The influence of ideological entrepreneurship to social enterprise’s success

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Abstract. Corporate Social Responsibility (CSR) activities are often a product of the tension between a company’s function as a profit-optimizing institution and its social obligations, which are grounded in particular locus of sociality, which bring about change in the local society. There is also a global push to consider environmental factors and the sustainable development. The successful implementation of CSR activities of PT. Riau Andalan Pulp and Paper (RAPP) in Riau, Indonesia, is an example of a program based on business and ethical values. This case produced successful models for the CSR-based social enterprise. The hypothesis here is that the success of a social enterprise is due in part to underlying moral philosophy, such as how ideological entrepreneurship is implemented based on ideological, personal and local values. Without neglecting the search for the essence of business operations, which give space for community development and empowerment, this research also proves the influence of ideological entrepreneurship on the success of a social enterprise.

Keywords: business ethics, Corporate Social Responsibility, CSR-based social enterprise, ideological entrepreneurship, community development and empowerment

1. Introduction
Rural community development is a process of improving village progress by local communities targeting development in the mean of infrastructure, job creation, income generation, and changing people’s mentality. These latter factors include changing attitudes, mobilizing existing skills, improving networks, and strengthening social ties through social capital. Community development, in general, has five pillars (capitals) which also becomes a problem in its implementation such as; physical, financial, human, social and environmental. In our case, the society in Pangkalan Kerinci, Pelalawan, Riau Province, Sumatra, Indonesia, the principal problems faced in community development can be addressed through the implementation of the CSR program initiated by the pulp and paper company PT. Riau Andalan Pulp and Paper (RAPP). The successful implementation of the company's CSR program to the surrounding community through a participatory community development and empowerment program is tangible proof that the company can partner with stakeholders in mutually beneficial relations since its operation in 1994. One successful partnership method is the creation of a network of self-reliance and empowerment through an entrepreneurial program (social enterprise). Social Enterprise can be considered as a new model in the application of CSR that emphasizes the aspect of independence,
sustainability, and especially changing and educating the attitude and mindset of society. The social problem faced by the people of Pangkalan Kerinci, Belawan, Riau is primarily a high level of poverty, although ironically Riau is included a paradise of Indonesia's natural wealth (petroleum and forest products) with the poverty rate make 40.05% from 5.5 million population. The emerging entrepreneurial spirit then strengthens and advances the region. In the case of RAPP, the Pangkalan Kerinci, an area transformed from the backward region to an advanced district and a model for central government’s regional autonomy (Otonomi Daerah) program.

However, in the case of RAPP, a mixture of social responsibility and commercial profit finds a form that proves that a company's ethical/moral obligation must done in line with ideological values embedded in the minds of the corporate elite. In other words, solving economic problems, according to our hypothesis, is done using the economy itself as an ‘instrument’ to realize the ideals of the society’s well-being. In other words, the economy is the extension of morality. The key to the success of community development and empowerment lies in RAPP founder's ‘guts’, Sukanto Tanoto, who, when the economy was in crisis condition in 1999 and many companies are in a chaos, RAPP is making community empowerment program; namely Program Pemberdayaan Masyarakat Riau (PPMR). These measures and policies are seen as anomalous because PPMR investments worth billions of rupiah and is certainly not a profitable ‘investment.’ Before 1999, RAPP had indeed created a similar program, but in philanthropic, charity and incidental nuance, or termed ‘candy giving.’ In other words, it has no established “ideological” foundation in its social responsibility program. It is indeed in such conditions sustainability cannot be discussed, because this program was also done to meet the government program Bina Desa Hutan (1992). However, after 1999 renewal among RAPP elites on a more sustainable and responsible community development model, expanding business thinking as something of ‘commercial gain’ as well as ‘sustainable business.’ [1] This socio-morality expansion of economy to society is best known under the name Corporate Social Entrepreneurship (CSE). In this case, we take this concept as the CSR-based Social Entrepreneurship (SE) and can be seen as the new way of implementing CSR program purposed to gain society or communities’ economic autonomy. As CSR program, CSE has its core in the moral praxis of company elite whom exercises the concept of the economy is the extension of morality towards its surroundings. Thus, the aim of this research is to argue whether community development through CSR-Based Social Entrepreneurship of Corporate Social Entrepreneurship is influenced by the ideological value of entrepreneurship from the top manager level or company elites.

2. Research methodology
This research is a qualitative research. Primary and secondary data were obtained from reports relating to the implementation of CSR programs by RAPP conducted by Mursitama et al. 2011. The data analysis techniques were carried out qualitatively by applying Danzau and North's punctuated equilibrium model to the ideological dimensions of CSR RAPP practices during 1998-2008. This study aims to see the extent to which these dimensions affect the organizational corporate culture and practices of its CSR. The results will be compared with later studies, and then reinterpreted using phenomenological methods to uncover the ideological essence of CSE operations which is an extension of a large corporate CSR program in community development activities around the company area, particularly those related to entrepreneurship. The discussion will begin with a conceptualization of CSR, CE, SE, and CSE as the forms of socio-morality expansion from a company toward society or community, and then proceeds by drawing the ideological dimension of those concepts through the phenomenological reading of the organizational culture of the RAPP as a case study.

3. Social Entrepreneurship as CSR Model

3.1. Corporate Social Responsibility (CSR)
Now it is widely accepted that the practice of Corporate Social Responsibility (CSR) is considered as an integral part of business’ operation. Gherghina and Simionescu (2015) points out that CSR could be
thought as a pillar of the company since through “its practices it represents a commitment to its stakeholders, being with an ear on the ground, and with the other one on company all needs. The measurement of CSR success is associated with the sustainability of the program, measured by changes or transformation in people’s behavior in company surrounding area.” [2] CSR concept has undergone considerable evolution from the first time this approach is invented. Businesses that focus on the social dimension have a deep-rooted tradition in the Western world. According to Lee (2008), the (Western) discussion and conceptualization on this subject can be grouped in two directions. First, a discussion that emphasizes the level of analysis that indicates a change in discussion priorities from macro-social impacts to organizational level analyzes and their impact on the organization’s own processes and performance. Second, the discussion that emphasizes theoretical orientation shows a change of discussion from explicitly oriented ethical and normative arguments toward implicit normative and performance-oriented managerial studies.

Generally there is no satisfying theoretical perspective or research methodology that can explain CSR activity. [3] However, there are two dominants perspectives growing today according to its foundation; the one emphasizing in the economic foundation and the one emphasizing in the moral philosophy foundation. [3] Mursitama et al notes that there are five approaches to the implementation of CSR programs, ranging from economically motivated to purely philanthropic, such as shareholder capitalism, cause-related marketing, strategic philanthropy, stakeholder management and business citizenship. [3] This spectrum reflects the corporate environmental and managerial priorities, although generally the implementation of CSR should be seen as company’s contribution to sustainable development. In other words, CSR can be seen as the strategic realization of the abstract idea of sustainable development set in Lisbon in 2000.

It is true that CSR is not free from criticism. Some of the criticisms addressed to CSR include, for example; CSR enables organizations to extend a positive picture of the company by doing very little; the level of publicity related with the idea of CSR creates an impression that the greater part of organizations are truly occupied with CSR-related exercises, though the fact of the reality is quite different; CSR activities occupied with by a few organizations contradict with their genuine business practices and tendencies of their organizations; the influence of large businesses and multinational companies in the public arena increases with their dynamic engagement in CSR; and CSR is an empty promise and it is just a viable public relations tool. [4] Strong social concern in the implementation of community development program by CSR is often criticized as well because; it is considered to be instrumental in nature as a strategy for the company to be accepted by the community and thereby avoid the risk of conflict with marginalized communities; as an ethical “aborting” obligation for companies to implement triple bottom line; it is patrimonial and creates dependency, in which the company becomes superior and places society inferior; the surrounding community is seen as an exit strategy when the company collapses. It is indeed there is no adequately proportional model to balance the role of profit-oriented companies with their social responsibility roles. In the case of RAPP, what is interesting is that the development and empowerment of communities and society is done by relying on the willingness of the community and the society itself. This is done by training the community’s autonomy through the orientation of changing the way of thinking and their mindset, which can be applied directly to solve their biggest problem, namely poverty, although the highest decision remains in the hand of company’s elite.

3.2. Entrepreneurship as a Development Strategy

Why entrepreneurship? Entrepreneurship is often defined as a process undertaken by an entrepreneur to augment his business interests through Small-Medium Business Enterprises. In recent times, the entrepreneur considered as the key person who envisages new opportunities, new techniques, and new lines of production, new products, and co-ordinates. There are ways of defining an entrepreneur, but there is general agreement that an entrepreneur is the kind of person who takes risk or has the capability of taking risk for developing or establishing new ventures. According the analysis of more than 50 studies of entrepreneurs’ characteristics, Timmons conclude a consensus describing six main
characteristics of an entrepreneur, such as: commitment and determinations; leadership; obsession; tolerance of risk, ambiguity and uncertainty; creativity, self-reliance and ability to adapt; and motivation to excel. [5] Enterprise itself is the tangible outcome of entrepreneurship.

Entrepreneurship has many benefits to community development, relatively compared to its grandeur characters. Those benefit such as, first, community developers recognize that entrepreneurship is important to the vitality of the local economy. This change in strategy is due to several factors. A primary reason is the impact of globalization in driving many manufacturing jobs to overseas locations and, thus, reducing the effectiveness of using industrial recruitment as a strategy. Second, there is evidence that entrepreneurs are driving economic growth and job creation throughout the world. For example, the National Commission on Entrepreneurship reports that small entrepreneurs are responsible for 67% of inventions and 95% of radical innovations since World War II (National Commission on Entrepreneurship 2001). Third, entrepreneurship has also succeeded in revitalizing many communities.

Figure 1. Relation between community and economic development (Phillips and Pittman 2019)

In the relation to corporate CSR programs, entrepreneurship for community development can be modeled as Corporate Social Entrepreneurship (CSE) as a motor of CSR change, especially in Indonesia. These changes include sustainability of society's economic development as well as improvement of their well-being. This effort is undertaken by a company-based entrepreneurship and establishing relationships with the existing small and medium enterprises (SMEs). These efforts are called Social Entrepreneurship (SE) and its output called as the Social Enterprise (SEp). By shaping the entrepreneurial spirit of community and society, RAPP, local government, and society benefit from existing economic sustainability. Indeed the company and the government served as the protector for the course of social enterprise that formed relatively long after the program is running. In the case of RAPP, this role was in turn taken by CECOM (Care and Empowerment for Community) which established in July 2005 as an independent foundation of the company. The discussion will begin with the conceptualization of CE, SE, and CSE, and proceeds by drawing the concept of ideological entrepreneurship successfully practiced by RAPP and community and society of Pangkalan Kerinci, Riau.

3.3. Corporate Entrepreneurship (CE)
Covin and Miles (1999) defines CE as “the presence of innovation with the objective of rejuvenating or redefining organizations, markets, or industries in order to create or sustain competitive superiority.” [7] According to Zahra (1996), CE “includes radical product innovation, risk taking, and pro-activeness […]. includes business venturing and intrapreneuring.” CE is more toward companies leverage through innovation and renewal business strategy. [8] Gherghina and Simionescu put that “the CE are the
internal entrepreneurs and are innovative, down to business and risk taking, they create value for the company.” CE acts as a catalyst by rethinking or changing the company strategy by pursuing innovative strategies. CE is a combination of managers and researchers of the company products and/or services portfolios. CSR success relies on CSE which in turn depends on CE. [2]

3.4. Social Entrepreneurship (SE)
Social entrepreneurship is defined broadly in some cases and narrowly in others; thus, the literature has not yet achieved a consensus. According to Niño (2015), SE is associated with “the general classification of the activity of the non-profit sector which includes a majority of organizations that cannot be classified as social enterprises,” although they are linked to “social change and favor or promise solutions to thorny problems such as poverty, hunger, and disease.” [9] This term closely related with the concept of Social Enterprise which often defined as the application of business practices in the social sector, including the generation of earned revenue to serve a social mission. [11] However, the essence of the term social entrepreneurship itself is in the will to make the world a better place and cultivate the social capital. [12] Michelini adds, that “the definition of a social enterprise refers to the tangible outcome of social entrepreneurship. Hence, when we talk about social entrepreneurship, we refer to the process that invests in private people who are oriented to pursue opportunity and are satisfying unmet social needs.” [12] Entrepreneurial initiatives lie in the term of capturing the dimensions of risk-taking behaviors, innovativeness, and proactive behaviors. Social entrepreneurship focused in achieving social purposes (i.e. community problem) with an emphasis on capturing entrepreneurial opportunities, innovativeness, risk taking, etc. On the other hand, a social enterprise does not exist to remunerate capital. A social enterprise is not profit-driven or purely altruistic or philanthropy in nature. Social enterprise pays attention to achieving social goals (i.e. environmental and human well-being) with no emphasis on capturing entrepreneurial opportunities, innovativeness, risk taking, etc.

3.5. Corporate Social Entrepreneurship (CSE)
CSE is the synthesis between the concept of CE and SE. Austin and Reficco (2009) categorize CSE as a new business model on which the fundamental purpose is to accelerate companies’ organizational transformations into more powerful generators of societal betterment. Both see the CSE as the process for invigorating and advancing the development of CSR rather than a new form of CSR. [13] CSE is expected to create social value chain through innovation and entrepreneurial business models. CSE, such as all entrepreneurship, are about innovations, changes, identifying new ways of doing business, new strategies. But the social value chain principles also combine both the company willingness’ and stakeholders’ economic and social need, such that both sides can benefit, on a voluntary basis. [2] Marketwise, CSE purposed to comprehensively understand, prevent, and predetermine how companies can continue to operate whenever a relevant transformation or change occurs in the market. Smallbone et al (2001) underline that, “the potential market for CSE is vast because of the broad variety of social needs remained unsatisfied by the existing markets and institutions. CSE generates great value when it provides the basic of the humanitarian needs (for example medicines, provisions, helping people with special disabilities or food, etc.) whenever the state does not provide these services.” [15]

3.6. The Points in Common and the Difference between CE and CSE and Its Contribution to CSR Program
The CE is the “internal” entrepreneurs (intrapreneurs) and is innovative, down to business, and risk taking. They create value for the company, but they don’t do legwork as CSE does through social activities with external stakeholders. CSE relation with external stakeholders is strong as mentioned above. CSE spots the trend and needs in the existing market or new market, whereas CE acts as catalyst by rethinking or changing the company strategy by pursuing innovative strategies. CE is a combination
of managers and researchers of the company products and/or services portfolios. Taken together, CE and CSE can lead the company to innovative strategies, renewal business model, in such ways the company will differentiate from its competitors and will achieve sustainable development. Niño maps the points in common and the difference, in the term of advantages and disadvantages, between SE and CSR as follows,

| Advantages | Points in Common | Disadvantages |
|------------|------------------|---------------|
| SE         | - Social Enterprises are employment generators.  
- Work the concept of social innovation to solve social problems.  
- Prioritize the creation of social value being self-sustaining.  
- Necessary for a balanced business ecosystem. | - Social Welfare: environment, human rights, labor rights, consumer protection and fair trade among others.  
- Development Alliance state-business-civil society.  
- Concern for the future.  
- To restore social order. | - Social Enterprises with paternalistic approach does not favor the creation of social value.  
- The potential of social initiatives is complex to measure, starting from conception itself as it represents a different value for each scenario.  
- Poor management of sustainability and dependence on donations. |
| CSR        | - Access to investment funds that focus on socially responsible company.  
- Reputation and brand positioning.  
- Guidance toward the values.  
- A strategy that promotes the competitiveness. | | - The government can reduce its level of involvement in some subjects or specific territories.  
- Use the actions as a means, not an end of social interaction.  
- Assistentialist actions that favor mercantilist interests, or lacking meaning actions for stakeholders.  
- There are no institutional and cultural mechanisms that favor the commitment of the whole society as an active part of each interest group |

In the context of CSE implementation, the qualitative measure is the *behavioral change* of the recipient. This behavioral change is achieved by analyzing changes in the way of thinking, motivation, and long-term target of the recipient. Changes in mindset are related to changes in values held by individuals. But as a society of the lower classes, most recipients have their own resistance to change. This is the main concern of RAPP in “educating” the surrounding community to be able to change their mindset without changing the values they believe (cultural, custom, etc.), without sacrificing the interests of profit-oriented companies. The target of this change is an independent mindset, which allows recipients to develop themselves and their economy without relying solely on the company’s helping hand. At this point, discussion of ideological entrepreneurship becomes relevant.
4. Ideology in Business

“Ideology” is a vague and controversial notion. Van Dijk (1998) noted several meaning, functions and usage of the terms, such as, as a system of beliefs that served fundamental beliefs of a group and its member; “ideology” as the basis of social practices; and “ideology” as social representations. Not to be confused with idealism as a standard of how something is “ideally” expected and achieved, ideology mainly is a careful examination about how values can systematically be ordered and maintained to achieve a certain goal within a certain way. In the other words, ideology is a manifestation or realization of a standard or an expectation systematically and carefully. [16] Denzau and North (1994) might help us with a functioning notion of ideology as a “shared theory of the world” or “shared mental model (SMM)”. They write that ideology “is the shared framework of mental models possessed by groups of individuals that provides both an interpretation of the environment and a prescription as to how that environment should be structured.... The mental models are the internal representations that individual cognitive systems create to interpret the environment.” [17]

Since they are theories, neither ideology or mental models (MM) can be ended up being valid or true. They can end up being logically incoherent, inadequate (i.e., unable to clarify the situation in which the holders find themselves), or proven false (i.e., new facts rise which invalidate the theory). Therefore, we ought to never expect beliefs about how the world attempts to invoke a person's theory might be developed or that a man's speculations might be persistent despite such certainties, regardless of the possibility that they ever were to rise. [17] The basic argument proposed by North is that human beings as rational agents do not fully make decisions and make choices based on personal self-interest in substantive rationality logics of market economy. But he stressed that it is simply not possible to make sense of the diverse performance of economies and polities both historically and contemporaneously if individuals really know their self-interest and acted accordingly, “instead people act in part upon the basis of myths, dogmas, ideologies and ‘half-baked’ theories.” He continues, “in order to understand decision making under such conditions of uncertainty we must understand the relationship between the mental models that individuals construct to make sense out of the world around them, the ideologies that evolve from such constructions, and the institutions that develop in a society to order interpersonal relationships.” [17]

4.1. North’s Mental Model and Institutionalization of Ideology

Ideology as part of the “irrationality” of choice making will serve individuals, under conditions of uncertainty, their interpretation of their environment. Thus, it will reflect the learning that they have undergone. Mental models, institutions, and ideologies are all part of the process in which humans interpret and organize their environment. Because a mental model, at a certain level, is unique to each individual, then ideology and institutions created and provide more closely shared perception and ordering of the environment. Individuals with pretty much same cultural backgrounds and shared experiences will share a convergent mental model. Individuals, ideologies, and institutions that differ in their learning experience will have different theories (models, ideologies) to interpret that environment. Thus the association between a mental models and ideologies and institutions rely heavily on the product and the process of representational re-description.
Ideology as basic system of beliefs relied on the interpretation of values ascribed and practiced in a particular society. The important remark of ideological practice is the ideological institutions. Dijk shows that “an efficient reproduction of ideologies usually requires more than just a couple of people who have a common goal and shared attitudes, values, or ideological principles. Indeed, group organization as well as institutionalization may be crucial, as the history of the Catholic Church, or the efficiency of some current NGO’s such as Amnesty International or Greenpeace had shown.” [16] By this emphasize, it is clear that a company or a corporate shared the role as a fully-functioned ideological institution by its schematic organizational operation. Institutions, as defined by Denzau and North, are “the rules of the game of a society and consist of formal and informal constraints constructed to order interpersonal relationship. In the relations with the mental model, both continues, “...the mental models are the internal representations that individual cognitive systems create to interpret the environment and the institutions are the external (to the mind) mechanisms individuals create to structure and order the environment.” Along with this notion, North argue that “the creation of ideologies and institutions are important for economic performance, as there exists gains from trade and production that require coordination.” [17] In sum, “a market economy is based on the existence of a set of shared values such that trust can exist. The morality of a businessperson is a crucial intangible asset of a market economy and its nonexistence substantially raises transaction costs.” [17]

4.2. Ideology As Company’s Decision-Making Apparatus
Storr (2011) shows that “if a society’s institutional matrix is to persist, members of that society must share an ideology that supports and justifies its existing structure. Ideological change must, therefore, accompany institutional change if the new institutional structure is to stick; an ideological shift must follow, co-evolve with, or precipitate institutional change... people only change their ideology when it no longer seems to be an adequate explanation of the world.” [18] Thus, a change of decision depends on the way the decision makers respond to the ongoing revolutionary changes. It is true, in the case of RAPP, that making the decision to create the CSR program amid the massive changes in the economic downturn and in the midst of a society that is quite antagonistic to the existence of a giant company among them is absolutely contrary to the principle of rational decision making. Thus, in this context, a new model of decision-making suited to this revolutionary situation is needed.
In organizational decision-making processes, North modeled this under **punctuated equilibrium model**. Baumgartner and Jones (1993) found in the punctuated equilibrium theories an answer for the issues tormenting the debate amongst **incrementalists** (those who believe that policy changes should be gradual or according to specific degrees) and their rivals. They brought the theory of punctuated equilibrium to the study of policy change as a way to resolve the dispute between **incrementalists** and their critics. At the point when they took a gander at the different strategy histories, they saw times of inattention and stasis interrupted by times of **dramatic change**. This pattern has discussed about at incredible length in arrangement theory some time recently, yet did not have a central organizing metaphor and theoretical vocabulary to empower analysis. [19]

![Figure 3. Comparison between Punctuated Equilibrium Model and Incremental Model](image)

The punctuated equilibrium model suggests that the modal pattern varies between massive change and relative stasis. As portrayed by its proponents, punctuated equilibrium theory delineates organizations as evolving through relatively long periods of stability (equilibrium periods) in basic patterns of activity that are punctuated by relatively short blasts of fundamental change or so called as revolutionary periods. Revolutionary periods substantively disrupt established activity patterns and introduce the reason for new equilibrium periods. [20] The model of change discussed in this study was limited to a sudden and unexpected event that reproduced through the examination of critical incidents. Like the punctuated equilibrium, critical incidents are unplanned or unexpected events that trigger a breakdown, or a radical and quick change, in systems as well as people.
In the context of CSR’s implementation decision making, company has the very function of an **ideological patron** based on some certain values held by its elite. This practice only makes sense in the light of the organizational culture of the company and its surroundings. According to Treviño (1998), “ethical decision making in organizations may be partly influenced by situational moderators such as the immediate job context, the characteristics of the work and the organizational culture.” [21] As Hemingway puts, Treviño supported the idea that most managers may be amoral, perhaps displaying pragmatism and conformity in order to achieve the organizational ends. She adds that organizational culture may have “a profound effect on ethical/unethical behavior in most people.” [22] Similar with Treviño, Hoffman (1993) said that “as organizations form a structured set of norms and values, a collective evolves in the form of the organizational culture.” [23] On the other hand, Fiol identified three broad schools of thought in the organizational culture debate as follows; the **culture pragmatists** are those scholars who describe culture change as a result of observing the existing manifestations of the organizational culture in the arena of social change; the **culture purists**, who argue that the cognitive processes reside in and are ruled by deeply ingrained repertoires that are beyond conscious manipulation; the approach which requires the accessing the webs of meaning and peoples understanding of themselves in relation to the system. [24] As Hemingway identify, the organizational culture related to ethical choice decision rooted in the company’s beliefs, which in turn influence the company’s organizational culture.

### 4.3. Personal Values as Ideological Source

In the context of the organizational culture, values often defined as a cognitive structure which combines with our emotion and plays a pivotal role in our decision making and subsequent actions. Personal values contribute so much in the process of the human perceptions, because it link directly with our emotions and social norms, and in turn it connects the study of value, ideas of morality, including virtue ethics theory. [22] As a virtue, values defined as: “things of the mind that are to do with the vision people have of ‘the good life’ for themselves and their fellows”. A person who held values mean that he/she has a prescriptive or proscriptive belief or mode of behavior to justify his/her choice of decision. Rokeach assumes that “this belief transcends attitudes toward objects and toward situations; it is a standard that guides and determines action, attitudes toward objects and situations, ideology, presentations of self to others, evaluations, judgments, justifications, comparisons of self with others, and attempts to influence others. Values serve as ajustive, ego-defensive, knowledge, and self-actualizing functions.” [25]
source of values sourced from social values, political values, religious/spiritual values and sentimental values, etc. Individuals “develop values which shape and are shaped by societal and organizational norms.” [22]

In the context of the practice of an organizational culture, as Hemingway added, “personal values served as an (overlooked) agential power that constrains and enables socially responsible activity at work, because they play a key role in ‘directing behavioral choices’”. The implication we can draw from such passage is that our personal values can function as a heuristic device or decision-making shortcut.

[26] In the context of CSR implementation, in the mediation of the stakeholders, senior managers can influence the process by applying their “interpretive frames”, however, because personal values can be seen to operate as important determinants for top management in their choice of corporate strategy. [27] In this light, personal values from the top management level can be regarded as an ideological apparatus in maintaining company’s organizational culture, which in turn define the strategy and tactical trait of its CSR-CSE implementation. In the case of RAPP, Soekanto Tanoto, the owner of Riau Pulp, once said that “my dream, if I get a hundred entrepreneurs Riau to become billionaires, I am happy.” Tanoto held the Chinese philosophy of “give a man a fish, and you feed him for a day; but teach a man to fish, and you feed him for a lifetime.”

5. Conclusion: Institutionalization via CECOM

Leadership arises through the courage to take decisions when there is a revolutionary change in the organization. In this context the role of corporate elite is very prominent because of the large risk held by the company. Although the RAPP’s community development model is participatory, involving the community in decision-making, the highest decision remains in the company as the funder and program officer. In an atmosphere of economic crisis and public sluggishness, the RAPP offers local communities to raise cattle through the Integrated Farming System (IFS) scheme, although it is evident that land in Riau is poor nutrients as a condition of livestock can be established. On the other hand, residents do not have a cattle breeding culture. Most even claim to be afraid of cows. Here the role of CECOM as a corporate and community intermediary is very important. CECOM plays a role in approaching and convincing the public about the benefits gained if developing IFS, while providing assistance, supervision, and assistance in the management of finance in the form of cattle loans and credit for capital.

CECOM is a foundation established to replace PPMR’s role for 6 years. The establishment of CECOM ‘cut off’ RAPP interference in community development activities by making it a more authoritative party in decision making. In the form of PPMR, decisions related to community development are often hampered because PPMR is an affiliated institution or a representation of the corporation. While CECOM takes the form of a non-governmental organization/Lembaga Swadaya Masyarakat (LSM) that makes its work more acceptable to stakeholders, able to extend community development activities beyond its founding territory, and enlarge opportunities to innovate as it breaks the complex corporate bureaucratic chain. Behind this brave decision we can certainly see a strong demonstration of entrepreneurship spirit, which comes from the ranks of corporate elite’s ideology who dare to take risks and innovate amid the threat of economic crisis. This entrepreneurial spirit is then delegated and institutionalized through independent foundation; which in reading, according to the author, serves as the concrete form of CSE. Keep in mind that financial gain is not the ultimate goal, but the independence and fundamental mind-set for progress. Financial benefits then follow and make Pangkalan Kerinci community a strong social enterprise.

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