

Organizational performance comparative study of Jakarta and Medan city happy planet index

Nuah Perdamenta Tarigan^{1,2,3}

¹Student of Doctor of Research in Management, Universitas Bina Nusantara, Jakarta

²Chairman, Gerakan Peduli Disabilitas dan Lepra Indonesia (GPDLI) Jakarta.

www.pedulidisabilitas.org and member of Ikatan Arsitek Indonesia (IAI) since 1995.

³ Universitas Bina Nusantara, Character Building Development Centre (CBDC) Kampus Kijang. Jl. Kemanggisan Ilir III No.45, RT.12/RW.6, Kemanggisan, Palmerah, Kota Jakarta Barat, Daerah Khusus Ibukota Jakarta 11480, Telepon: (021) 5345830; (+62)8159045699,

E-mail: nuah.tarigan@binus.ac.id and nuahptarigan1@gmail.com

Abstract. Comparative Study of Organizational Performance relating to the Happy Planet Index between Jakarta and Medan is quite challenging, the performance of the organization here is related to organizational arrangements relating to the potential associated with Corporate Social Responsibility (CSR), which is based on ISO 26000, how local leaders put the idea to build a city not only by the government budget each area, but also invite the participation of companies that have programs related to community empowerment is not a fund for cash, but the real form that is present in removing the great problems in society cities beyond than just its obligations but has become a conscious citizen that cares about its environment both natural and artificial. In the end of this research, we will see which one is the best based on the standard Happy Planet Index (HPI) which is phenomenal in the world now, connected again with 17 pieces of Sustainable Development Goals, particularly the goal of the 17th. The study was conducted by the research literature and implemented in a short time. However, a large study being conducted by the researcher.

1. Introduction

Comparative studies linking the Happy Planet Index may never have been implemented within a country, which is comparing indexes that relate between countries in the world. The Happy Planet Index measures what matters: sustainable wellbeing for all. It tells us how well nations are doing at achieving long, happy, sustainable lives. Wealthy Western countries, often seen as the standard of success, do not rank highly on the Happy Planet Index. Instead, several countries in Latin America and the Asia Pacific region lead the way by achieving high life expectancy and Ecological Footprints. Ecological Footprint is a concept to examine human influence on reserves and the carrying capacity of the earth [1]

Understanding the ecological footprint allows to see how much 'renewable' wealth remains, and how much influence human consumption has on its availability. Ecological footprint is an analytical tool for measuring and communicating the impact of resource utilization on the environment. The components analyzed in the ecological footprint are the direct use of energy, such as: materials and waste; food; private transport; water and buildings.



Table 1.1. Top 7 and Bottom 3 for the The Happy Planet Index and each component indicator (<http://happyplanetindex.org/about/>)



Top 7 and Bottom 3 countries for the HPI and each component indicator

Rank	Experienced wellbeing	Rank	Life expectancy	Rank	Inequality of Outcomes	Rank	Ecological Footprint per capita (gHa)	Rank	Happy Planet Index Score
1	Switzerland 7.8	1	Hong Kong 83.6	1	Netherlands 4%	1	Luxembourg 11.7	1	Costa Rica 44.7
2	Norway 7.7	2	Japan 83.2	2	Iceland 5%	2	Australia 10.7	2	Mexico 40.7
3	Iceland 7.6	3	Italy 82.7	3	Sweden 6%	3	Hong Kong 9.7	3	Colombia 40.7
4	Sweden 7.6	4	Switzerland 82.6	4	Switzerland 6%	4	United States of Amer 8.9	4	Vanuatu 40.6
5	Netherlands 7.5	5	Iceland 82.2	5	Finland 6%	5	Canada 8.3	5	Vietnam 40.3
6	Denmark 7.5	6	Spain 82.2	6	Luxembourg 7%	6	Trinidad and Tobago 7.6	6	Panama 39.5
7	Finland 7.4	7	Australia 82.1	7	Norway 7%	7	Oman 7.2	7	Nicaragua 38.7
World Average 5.4		World Average 70.9		World Average 23%		World Average Footprint 3.3		World Average 26.4	
138	Syria 3.2	138	Sierra Leone 49.8	138	Burundi 48%	World Average Biocapacity 1.7		138	Togo 13.2
139	Benin 3.2	139	Lesotho 48.9	139	Sierra Leone 50%	138	Afghanistan 0.8	139	Luxembourg 13.2
140	Togo 2.9	140	Swaziland 48.9	140	Chad 51%	139	Bangladesh 0.7	140	Chad 12.8
						140	Haiti 0.6		

The Happy Planet Index provides a compass to guide nations, and shows that it is possible to live good lives without costing the Earth. (Ecological Footprints), so the calculation of welfare and happiness is not seen from the level of income or salary (GDP) alone. Ecological footprint is actually very significant, because it involves the health and comfort of the city where its residents live, work, school and other activities. If we compare the condition of cities in Indonesia in the context of climate change can be seen in the picture below. What we took from Yu Sing presentation at the Urban Social Forum event in Semarang at the end of 2016 ago. If we compare the city of Medan and the city of Jakarta in the picture below, from the position of green space and blue, almost similar to only 9-10% of it, and including small compared to Surabaya. [2]



Figure 1.1. Condition of Six Cities of Indonesia Jakarta, Surabaya, Bandung, Medan, Semarang and Makassar, In The Context of Climate Change (Source: Yu Sing, 2016)

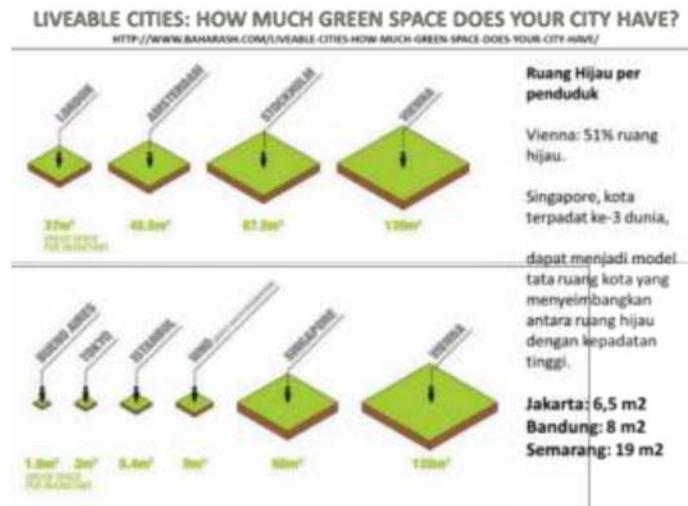
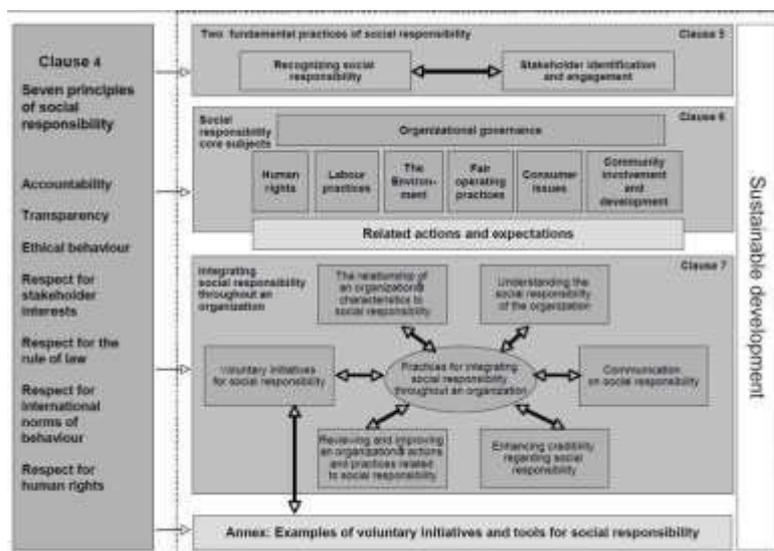


Figure 1.2. *How Much Green Space Does Your City Have?* (Sumber: Yu Sing, 2016)

Which can solve the issues related to the above is with the participation of all members of stakeholders of the city community itself. About three years we see how the role of community stakeholders work very hard, starting from Governor Joko Widodo, Basuki T Purnama and Djarot. Can be compared with the movement that occurred in North Sumatra, especially Medan which is not enough changes. The difference is in experienced wellbeing, life expectancy, Inequality of outcomes and Ecological Footprint (gHa), where the highest score is held by Costa Rica, Mexico and Colombia (where everything comes from Latin America) and the lowest is Togo, Luxembourg and Chad From Africa and one Europe). Indeed the longevity, which excels from Hongkong who reached the age of 83.6 years. Another parameter used is to use ISO 26000 in companies that exist in both cities of course with a correct and measurable Corporate Responsibility approach. CSR funds are not always in the form of a replacement fund of the existing city or provincial APBD. [3]

Table 1.2. ISO 26000 (source: <https://www.iso.org/iso-26000-social-responsibility.html>)



ISO26000 is a business guide to new standards of social responsibility that may provide answers. Initial reference to corporate social responsibility framed as a triple bottom line - social, environmental and financial - but the concept is still operated only on the periphery of the core business model. Companies and organizations continue to see their operations as being removed from the broader impact on society and the environment: Milton Friedman's famous article is their response - 'The social responsibility of businesses is to increase profits' (New York Times Magazine, 13 September 1970). However, this view has changed, and now efforts are on the way to integrate corporate responsibility in their business model. ISO26000: business guide to new standards on social responsibility released end of 2011. This publication is based on research revealing that many organizations Who are still grappling with corporate responsibility as a concept, which limits their ability to develop policies and strategies to integrate into business operations. ISO 26000 SR (CSR) guidelines for several years in the making, commencing in 2005. They were released for public use in November 2010. ISO 26000 does not use CSR terminology (corporate social responsibility) for guidelines but SR (social responsibility) 'ISO takes The decision that the guidelines should be appropriate for all organizations is not just for big business.

A wide range of stakeholder groups drawn from nearly 100 countries is debated and produced this guide. Many point out that ISO 26000 is likely to be a very authoritative guide to designing and implementing CSR. Among the main objectives of the guidelines that support the organization in defining their social responsibilities and acting in accordance with those responsibilities. Another goal is to improve the credibility of Corporate Social Responsibility 'claims.

According to Lars and Tino, 'Many organizations desperately need an overview, structure and a roadmap on how to engage with CSR in practice. The most important aspect of the SR principle in ISO 26000 is respect for the interests of stakeholders. This principle 'deals with the relationships between organizations, stakeholders, and the community as a whole, to create stakeholder engagement programs, actions that the organization must undertake in this area, and ways to engage stakeholders in the organization's Social Responsibility policy. [4]

2. Method

The study we did here is using a literature study focusing on management science and relating it to urban planning and architecture in the cities we studied in this city of Medan and Jakarta, the researchers compared both cities qualitatively and narratively. Input from The Happy Planet Index and ISO 26000 are juxtaposed, as they relate to one another. The difference between the two cities is not so comparable, because one is the capital of the country while Medan is the capital of the Province, however, if we compare the atmosphere of both with the character of the population, the researchers see the two are comparable. Anthropology and sociology can be measured and compared.

According to Yu Sing there are many solutions to the solution of urban problems such as Medan and Jakarta, and many cities in Indonesia, that is how to innovate with water issues as is often experienced by the two big cities mentioned above. THE PLANNING OF AIR FRIENDLY CITY is the answer and relates to: River; Building.; Infrastructure and Response to the impact of the development of the city that already damaged / chaotic. (Yu Sing, 2016). River that is modified as happened in DKI Jakarta, done by way of carefully and very hard work. Besides the rivers that are always cleaned every time, make the atmosphere of Jakarta more neat and clean, unlike before Jokowi and Basuki T Purnama. The key is always on issues of planning and budgeting that are transparent as well, without seeing things for themselves. One more stage is actually DKI Jakarta has been able to reach the same position with other major cities in the world in terms of cleanliness. Hopefully this will continue to take place during the era of Jakarta's leadership after October 2017 to come.

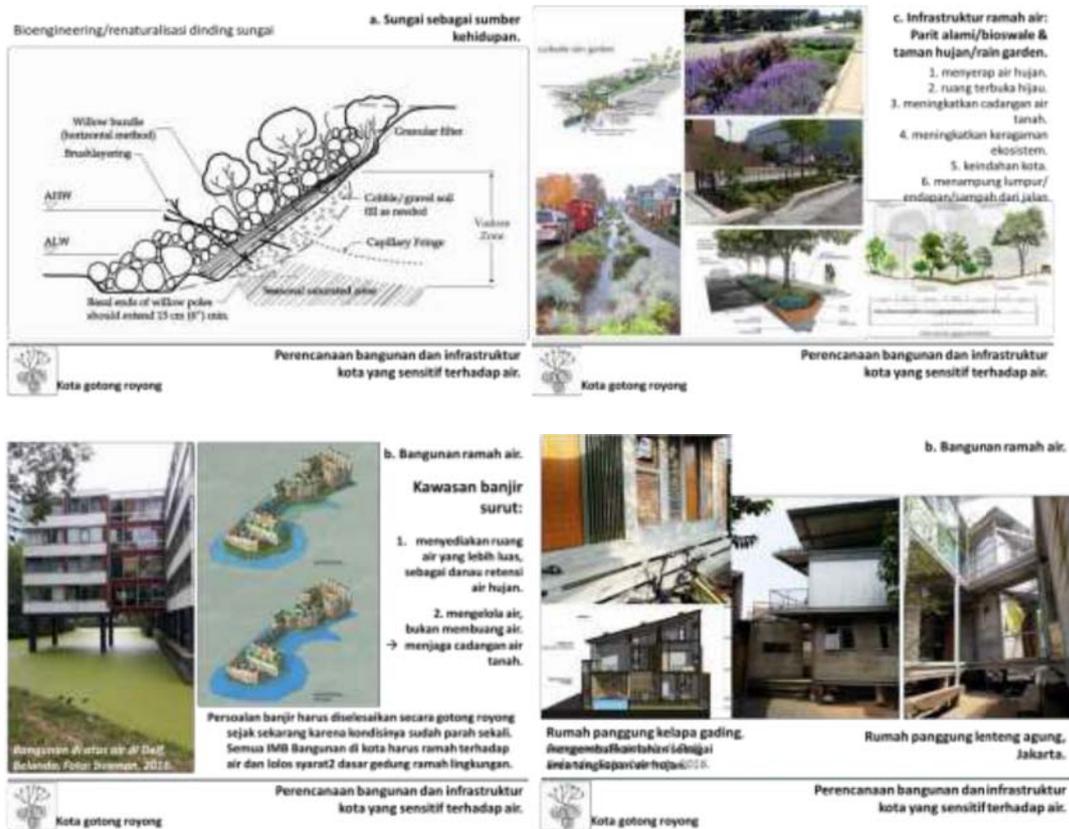


Figure 2.1. Perencanaan Kota Ramah Air – Sungai – Bangunan dan Infrastruktur (Sumber: Yu Sing, 2016)

Corporate Social Responsibility (CSR) in Indonesia

CSR has now become a top priority of business leaders in every country. However, not a few companies that fail to give meaning to their CSR activities. Be, all efforts are less productive (Mursitama, 2011, h 13). Sri Urip in his phenomenal book entitled CSR Strategies says we learn from a variety of companies that build value chains or value chains, with backward raw and packaging suppliers and forward linkages (sales distributors and retailers), by investing funds for long-term development and partnerships with small and medium enterprises (SMEs), to ensure a steady and reliable supply of high quality business inputs. [4]

The most phenomenal finding of the transformation of Riaupulp CSR is the establishment of CECOM (Care and Empowerment for Community). A thought transformation of CSR has brought about the consequences of institutional transformation as well. (Mursitama, 2011, p 243). From its charitable nature in the form of charity implemented by the company's public relations department, transformed into an independent foundation. Through CECOM, CSR has discovered new forms and concepts, as well as stripping out traditional definitions of CSR, more than a community empowerment project around the factory environment. (Mursitama 2011, p 244).

Correspondingly, Nindita Radyati said in her book Sustainable Business and Corporate Social Responsibility (CSR) that good governance is actually part of CSR, which can be done along the "value chain" or "chain-value" of the company or SIPOC: Supplier), Input (resources), Process (production process), Output (product / service), and Customer (customer). That is why CSR funds can be taken from the operational costs that can provide benefits for the company because it can reduce tax costs. (Radyati, 2014, h 83).

In Indonesia, the understanding of CSR is wrong. Nindita in his book *Sustainable Business and CSR* said as one of the expert witnesses on the material test proposed by Kadin to the Constitutional Court to cancel Article 74 of Law No. 40 of 2007. (Radyati, 2014, h47) The conflict of interest, consequently, the development of understanding About this social responsibility obligation being like a wild ball. CSR then becomes a "source of bancakan" for anyone who feels they must have a share. By weighing the barriers that have been in front of the eye, Nindita felt the need to share knowledge about the characteristics of CSR.

According to ISO 26000, which is a guide to social responsibility for all types of organizations, 100 countries agree, the main characteristic of social responsibility is 1] the organizational willingness to consider social and environmental aspects in the decision-making process; And 2] the willingness of the organization to be responsible for the impacts arising from the decisions taken and its organizational activities on society and the environment. (Radyati, 2014, h48). According to ISO 26000, compliance with the law is an act of social responsibility for the organization. So in fact the Act that requires social responsibility is not in accordance with the characteristics of CSR.

So CSR is not a corporate deposit to anyone, but rather begins with corporate compliance with laws and regulations, followed by a commitment to improve the quality of life of employees, family employees, and society, on economic, social and environmental aspects. But the opposite of the above happened in Indonesia, so the government felt the need to make it part of the Law No. 40 of 2007 controversial.

According to Radyati's analysis, PKBL or Partnership and Community Development Program, which is supported by many state-owned enterprises (SOEs) has a focus on community development, while CSR is wider in scope, pay attention to the ISO 26000: 2010 above. That is, PKBL is part of CSR.

PKBL is part of compliance to laws and regulations, while CSR is beyond compliance. (Radyati, 2014, h 90). Compare with CECOM developed by Riaupulp and which is examined by Tirta, which is still at the level of PKBL alone. Radyati said CSR is an investment company that can create a return, call Social Return On Investment (SROI).

According to him there are six levels of CSR, the lowest level 1 level that focuses on compliance with laws and regulations.

Level 2 above, is a CSR in the form of philanthropy, is the desire to improve the welfare of others, especially through the provision of donations in the form of money to achieve the goals of good (Soares, 2009), such as donations, scholarships dlsb. [8]

Level 3 is a community development activity to improve economic, social, environmental and cultural conditions (Frank and Smith, 1999). [9]

Level 4, the Company bears the costs for the negative impacts arising from its business on the economic, social and environmental aspects, eg waste treatment through waste management.

Level 5, an integrated system in enterprise business planning. The scope of CSR starts from the use of raw materials to recycling waste.

Level 6, Creating Sustainable Livelihood is creating sustainable livelihoods, helping to create Community entrepreneurs. Thus in the context of Indonesia and several other countries, there are still many that have not been right target, whereas CSR requires innovation, perseverance, and of course hard work. (Radyati, 2014, h90-91).

Radyati said the perception of CSR in Indonesia in general is to share some of the company's profits as a contribution. This is understandable for several reasons, including: many companies have not understood what the real meaning of CSR is so that they only emulate what other companies have done; They refer to BUMN Ministry Regulation no.236 Year 2003 which requires state-owned enterprises (SOEs) to set aside a profit of 4% for PKLB program (Community Development Partnership Program), so the perceptions of the company or various parties about CSR to corporate donations. Indonesia is the only country in the world that requires private companies to do CSR, called TJLS (Social and Environmental Responsibility), through the Act PT. No. 40. 2007 on article 74. (Radyati, 2014, h208). In a comparison study between the two cities mentioned above

2.1. Problem formulation

In order to perform the analysis, several parameters are used and formulated here. The objective of comparison between the two cities, namely Medan and Jakarta is very important in finding a solution that is accurate and effective. Of all of the above discussed in relation to CSR what can be done by the private sector is, the river, the home or the city infrastructure funds. The CSR Act that is being prepared is already accommodating that CSR is not about cash money, but it is a commitment and more than just a responsibility. A strong collaboration between the elements of society and corporations and non-profit institutions is required. So far most people think that CSR is a sum of money given by the company to the community including government project activities, this misguided should be changed, CSR is a form of collaboration and social investment that is important for the benefit of the people themselves. Budgeting APBD and APBN should be designed by utilizing tax funds and retribution that already paid by all elements of the people. This problem should be solved well. So the parameters used and formulated here is the responsibility of the company derived from within the company within the company itself and the company's responsibility to its stakeholders. Problems that occur in urban areas, especially Medan and Jakarta in this case related to corporate social responsibility to the situation outside the company, can be related to physical and non-physical issues. In accordance with what we have discussed earlier on The Happy Planet Index and the water-friendly urban planning includes the context of the river and the lake or lake, then the building or architecture along with the infrastructure of the city.

3. Results and Discussions

Research on the relationship between Social Development and CSR and building sustainable development is part of the Sustainable Development Goals of 17 goals agreed by the nations of the world. One of CSR tools, there are also mentioned the contribution of companies that can be research funds, social funds associated with physical and non-physical. But the role of the city or local or local government is required. The role of local government in implementing and implementing SDGs is very important. Through the analysis of the UCLF (United Cities and Local Governments) and the Global Taskforce of Local and Regional Governments, a report entitled "National and Sub-National Governments on the Way to the Localization of SDGs" (2016 Indonesian Philanthropy Society)

This report describes the roles of local and local government in the implementation of SDGs and verification of data and information from the national level in Voluntary National Reviews (VNR) 2017. Participation can only be developed if the company has the same strategy, not only in the context of "charity" Has gone beyond the so-called internalized values within the company's own value. This is related to what is called Corporate Shared Value, so it is not just "lips service" but has been adopted in the values and strategies of the company.

Corporate Shared Value until now has not much research that explores it. Porter and Kramer (2006) have seen that CSR cannot accommodate a more comprehensive and long-term development of the community. The initial focus is still on economic and environmental development, in accordance with the spirit of the Rio Meeting, and the idea of social development (Johannesburg) Is still being developed by a "non-profit" oriented group, without involving a "profit" oriented corporation. Porter's (2009) view integrating corporations and communities, healthy businesses depend on healthy communities to create demand for their products and provide a conducive business environment. A healthy society depends on a competitive company that can create jobs, adequate salaries, etc. Which is a strong synergy between economic and social. So the need to do this research to determine whether the quality of social and economic development relationships to Corporate Shared Value, at the same time will generate innovation and creativity for the future corporation, and will build a new paradigm in doing business in the context of Indonesia.

The phenomenon that occurred in INDONESIA as follows:

- Togetherness - Collaboration - Gotong Royong is an ongoing essence within Indonesians, often negative, but in the context of our research will be raised as a real praxis

- Following the former world situation focused only on economic and environmental development, but is now rife with the so-called social development - from the context of the Rio de Janeiro agreement to the Johannesburg context that ultimately incorporates elements of social development!

Figure 3.1. The Role of Business in the Community (Source: Creating Shared Value)



The results will be discussed in this section. Medan with all kinds of activities cannot be compared with the more metropolitan Jakarta. Issues related to water-friendly issues in the city of water are almost similar to each other, in Medan there is the Babura river and the river Deli along with other rivers, this small river is not much different from the city of Jakarta which has the river Ciliwung and others. The lake or the still-present in Jakarta has a long history. Under the leadership of Governor Joko Widodo and Governor Ahok and finally the Governor of Djarot underwent a remarkable transformation, watershed and flood-related areas were tackled with care and hard work. Researchers do not see it well in Medan. As a result of flooding in Jakarta experienced a very significant decrease, even cleanliness is captivating compared with previous years. When compared with Medan researchers did not see it.

3.1. Relevant Output

Relevant results are closely related not only to the physical things of the building, but also to the positive mental changes. The Jabotabek (Jakarta and its fringe areas Bogor Tangerang and Bekasi) Urban Development Project (JUDP) in the past in Jakarta has been carried out comprehensively about 20-30 years ago, covering the issue of toll roads, waterways and improved improvement programs (KIP), but the results can be said to be highly biased. But with the real work and hard work for three years, everything is well developed. A real example is the reduction of flood cases in Jakarta and surrounding areas.

3.2. Totality of Leadership

Leadership is another very important element, in addition to the physical things already discussed above. According to The Happy Planet Index, ISO 26000 and even Sustainable Development Goals (SDG). Governance and leadership have an important role in building society. Without sustainability leadership will be a waste of "happiness" that will be accepted by the city community, the city of DKI Jakarta has actually got this well, with the concept of Smart City, the development of RPTRA (Public Friendly Integrated Room), cleaning and the dredging of Sunter, pluit dams, Trans Jakarta, the increasing loss of flood, the more promising development of MRT and LRT and many more. While the city of Medan quality decreased.

3.3. Specific Approach

A thorough and ever-changing approach is needed in building a friendly, clean and well-prepared city. Clean from anything including transparent in its management. A holistic approach is urgently needed, without it being a city whose citizens are concerned about going back to Jakarta, mental change gradually undergoes a significant change once again in a water-friendly context.

3.4. Green Business

To build a sustainable city, there is no other word than adopting a green and clean business, including in the management of land use and water use. The green business issues that have been adopted in eco-friendly buildings should be thumbs up, but in urban contexts there is still much to fight for.

4. Conclusions

One part of the strategy in developing corporate performance is to build corporate social responsibility (CSR), CSR concept from 1950s to 2002 underwent a very significant transformation, but behind it the authors assume and hypothesize that the implementation of CSR in Indonesia has not fulfilled what is aspired by all Elements of society. The problems of our country Indonesia is still very much that cannot be resolved by elements or sectors that exist today. In the era of sustainable development currently developed by many institutions of the world including our country should be able to provide a powerful solution in building a fair, prosperous and prosperous society. The role and impact of leadership in developing the innovative CEO is indispensable, many examples of corporations and leaders we can learn from both the national and global context, from the national we can see from a man named William Soeryawidjaja, leader and founder of PT Astra International Tbk , Bill Gates founder and former CEO of Microsoft, as well as many national and world corporate leaders, but will this be a sustainable form in the future? A big question comes to mind all of us. Is the role of organizational culture only on the side of leadership alone? Or should a comprehensive approach be made to the corporation's values?

The number of companies being demonstrated even though they have implemented CSR make CSR words only as a word whose nature only becomes "lip-service" only. Does not penetrate into the heart of his executor.

Acknowledgments

The authors gratefully acknowledge that the present research is supported by Bina Nusantara University Grant,

References

- [1] The Happy Planet Index 2016 <http://happyplanetindex.org/about/>
- [2] YuSing, Presentasi Utama pada Urban Social Forum (USF) di SMA1 Semarang, Desember 2016.
- [3] Tarigan, Nuah P, Peran Entrepreneurial Corporate Culture Membangun Corporate Shared Value Menuju Pengembangan Ekonomi Dan Sosial Dalam Social Entrepreneurship Studi Pada Perusahaan Publik (Emiten) di Indonesia, DRM Proposal Disertasi draft, 2015
- [4] Tarigan, Nuah P, The Impact Of Organisational Governance Through Corporate Social Responsibility Practices On Company Performance : A Mediation Role Of Idx Companies Corporate Reputation And Its Brand Image, DRM Proposal Disertasi draft, 2016
- [5] Mursitama, Tirta.N; Hasan, M.Fadhil; Fakhrudin, Iman.Y, Corporate Social Responsibility (CSR) di Indonesia – Teori dan Implementasi, Studi Kasus Community Development Riau Pulp, 2011.
- [6] Nindita Radyati, Maria R, Sustainable Business dan Corporate Social Responsibility (CSR), 2014.
- [7] Nindita Radyati, Maria R, Organisational Governance Based On ISO 26000: A Tool Box, 2015.

- [8] Soares, Rachel; Marquis, Christopher; Lee, Michael, *Gender and Corporate Social Responsibility: It's a Matter of Responsibility*, 2009
- [9] Frank, Flo; Smith, Anne. *The Community Development Handbook: A Tool to Build Community Capacity*, 1999
- [10] Yunus, Muhammad (2010). *Building Social Business*. Public Affairs, New York, USA.
- [11] Kotler, Philip. Kartajaya, Hermawan. Huan, Hooi Den (2007). *Think ASEAN-Rethinking Marketing toward ASEAN Community 2015*. Mc Graw Hill, Singapore.
- [12] Global Compact Network Indonesia dan Lembaga Studi dan Advokasi Masyarakat (ELSAM), *Bagaimana menjalankan Bisnis dengan Menghormati Hak Asasi Manusia, Sebuah Alat Panduan Bagi Perusahaan*, 2014
- [13] Delchet-Cochet, Karen, Vo, Lc, *Classification of CSR standards in the light of ISO 26000*, 2013.
- [14] Susanto, A.B, *Reputation-Driven Corporate Social Responsibility – Pendekatan Strategi Management dalam CSR*, 2009.
- [15] Urip, Sri, *CSR Strategies – Corporate Social Responsibility For A Competitive Edge in Emerging Markets*, 2010.
- [16] Nugroho, Riant, *Membangun Entrepreneur Indonesia – Tantangan Manajemen Pemerintahan Jokowi*, 2015.
- [17] Sung-Ho Choi, Suk-Jun Lim, Joe Phillips, *Responsible Entrepreneurship, Nation Brand, and Public Policy*, 2009.
- [18] Lapan, Tamsin Angus; Metclaf, Benn Sue, *Leadership Style and CSR Practice: An Examination of Sensemaking, Institutional Drivers and CSR Leadership*, 2009.
- [19] Drucker, Peter.F, *Management Challenges for the 21st Century*, 2001.