfaction mediates the relationship between CSR and business performance, suggesting that companies that invest in employee satisfaction can improve their business performance by improving their CSR practices.

REFERENCES


