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Pattern of corporate social responsibility programs: a case study

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Abstract

Purpose – *This paper aims to identify the pattern of CSR programs run by PT Unilever Indonesia Tbk, PT Sari Husada PT, Astra International Tbk, and PT Aneka Tambang Tbk.*

Design/methodology/approach – *The research was focused on three main areas, namely: relation of CSR programs with the companies' core businesses; coverage of the programs on triple bottom line (economic, social, and environmental); and the execution of CSR programs as sustainable development and the companies' competitive advantage. It used a qualitative approach, i.e. a case study. Primary and secondary data are in the form of information about CSR programs conducted by the four companies from sustainable reports downloaded from each respective company's web site, mass media news downloaded from the internet, and other literature studies.*

Findings – *The case study shows high commitment from the four companies to the execution of CSR programs and business ethics. They also attempt to carry out programs involving the triple bottom line. Also, this case study found that two consumer goods companies (Unilever Indonesia and Sari Husada) and one manufacturing company (Astra International) conduct CSR programs that are both related and unrelated to their core businesses while a mining company (Aneka Tambang) tends to conduct CSR programs that are unrelated to its core business. Another finding from this case study is that both related and unrelated programs are forms of the companies' sustainable development.*

Research limitations/implications – *The primary data in this case study were only collected from the publications of CSR programs, and from company web sites or news coverage accessed via the internet, and so may be incomplete and not detailed. Therefore, it would be better to include in-depth interviews with the companies to support the primary data in a further study. In general, this research brings a specific understanding of the qualitative research method. In particular, it gives a greater understanding of the importance of all applications in a case study. The procedures, types, designs and data analysis methods in the study case can be comprehended clearly.*

Originality/value – *The results of this case study can improve comprehension of the CSR concepts and theories, business ethics, sustainable development and reputations used to identify the pattern of CSR programs implemented by the four companies as research objects. Last but not least, the results of the case study give detailed comprehension regarding the CSR practices of several companies in Indonesia, based on the companies' characteristics, CSR programs' relations to the core business, CSR programs covering the triple bottom line, and the sustainability of the CSR programs.*

Keywords *Business ethics, Competitive advantage, Corporate social responsibility, Sustainable development, Indonesia*

Paper type *Case study*

Introduction

The development of a country is not solely the responsibility of the government; every citizen should take part in achieving social welfare and improving the quality of life of the community. The business world's role is to increase healthy economic growth, taking environmental issues into account. Nowadays, the business world does not focus only on the financial aspect (single bottom line); it considers financial, social and environmental aspects

(triple bottom line). The sustainable development concept lies in a synergy of these three aspects.

Corporate social responsibility (CSR) is one of the roles performed by the business world. This program is also aimed at encouraging business entities to run their activities ethically, minimizing bad effects on communities and the environment so that, ultimately, they can continue to carry on gaining economic benefit as their objective (Lesmana, 2007).

The World Business Council for Sustainable Development (WBCSD) has defined CSR as a business commitment that contributes to sustainable economic development through team work with employees and their representatives, their families, and local and public communities, to improve the quality of life by means of beneficial ways both for the business itself and for development (Jamali, 2006).

CSR activities have been categorized in two dimensional approaches, i.e. internal and external (Commission of the European Communities, 2001; cited in Jones *et al.*, 2006) and have to be implemented in three aspects, i.e. economic, social and environmental (Elkington, 1999; cited in Jamali, 2006).

The current phenomenon shows that most companies are reluctant to apply CSR programs because they are considered a cost center. In the short term, CSR does not generate anything financially, but in the long term CSR activities will bring in – directly and indirectly – a financial contribution. Therefore, if a company applies CSR programs then they will have to do this continuously, making them an investment and a part of the company's business strategy. By incorporating CSR programs as part of the company's business strategy, all units in the company are willing to implement the designed CSR programs. From a financial point of view, all costs related to CSR programs are clearly accounted in, so that the programs can be implemented continuously as expected by stakeholders.

These days, a lot of companies in Indonesia have implemented various CSR programs, whether they are related to the business itself or not. The question that arises is "What differentiates community development, charity, and philanthropy from a CSR program?". Which of these can support company sustainability? The answer to these questions are not easy to find, because all activities related to community development, charity or philanthropy that start to grow in Indonesia are still dedicated to the community or environment in the surrounding area where the company is located. Mostly, these activities are not connected to the triple bottom line, which is the key to sustainable development (Elkington, 1997: cited in Siltaoja, 2006) and also opportunity, innovation and competitive excellence (Porter and Kramer, 2006).

The focus of this case study research is to:

- identify the pattern of the CSR programs implemented by PT Unilever Indonesia Tbk, PT Sari Husada, PT Astra International Tbk, and PT Aneka Tambang Tbk;
- find out whether their CSR programs are related to their core businesses or not, and whether their CSR programs are applied to the companies' triple bottom lines; and
- determine whether the CSR programs are sustainable and become their companies' competitive excellence.

The four companies were chosen based on their reputations, which hold them as public companies in the blue chip category that have a proven track record on high transparency and accountability, which allows researchers to easily access the data and information related to their CSR programs through each company's website and financial data through the Indonesia Stock Exchange website (see www.bei.org). The other reason is that, based on the researcher's observations, these public companies have a high commitment to implementing their CSR programs as their responsibility to help the government in developing its community and nation.

Theoretical approach

Corporate social responsibility (CSR)

The key factor that initiates CSR is stakeholders' expectations that an investment decision should generate not only financial profit, but should also take into account the social and environmental aspect so that community welfare can be improved (Robin, 2005; Commission of the European Communities, 2001; both cited in Malovics *et al.*, 2007).

Some definitions state that CSR is the ethical, responsible and integrated business implementation applied to all operations (McWilliams and Siegel, 2001; Hopkins, 2003, cited in Wan-Jan, 2006; Business for Social Responsibility, 2003; cited in Jamali, 2006). Presently, however, the ideal definition of CSR is given by The World Business Council for Sustainable Development (2001): a business commitment that contributes to sustainable economic development through team work with employees and their representatives, their families, and local and public communities, to improve the quality of life by means of beneficial ways both for the business itself and for development (Jamali, 2006).

Meanwhile, The Commission of the European Communities (2001; cited in Jones *et al.*, 2006) categorizes CSR into two dimensional approaches, i.e. internal activities and external activities. Internal dimension includes HRD management, health and safety at work, adaptation to changes, and environmental and natural resources effect management. The external dimension consists of a wider area, including investors, the local community, business partners, suppliers and consumers, human rights, and global environmental care.

Moreover, Porter and Kramer (2006) divide CSR into two categories. The first is responsive CSR, where CSR has two elements:

1. acting as a good company citizen adjusting to the social care of stakeholders; and
2. minimizing the existence of or anticipating disadvantageous effect from the business's activity.

The second category is strategic CSR. Porter and Kramer (2006) stated that strategic CSR transforms the value-chained activities of the company into community benefits as well as enhancing the company strategy. It is also the generous strategy that triggers the capability to mend key areas in the competitive context. Strategic CSR involves inside-out and outside-in dimensions. Inside-out means that the company influences the community through its business operational activities. Outside-in means the external/social – positive or negative – conditions influence the company.

Lantos (2001; cited in Wan-Jan (2006) put CSR into three categories:

1. Ethical CSR. Lantos (2001; cited in Wan-Jan, 2006) defined ethical CSR as all expectations of the company to be responsible morally in preventing loss and damage as a result to its activities. This CSR is expected from all companies and stands as the minimum requirement fulfilled by the company.
2. Altruistic CSR, defined as a caring form forfeited by the company.
3. Strategic CSR, which mean corporate care activity implemented to complete the company's business strategic objective.

CSR is also known as cultural constructions. The size and decision on CSR are focused on three aspects – i.e. economical, social and environmental responsibilities –based on the manual of the Global Reporting Initiative (GRI; Siltaoja, 2006).

Economical, social and environmental responsibilities, known as triple bottom line, are a systematic approach to managing a company's responsibility. To simplify, the term is used as the measuring working frame and company's performance report on economic, social and environment parameters. In wider use, that term is applied to hold the entire value, problems and process done by the company to maximize positive influence of its activities

and generate additional economic, social and environmental values (Elkington, 1999; cited in Jamali, 2006).

The Global Reporting Initiative (2001) and Knoepfel (2003; both cited in Jamali, 2006) stated the key dimensions of CSR or triple bottom line. The first is economy. In this dimension, CSR should delve into more than traditional financial accountancy by looking into new measurements of wealth, like HRD and the intellectual capital developed by the company. Examples would be reducing business costs through an appropriate business integrity policy, and increasing employees' productivity by conducting research and HRD development and also employee training.

The second dimension is the environment. This means that CSR should study the implications of resource and energy usage, and the company's effect on the integrity of the environment. Examples of this would include environmental policy and audit, and environmental responsibility management.

The third dimension is social. In this dimension CSR should maximize the positive influence of the company's operations to a wider community. Examples of this would include community health problems, social justice, and inter- and intra-organizational justice.

Porter and Kramer (2006), in the context of a sustainable CSR programs implemented by a company, suggested that CSR is more than a cost, an obstacle or charity – CSR can be an opportunity, an innovation and a competitive excellence. Furthermore, Porter and Kramer (2006) revealed that strategically, CSR can be the source of excellent social advancement, similar to a business whose application of resources, professionals and knowledge is suitable to be considered in beneficial activities for the community.

Companies should now invest in sustainable CSR programs as a part of their business strategy (Porter, 2003) and implement them accordingly (Lewis, 2003) to achieve further excellence.

Business ethics

Business entities and governments operate within a working frame of technology, laws, economics, social issues and politics that is changing constantly, as well as facing stakeholders' demands. Understanding the effects of environmental changes is the first step for industry and organizations in identifying stakeholders and issues that have to be managed ethically and responsibly to be able to be sustainable and compete.

Some say that the implementation of CSR programs is a company's effort to run its business ethically (Lesmana, 2007; Hopkins, 2003; cited in Wan-Jan, 2006; BSR, 2003; cited in Jamali, 2006). Business ethics are related to the question of "What is right and wrong, good and bad, unsafe and useful in relationship to the decisions and actions, in and surrounding, the organizational activities?" (Weiss, 2003). Business ethics are a special study about right and wrong according to moral standards applied to institutions, organizations and their business manner (Velasquez, 2006).

The application of business ethics through the implementation of CSR programs can be based on two principles:

1. the utilitarian principle; and
2. the justice principle (Weiss, 2003).

It is important to undertake stakeholder analysis using the utilitarian principle, because it encourages decision-makers to consider mutual benefit, to develop various alternatives based on the major benefit for all involved in decision-making, and to estimate the costs and benefits for the parties involved (Weiss, 2003).

In the meantime, according to Velasquez (2006), the utilitarian principle states that an action is right ethically only – and if only – the total benefit generated by that action is greater than the total benefit of other actions carried out at the same place.

The justice principle is related to the justice and equilibrium. John Rawls (1971; cited in Weiss, 2003) affirmed two things regarding the justice principle:

1. each person has the same right to freedom in all aspects; and
2. justice is formed when every person gets the same chance and benefit over opportunities and tensions occurring in the community.

Velasquez (2006) classified the justice principle into three categories:

1. distributive justice, which relates to the fair distribution of benefits and tensions in the community;
2. retributive justice, which means that punishment and fines are awarded fairly to a person who acts wrongfully; and
3. compensatory justice, which means that fair compensation is given to people who suffer because of the wrongful acts of other people.

Sustainable development

The CSR program implemented by a company should be a sustainable development program, since it will give a better positive outcome and benefits to the company and its stakeholders. Furthermore, a sustainable CSR program will help to establish a prosperous and independent community (Lesmana, 2007).

According to the World Business Council on Sustainable Development (2001), a sustainable development is a development that fulfills current needs without sacrificing the ability of future generations in fulfilling theirs (Porter and Kramer, 2006).

The International Institute for Sustainable Development and Deloitte & Touche defined sustainable development for business entities as a process of adopting business strategies and activities to fulfill the present company's needs and the needs of stakeholders as well as protecting, supporting and increasing the human and natural resources needed in the future (Labuschagne and Brent, 2005; cited in Malovics *et al.*, 2007).

A sustainable development does not focus on environmental issues only. Its policy covers three public areas:

1. economy;
2. social issues; and
3. the environment (Lesmana, 2007).

Reputation

The social responsibility of a company is recognized as an aspect, an appeal and an activity that influences its reputation (Zyglidopoulos, 2001; Fombrun and Shanley, 1990; Carroll, 1979; all cited in Siltaoja, 2006).

Deephouse (2000) and Fombrun (1996, 1998; all cited in Siltaoja, 2006) revealed that reputation is often defined as the most important competitive excellence a company can have. For Brown and Logsdon (1999; cited in Siltaoja, 2006), reputation is a long-term combination of an outsider's view of the organization, how well the organization executes its commitments and fulfills stakeholders' expectation, and how effective the organization's performance is according to its social-political environment.

Accountability and sustainability are certainly used in assessing the company's reputation. For business world and community, the concepts of accountability and sustainability can be developed consistently to the power and capacity of the company, to act according to the company's and the world's interest together (Freeman, 2006).

Lewis (2003) described six criteria for company reputation:

1. product/service quality;
2. financial performance;
3. dealing with employees;
4. environmental responsibility;
5. social responsibility; and
6. leadership.

Research method

Research characteristic

The research undertaken was qualitative descriptive research conducted to gain certainty and to describe the variables that are characteristic of a given situation (Sekaran, 2000), and to be able to focus on the phenomenon and its diversity in its natural condition (Leedy and Ormrod, 2001). The research was conducted using a case study approach. Yin (2003) stated that a case study investigates a contemporary phenomenon in a real-life context, especially when the boundaries between the phenomenon and context are not clear. For Cooper and Schindler (2006), a case study is conducted to obtain multiple perspectives from an organization, situation, activity or process over a certain time or period.

On the other hand, Neuman (2000) explained that in a case study, a researcher profoundly tests some features of a case for a certain period of time. The analysis unit in that case can be the individual, a group, an organization, a movement, an event or even geography. The data can be detailed, various and extensive. Neuman (2000) also stated that researcher should investigate one or two cases intensively or compare a set of limited cases focusing on several factors.

According to Sayre (2001), a case study provides a description of situations faced by the company or consumer; it increases applications, theory examinations and trials; it combines several data collection and analysis activities.

As stated by Smith (1990) and Stake (1986; both cited in Yin, 2003), this case study was conducted to explain, describe, illustrate and explore, so that the pattern of CSR programs implemented by Unilever Indonesia, Sari Husada, Astra International and Aneka Tambang could be identified.

It is designed as a multiple-case holistic study by examining several cases in a context or phenomenon with one unit of analysis in each of the cases (Yin, 2003). The types of case study applied in this research are the intrinsic case study (i.e. understanding one special case profoundly), and the collective case study (i.e. examining several special cases together to investigate the phenomenon, population or general condition) (Stake, 2000).

The companies

In this research, the researcher use four companies – i.e. PT Unilever Indonesia Tbk, PT Sari Husada, PT Astra International Tbk, and PT Aneka Tambang (Antam) Tbk – as a being representative of three industries, i.e. consumer goods, mining, and manufacturing.

The four companies are listed on the Indonesia Stock Exchange in the blue chip category. As public companies, they have an obligation to publish their annual reports to the public through the Indonesia Stock Exchange's website, meaning that researchers can easily access the data and information required for this research.

Data

This research use primary and secondary data from the company profiles available on the companies' websites, financial reports available from the Indonesian Stock Exchange website, news coverage available on the websites of magazines or newspapers, and other literature related to the CSR programs implemented by the four companies.

The chosen data sources are expected to create high internal validity for this case study.

Data collection method

The data were collected by observation through the internet from the companies' web sites, the Indonesian Stock Exchange web site, news coverage available on the web sites of magazines or newspapers, and library study.

Data analysis method

The data analysis stage is a difficult phase in this case study since there is no certain agreement on the strategy and techniques available. Nevertheless, all data in this case study were analyzed by relying on theoretical propositions or placing the data and information collected based on theories related to CSR, business ethics, sustainable development and reputation (Yin, 2003). In addition, the data analysis in this case study follows the ensuing steps:

- Organization of details about the case, i.e. developing special facts on the case examined logically.
- Categorization of data, i.e. clustering the data into meaningful groups
- Interpretation of single instances, i.e. resting certain documents, events or other data units for a particular objective that may relate to the case studied.
- Identification of patterns, i.e. interpreting the data properly to define the theme and other patterns that characterize the case extensively compared to single information data identification.
- Synthesis and generalizations, i.e. the general description of the case. In this stage, a conclusion is achieved that may implicate the case studied (Leedy and Ormrod, 2001).

Analysis

Companies' commitment to CSR

As a fast moving consumer goods company, Unilever Indonesia implements its CSR programs to fulfill its duty as a good company citizen and to increase its reputation as well as to help the sustainability of the business through integrating CSR programs into its business strategy, creating a mutual benefit relationship between the company and the community (see www.unileverindonesia.com).

The implementation of CSR programs at Sari Husada has a similarity with Unilever Indonesia, in that it aims to fulfill its duty as good company citizen that cares about social problems while focusing on running the business well (see www.sarihusada.co.id).

Meanwhile, CSR programs implemented by Astra International are the tangible form of the company fulfilling its responsibility as a company citizen that constantly runs its business ethically and cares about social problems (see www.astra.co.id).

For Aneka Tambang, the implementation of CSR programs shows its obedience to the rightful practices adopted as the important step to gain social permit from other stakeholders and to materialize sustainable development (see www.antam.com).

CSR, core business and triple bottom line

CSR internal activities: PT Unilever Indonesia Tbk. Through their internal CSR programs, Unilever Indonesia is committed to developing its human resources more than just by creating job opportunities for the benefit of the company and the community.

In relation to the economic aspect stated in the triple bottom line, Unilever Indonesia has given opportunities for its staff to attend training held inside Indonesia and abroad, and is perfecting its staff placement system, salary scheme, appreciation system, and the condition of health and safety at work.

As regards the social aspect, the company continuously supports human rights, diversity and career advancement based on merit, and provides various staff welfare facilities such

as a nursery room, a sports area, a day care center, and qualified doctors and nurses to monitor staff's health.

As regards the environmental aspect, to produce a safe, healthy and high quality product, Unilever Indonesia uses only soft alkylate for its detergent products, and materials compliant to a recycling analysis test as its main components or packaging. The production process quality of Unilever Indonesia is supported by the ISO 9000, ISO 14000 and BS 8800 certifications awarded to its two factories in Cikarang and Rungkut (see www.unileverindonesia.com).

CSR internal activities: PT Sari Husada. In relating to the triple bottom line, the internal CSR programs covering the economic aspect is materialized by PT Sari Husada providing its human resources with education, training and seminar programs held inside Indonesia or abroad, to increase the HR competency continuously.

In the social area, the company values diversity, individual performance and contributions that support its achievement.

As regards the environmental aspect, Sari Husada is continuously perfecting its facilities and production process with latest technology and certifications: ISO 9001 and ISO 14001 have been awarded to its two factories. It implements the Codex Alimentarius standard for food safety audit, complies with the waste management standard issued by the World Bank and the Indonesian Ministry of Environment, and applies strict health and safety at work regulations to secure zero accidents (see www.sarihusada.co.id).

CSR internal activities: PT Astra International Tbk. In the economic aspect of the triple bottom line, Astra International has set up the Astra Management Development Institute (AMDI), which regularly holds training and education for Astra International employees in management development, management improvement, and knowledge management.

As regards the social aspect, the company has also set up Astra Cooperative to increase employees' welfare and Astra Pension Fund (APF) to provide benefits for retired Astra employees or their beneficiaries.

As regards the environmental aspect, Astra International implements four green company concepts:

1. green strategy;
2. green process;
3. green product; and
4. green employee.

All business operations are done according to the ISO 14001 and OHSAS 18001 standards. The company also performs a high-quality production processes, services and products that are compliant with a green environment and the community, and requires all levels of employees to put its Environmental, Health and Work Safety Management System into practice (see www.astra.co.id).

CSR internal activities: PT Aneka Tambang Tbk. Through its internal CSR program, Antam is committed to creating a more civilized working environment. In the economic aspect, Antam has set up an Education Center for its employees, covering three main programs:

1. Competency Development Program;
2. Productivity Increasing Program; and
3. Career Advancement Program.

In its social aspect, Antam leaves its employees to decide whether they want to join the labor organizations PERPANTAM or SPSI, does not permit the employment of workers under the age of 18, focuses on diversity and equal opportunity for all employees to minimize

discrimination, gives social protection against accidents at work, and provides health insurance and pension funds.

In its environmental aspect, Antam aims to create a safe and healthy working environment following the business operational manuals as stated in its Company Policies on Health and Work Safety, Community Services and Treatments, ISO 14001, PROPER 2005 and AMDAL. The manuals provide guarantees to employees on management's commitment to achieving zero harm for its employees, contractors and communities, and the environment surrounding working areas (see www.antam.com).

The above analysis show that the four companies as the objects of this case study have each implemented internal CSR programs to improve their human resources, achieve health and safety at work and produce healthy, safe, high-quality products for the community.

The internal CSR programs undertaken by by Unilever Indonesia, Sari Husada, Astra International and Antam are strongly related to their core businesses, cover the triple bottom line, implement responsive CSR, ethical CSR, altruistic CSR and strategic CSR, and implement business ethics – both utilitarian and justice – with the aim of creating competitive excellence and a positive reputation so that all companies can face and be successful in competition in their respective industries.

CSR external activities and sustainable development related to the core business: PT Unilever Indonesia Tbk. The external CSR programs run by Unilever Indonesia cover the triple bottom line (economic, environmental, and social aspects). They carry out the responsive CSR, ethical CSR, altruistic CSR and strategic CSR. Sustainable development is accomplished by Unilever Indonesia through strategic CSR in the form of supporting and developing black soy farmers. This program enables the farmers to become suppliers for Unilever Indonesia's soya sauce product and in 2007 it opened up job opportunities for more than 5,000 high-quality black soy farmers with 1,000 hectares of land in Yogyakarta. This program also ensures that the company's business operations and the farmers' welfare go hand in hand.

However, compared to the variety of products manufactured by Unilever Indonesia, the farmers program is not really enough. Unilever Indonesia should also support small and medium-sized enterprises producing the main components for its products, such as supporting and developing farmers in rearing cows for milk or tea plantation farmers to meet its supplies for ice cream and tea products. These activities will enable the community to be not only customers, but also producers.

SMEs can also be developed to be Unilever Indonesia's retailers. For this purpose, Unilever Indonesia can work together with the Cooperative Body, the Indonesian Trade Chambers (KADIN) and province-level associations.

Sustainable development is shown by Unilever Indonesia through its ethical CSR program "Surabaya/Jakarta Green & Clean". This is an activity that sorts wastes that can be recycled, especially Unilever Indonesia's products. In Surabaya Unilever Indonesia started this program in 2001, starting with educating environmental personnel. The program has multiplied fast and in 2002 Unilever Indonesia fully transferred the program to communities, covering 150 local communities in Surabaya and benefiting 55,000 people. The "Jakarta Clean & Green" program started in 2006 and is now managed by 1,200 environmental personnel in 200 local communities in Jakarta. This program shows the company's responsibility for the waste generated from its products and also gives economic value to the communities and personnel involved.

For responsive CSR, Unilever Indonesia carries out the IHPP program. Unfortunately, this program is seen more as a product promotion instead of calling Indonesian people, especially Yogyakartaans, to implement healthy and clean living. The sustainable development through this program may not be achieved once the healthy living campaigns are done by Unilever Indonesia in that particular area.

Unilever Indonesia performs altruistic CSR through its Community Connection program or its Care for Surrounding Area program. In these programs, Unilever Indonesia wants to create employees who pay just as much attention to social care as they do to their daily working performance.

Ethical business principles are also shown in its external CSR programs. The execution of justice principle can be seen – among others – in the black soy farmers program and the utilitarian principle in the “Surabaya/Jakarta Green & Clean” program. These programs demonstrate the company’s responsibility for the waste generated from its products and also give economic value to the communities involved in them (see www.unileverindonesia.com).

From all the external CSR activities it has implemented, Unilever Indonesia has gained several benefits, such as a sustainable business operation, a reputation as a high-performance company with high social care, and a competitive excellence that enables it to sustain itself as the biggest, fast-moving consumer goods company in Indonesia.

CSR external activities and sustainable development unrelated to the core business: PT Sari Husada. The CSR programs carried out by Sari Husada cover only the economic and social aspects and implement a responsive and altruistic CSR to establish sustainable development.

In the economic aspect, the implementation of responsive CSR is carried out by supporting and developing small enterprises producing Melinjo crackers in Kulon Progo. However, Sari Husada should terminate the program now, since it has already achieved 60 members with monthly income reaching Rp. 9m per month, enabling it to be independent. It is time for Sari Husada to focus its program on supporting and developing small enterprises that relate to its core business, like farmers rearing cows for milk. This will guarantee the supplies of Sari Husada’s main ingredients for its products as well as empowering farmers, leading to sustainable business operation. Sari Husada can also support and develop SMEs to be its distributors for its products.

The implementation of altruistic CSR in the social aspect is carried out by the Rebuilding Fund program, a program that helps building employees’ houses torn down by the earthquake in Yogyakarta and Central Java in May 2006. It also helps with paying for children’s education through Sari Husada Peduli Anak Asuh (the Foster Children program) and grants fund to 30 social bodies in Yogyakarta.

Based on the programs implemented, it would be better for Sari Husada to focus its CSR programs on activities related to its core business, for example by funding scholarships for students of vocational schools, diplomas and Bachelor’s degrees in farming to fulfill its need for competent human resources in the future.

Then, to support the government program in creating healthy generations in the future, Sari Husada can help providing nutrition to areas that are considered under-nourished, especially for toddlers. The objective of this program is to instill healthy living in communities. Sari Husada can work together with local NGOs or other organizations that have the same interest to make its CSR programs work successfully.

In the future, it is important for Sari Husada to start external CSR programs for the environment. It can form communities to focus on the waste management of its production process and packaging wastes, so that communities can gain economic benefit.

Sari Husada continues to bring justice and utilitarian business ethics principles through external CSR programs like supporting and developing SMEs and providing school payments in “Sari Husada Peduli Anak Asuh”.

Sustainable development is carried out by Sari Husada through the various external CSR programs mentioned above, enabling it to gain the competitive excellence needed in facing and winning against the competition in the baby and toddler food industry. Another benefit

gained by Sari Husada is the reputation for being a company that has high performance, a high competitive drive, and high social care (see www.sarihusada.co.id).

CSR external activities and sustainable development unrelated to the core business: PT Astra International Tbk. Like Sari Husada, Astra International's external CSR programs cover social and economic aspects only and are the implementation of responsive and altruistic CSR. However, Astra International still tries to establish a sustainable development through Yayasan Dharma Bhakti Astra and Astra Mitra Ventura, which support and develop SMEs to become independent, competent and highly competitive economic entities.

In that context, Astra International should focus more on SMEs related to the company's business core, for example developing and supporting SMEs producing components or spare parts needed for Astra International products. This is important, as many local producers have high-quality components or spare parts, such as the small enterprises in Tegal and Klaten, Central Java. While such a program would provide guarantees on the availability of components, it would also provide opportunities to these small enterprises in improving their product quality and welfare.

The Astra Polytechnic Institute has not given its benefits entirely to the community. Astra International should work together and support the existing Public and Private Polytechnic Schools to produce excellent human resources. Astra International – as a responsible producer – should also educate and train people – as the consumers of its products – in safety and security in using the products and how to take care of them.

In the environmental aspect, Astra International has been involved in an environmental campaign with its greenery programs but they can do better on the issue. As a manufacturer, Astra International must focus on waste or trash (produced by the products) management by establishing and empowering environmental communities. Moreover, in reducing its waste and trash Astra International should develop its technology to fabricate recycle products.

Although Astra International still has flaws, it ensures that the justice and utilitarian business ethics principles are implemented in its various external CSR programs. The Yayasan Dharma Bhakti, Astra Mitra Ventura and Astra Polytechnic Institute are examples of how Astra International tries to up hold the justice and utilitarian principles.

The sustainable development maintained through the external CSR programs has gained Astra International a reputation as a high-performance company with the competitive excellence to face, and win against, the competition (see www.astra.co.id).

CSR external activities and sustainable development unrelated to the core business: PT Aneka Tambang. The external CSR programs implemented by Antam cover responsive, ethical and altruistic CSR and the triple bottom line, and are aimed at managing its mines responsibly and returning them back to the community in a stable condition with economic value. There are two main external CSR activities carried out by Antam:

1. protecting the environment; and
2. involving the local community in developing the local economy.

As regards the environmental aspect, Antam runs its business based on its philosophy to always protect the environment and the diversity of all living creatures inside it, from the exploration stage until the closure of the mines, to build a stable ground and create economic value for the surrounding community.

Antam develops its sustainable environmental policies – profiting from its mines' waste, and managing responsibly – with the cooperation of PT Prasadha Pamunah Limbah Industri (PPLI) in Cibinong, West Java for all B3 Antam waste demolition according to the international standard (World Bank, US-EPA), finding alternatives for the hazardous substances used in the process and replacing them with environmentally friendly products. Antam emphasizes a strategy of gaining additional energy from renewable sources, and

reports its activities to all related instances in central and province levels as its accountability and transparency policy.

In the economic and social aspects, Antam makes social investments to nurture small enterprises, together with the government and community around the mining area. This activity is aimed at improve the community's capacity around the mining area so they will be in line with future CSR programs – i.e. a more efficient and productive community with a sustainable economic development.

Up to now Antam has created a networking and partnership with 2,039 SMEs in nine provinces. In an effort to give sustainable positive outcomes to the local economy, Antam has performed social mapping in its surrounding operational areas together with various universities, research institutes, government agents and non-governmental organizations. Through this social mapping Antam will be able to identify any economic sources or potentials in the area, the level of human resources (hope and expectations), the availability of infrastructures, education, health, and religion facilities, and the risks that may arise.

To maintain its sustainable development, Antam has built renewable economic sources in Gebe Island and the surrounding areas, especially in the fisheries industry, and in the additional value of farming products and sea tourism. For example, the people of Gebe Island are keen to produce coconut oil as well as copra and dried coconut. Antam also works together with the government to finish the construction of ports and an ice factory that will be used to develop the fisheries industry on the island.

Through these external CSR activities, Antam attempts to implement justice and utilitarian business ethics principles as well as showing its commitment to manage the environment where its operations are improving the social-economic condition of the local community.

The justice principle is shown in its economic and social investments to help SMEs around mining areas and the community to be more efficient, productive and independent, especially when the mining process is done. The utilitarian principle can be seen from mining operations that comply to international standards, creating good safety and security in the mining process both for the company and the community around the mining area (see www.antam.com).

Discussion and implications

Analysis of this case studys show that all the research objects – i.e. PT Unilever Indonesia Tbk, PT Sari Husada, PT Astra International Tbk, and PT Aneka Tambang Tbk – have a high commitment to implementing CSR programs, both internally and externally, covering the triple bottom line (Commission of the European Communities, 2001; cited in Jones *et al.*, 2006; and Global Reporting Initiative, 2001; Knoepfel, 2003; both cited in Jamali, 2006). Furthermore, from the various CSR programs implemented, all companies have a high commitment to putting into practice justice and utilitarian business ethics principles (see www.unileverindonesia.com, www.sarihusada.co.id, www.astra.co.id, and www.antam.com).

Based on the companies' characteristics, companies that concentrate in consumer goods – i.e. Unilever Indonesia and Sari Husada – implement CSR programs that may relate or not relate to their core businesses (see www.unileverindonesia.com and www.sarihusada.co.id). Like Unilever Indonesia and Sari Husada, Astra International as a manufacturing company also implements CSR programs that both relate and do not relate to its core business (see www.astra.co.id). As regards Aneka Tambang, its CSR programs tend not to relate to the core business. As a company that explores and exploits natural resources, its CSR programs focus more on preparing social infrastructures, returning the mining area to a stable condition and preparing the community to be independent and prosperous (see www.antam.com).

Furthermore, the analysis of this case study shows that sustainable development can be achieved through CSR programs whether or not they relate to the core business (see www.unileverindonesia.com, www.sarihusada.co.id, www.astra.co.id, and www.antam.com).

These four companies that have implemented various CSR activities have also gained several benefits such as reputation and competitive excellence (Deephouse, 2000; Fombrun, 1996, 1998; all cited in Siltaoja, 2006). The awards and certifications acquired, the ability to manage business operations, and the ability to become a leader in their respective industries, placing the company's shares in the blue chip category, are evidence of implementing successful CSR activities (see www.unileverindonesia.com, www.sarihusada.co.id, www.astra.co.id, www.antam.com and www.bei.org).

The primary data in this case study is only collected from the publications of CSR programs; from the company websites or news coverage accessed via the internet, that may be incomplete and not detailed. Therefore, it will be better to include an in-depth interview with the companies to support the primary data in the further study.

The different patterns obtained from the CSR programs in this case study are limited to the consumer goods companies, manufacturer and mining. As there are many industries in Indonesia, the future research should include more companies from different industries as research objects to obtain more details and various CSR program patterns.

This research, in general, brings specific understanding on the qualitative research method. In particular, it gives more understanding in the importance of all applications in a case study. Procedures, types, designs and data analysis method in the study case can be comprehended clearly.

The result of this case study can improve our comprehension on the CSR concepts and theories, business ethics, sustainable development and reputations used to identify the pattern of CSR programs implemented by the four companies as research objects. Last but not least, the result of the case study gives a detailed understanding of the CSR practices of several companies in Indonesia, based on the companies' characteristics, the relationship of the CSR programs to the core business, CSR programs covering triple bottom line and the sustainability of the CSR programs.

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