



A CHALLENGE FOR COMPANIES IN THE IMPLEMENTATION OF CORPORATE SUSTAINABILITY AND RESPONSIBILITY

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Abstract

A company is an organization that brings together people, commonly referred to as employees, to carry out household activities for the company's production. Almost all companies have the goal of maximizing profits and value for the company and also to improve the welfare of owners and employees. In addition, the company must pay attention to the company's operational activities. Human Resource Management is a field of management that specializes in studying

human relationships and roles in companies. Elements of Human Resource Management are humans who are workers for the company. This study aim to review Challenge for Companies in the Implementation of Corporate Sustainability and Responsibility. The Company By keeping 3Ps (profit, people, planet) in mind, a company is trusted by shareholders to be able to continuously pursue potential markets for sustainable products and services, and at the same time be successful in reducing and avoiding ongoing costs and risks.

Keywords: Company, of Corporate Sustainability, Responsibility

INTRODUCTION

Amidst the fierce competition in the business world, management of a company strives to ensure the survival of the company in market conditions where demand is declining and financial costs are increasing. In such condition companies are in need of creative and non-conventional thinking. Focusing solely on financial health will not ensure the sustainable growth of the company. A company's sustainability will be guaranteed if the company pays attention to other related dimensions, including the social and environmental dimensions. Facts have shown how the resistance of the local community has surfaced against companies that are considered negligent towards social and environmental factors.

According to Gray and Milne (2002), sustainability emphasizes not only the efficient allocation of resources over time, but also the equitable distribution of resources between present and future generations. Three key elements in the implementation of Corporate Sustainability Management can be realized by integrating economic, social and environmental factors known as the Triple Bottom Line (Dyllick dan Hockerts, 2002). In addition to pursuing profits, companies must also pay attention to and be involved in fulfilling community welfare and contribute to preserving the environment. Focusing on one single aspect without considering the others is like driving by just looking at the road while ignoring the road signs.

The practice of implementing sustainability in Indonesia is still fairly low. When compared to 469 companies listed on the Indonesia Stock Exchange in 2012, only 40 companies made sustainability reports as a means of communicating their social and environmental responsibility activities to the public.

This is because in the implementation of sustainability there are mindset issues that proved to be a barrier for companies in Indonesia in implementing Corporate Sustainability Management. The emerging mindset issues include: (1) sustainability is related to the future, business is related to the present; (2) environmental and social efforts only compromise the

company's profit; (3) sustainability is only for big companies, not for small companies; (4) customers don't care about sustainability, they just look for the cheapest price.

Therefore, this study aimed to address the mindset issues which present a challenge for companies in implementing corporate sustainability management. This study is hoped to quell the doubt among Indonesian companies in regard to implementing corporate sustainability management.

LITERATURE REVIEW

Corporate Sustainability

A company is an organization that brings together people, commonly referred to as employees, to carry out household activities for the company's production. Almost all companies have the goal of maximizing profits and value for the company and also to improve the welfare of owners and employees. In addition, the company must pay attention to the company's operational activities. Human Resource Management is a field of management that specializes in studying human relationships and roles in companies. Elements of Human Resource Management are humans who are workers for the company (Suwatno & Priansa, 2016:16).

These days, company goals include working to create a better future every day; making customers feel comfortable, look good and enjoy life more through products and services that provide benefits for them, as well as for others; inspire people to take small actions every day that when combined will make a big difference to the world; and constantly developing new ways of doing business that allow it to grow while reducing environmental impact. The positive impact of the achievement of company's goals is the long-term sustainability of the company.

Corporate sustainability management take into accounts the fact that irresponsible economic actions make it difficult to preserve the division of labor and a livable planet in the long term. This pertains to the long-term well-being of people, including the business itself. It aims to find answers about how we can meet our needs without destroying the natural and social resources of future generations.

The Concept of Corporate Sustainability Management

Sustainability emphasizes not only the efficient allocation of resources over time, but also the equitable distribution of resources between present and future generations.

Championing sustainability requires understanding in changes in environmental and social economic activities that are likely to lead to new decisions that are more just, democratic and participatory (Gray and Milne, 2002).

According to Dyllick and Hockerts (2002), three key elements in the implementation of Corporate Sustainability Management can be realized by integrating economic, social and environmental factors known as the Triple Bottom Line. The Triple Bottom Line was first introduced by Elkington (1997) who viewed that companies that want to be sustainable must pay attention to the **3Ps**. In addition to pursuing **profit**, companies must also pay attention to and be involved in fulfilling the welfare of the community (**people**) and contribute to preserving the environment (**planet**). Triple bottom line is used as an external reporting tool designed for shareholders and other users of financial statements. In addition to reporting information on the company's economic performance, the triple bottom line also reports periodic information (quarterly or annually) on the company's performance related to environmental and social dimensions. It is divided into three components (Wibisono, 2007:11), namely:

1. Profit: Profit is the most important element and the main goal of every business activity. Companies must still be oriented to seek economic benefits that allow them to continue to operate and develop. Measures that can be taken to increase profits include increasing productivity and implementing cost efficiency, so that the company has a competitive advantage that can provide maximum added value.

2. People: Companies must have a concern for human welfare. Realizing that the community around the company is one of the important stakeholders for the company, because the support of the surrounding community is very necessary for the existence, survival and development of the company. People are an inseparable part, so companies need to be committed to strive to provide the maximum benefit to the community. For example, providing scholarships for students around the company, establishing educational and health facilities and strengthening local economic capacity.

3. Planet: There is a causal relationship between a company and the environment, where if the company takes care of the environment, the environment will provide benefits to the company. Companies are required to care about the environment and the sustainability of biodiversity. For example, greening the environment, improving settlements and developing tourism (ecotourism).

According to Alexander Dahlsrud (2006), the five dimensions can be described by a table of the 5-dimensional CSR scheme. The five dimensions are a summary of the definitions collected and built in the process of understanding the concept of CSR. These dimensions are

actually described in the company's real actions through programs with environmental, social, economic, stakeholder and purely voluntary dimensions.

From several studies on the dimensions of CSR, all of these dimensions will ultimately lead to a motive or economic action compared to voluntary actions based on ethics and morals. Thus, it can be concluded that companies carrying out CSR programs with cost consequences are not sincere but rather motivated by the company's rationality to increase economic value.

Corporate Responsibility

Corporate responsibility (CR) is about the impact an organization makes on society, the environment and the economy. Having an effective CR program makes a positive contribution to all stakeholders as well as adding value to the organization itself and ensuring it operates sustainably.

It goes without saying that company responsibilities are important, and the role of human resources is vital in realizing them. Factors and mechanisms affecting corporate responsibility include legal and voluntary action, partnerships with external agencies and social and environmental reporting. The fact sheet also outlines the current debate on corporate responsibility, examining its proponents and opponents. It concludes with guidelines for introducing corporate responsibility strategies that apply primarily to entrepreneurs and professional persons.

Corporate responsibility, also known as corporate social responsibility (CSR) or business sustainability, is about the ethics that drive organizational activities and how organizations operate so that they can survive in the long term.

CR begins by recognizing that the organization's activities have a positive impact on society, the environment and the economy, as well as the workforce in the company, and the company builds a commitment to maximize the positive impact of its operations for all its stakeholders. Value creation is not just a financial issue. Indeed, this traditional shareholder value approach to business and the short-term that often accompanies this is the main reason for the global economic crisis and various other environmental and ethical enterprise disasters – we take a brief look at social value creation below. An organization is committed to maximizing the positive impact of its operations for all its stakeholders.

Corporate Social Responsibility (CSR)

Many companies are also observers who emphasize CSR on social aspects only. Considering S = Social, the social aspects in CSR must be dominant and prominent. However, in some literature, CSR currently includes economic, social and environmental aspects. This is

particularly true after sustainable development becomes the mainstream of thinking, although it has not yet become the mainstream of action.

The goal of CSR is business sustainability. Sustainability can be defined as a healthy environment, prosperous society and a strong economy (Brundtland Report, WCED, 1987). Thus, through CSR, the company is expected to improve its image in the eyes of the public. Thus, CSR must be carried out by the company concerned, not by other parties, while still involving the government, local communities, NGOs and others to get input and improve CSR programs.

Many people misunderstand CSR. CSR is often understood as social work and giving-back to the community. CSR is also widely assumed as a company obligation because the company has taken profit from the community. CSR is intended for stakeholders outside the company (general public, communities around business locations and the government). Thus, more than 100 countries have agreed on the social responsibility guidance standards formulated in ISO 26000.

ISO 26000, with the scope of CSR concerning upstream to downstream, must be prioritized for stakeholders in the company, CSR is part of business investment, so that with the right CSR program it can increase share prices.

CSR Scope

There are many versions regarding the scope of CSR, but from many articles on CSR implementation, many companies refer to ISO 26000 which is a social standard, where ISO 26000 focuses on how companies, institutions and agencies have responsibility for their social environment, as well as guidelines for sustainability reporting or reporting. Global Reporting Initiative (GRI).

Although ISO 26000 is not a standard, many companies prefer to work with companies that already have ISO 26000 certification, which serves to provide guidance/guidance in social responsibility activities. This guide is not only intended for companies, but also for all organizations that are intended to make a profit or not. Therefore, in ISO 26000 the term CSR is not used, but SR-Social Responsibility. There are 7 (seven) scopes (in ISO 26000), namely:

1. Organizational Governance, companies or organizations need to have governance taking into account social conditions. Accountability, transparency, ethics, and stakeholders are important factors that need to be considered in the decision-making process.

2. Human rights, companies or organizations need to participate in efforts to reduce acts of discrimination, torture, and exploitation. For example, related to risk avoidance or actions to protect vulnerable communities.
3. Labor practices, companies or organizations need to pay more attention to their labor rights. This aims to prevent unfair competition that can lead to exploitation and actions that can hurt the workforce. For example, there is protection for workers related to safety and health.
4. Environment, company or organization needs to seek a definite shift in production patterns. From initially using unsustainable materials or processes, as much as possible gradually replaced with sustainable processes and resources.
5. Honest business practice, it is necessary to practice healthy activities in all institutions in order to produce healthy business practices so that together they can build a sustainable social system.
6. Consumers, customer service can be done in various ways. Starting from providing relevant information, protecting consumer health and safety, to protecting privacy.
7. Community involvement and development, the activities made should also involve sustainable social conditions. For example, the programs carried out are aimed at increasing the level of education, empowerment, or entrepreneurship, so that later it will generate independence for the community.

This scope also refers to the guidelines for preparing CSR activity reports, namely GRI Reporting. Many companies prefer to use the GRI format because it covers all aspects of sustainability, namely economic, environmental, and social, and is equipped with fairly complete indicators.

CSR Goals

In every business, what is expected is the sustainability and stability of the business, because sustainability will bring maximum profit for the company. There are at least three important reasons why the business community must respond to CSR so that it is in line with the guarantee of the company's operational sustainability (Wibisoni, 2007).

First, the company is part of the community and therefore it is natural for the company to pay attention to the interests of the community. Companies must realize that they operate within a community environment. This social activity functions as a compensation or reciprocal effort for the control of natural resources or economic resources by companies which are sometimes expansive and explorative, as well as social compensation due to discomfort caused in society.

Second, business and society should have a symbiotic relationship of mutualism. To get support from the community, it is natural for companies to be required to make positive contributions to society, so that harmonious relationships can be established, and even the image and performance of the company is boosted.

Third, CSR activities are one way to reduce or even avoid social conflicts. Potential conflicts can be the result of the impact of the company's operations or the result of structural and economic gaps that arise between the community and the components of the company.

CSR Benefits

CSR is defined as the company's or organization's commitment to continuously act ethically, operate legally and contribute to economic improvement, along with improving the quality of life of workers and their families as well as local communities. The benefits of CSR for companies include:

- **Boost Company Image**

With CSR, it is easier for the public to recognize a company as a company that does good by the community.

- **Strengthen Company Brand**

By doing a kind of product knowledge, free product introduction to the public, consumer awareness of the existence of the company's products will form, thus improving the company's brand position.

- **Develop Cooperation with Stakeholders**

Companies in implementing their CSR programs will not be able to work alone, and need the help of related parties, such as the community around the company's location, the government and traditional leaders, as well as students from local universities.

- **Differentiate a Company from its Competitors**

CSR programs that are carried out well by the company in accordance with the programs that have been discussed together will produce something good, which in turn will affect the company positively in terms of recognition and differentiate it from the competitors with similar products and services.

- **Produce Innovation and Learning to Boost Company Influence**

With a CSR program, the company will think about changes and innovation breakthroughs consistently, which in turn will provide opportunities for companies to develop themselves and improve the company's role and position in global business.

- **Open Access to Investment and Funding for the Company**

Company leaders are aware that CSR programs are very important in increasing investment, because investors today tend to prefer to invest in companies that have been proven to have developed CSR programs. This is evidenced by the number of investment or banking companies that require companies that want to apply for loans to have CSR programs.

Furthermore, the benefits of CSR for the community include:

- **Improved community welfare and environmental sustainability**

There are many practical examples from the implementation of CSR programs built by the company with good results, and show that the program brings the community to try and strive to improve economic conditions, education, health as well as local environmental management. Programs that are well structured and in accordance with local needs as well as the company's strategic plan will be directly proportional to the welfare of the local community.

- **Scholarships for underprivileged children in the area around the company's location**

One form of CSR leads to community empowerment, one of which is related to the nation's intelligence. In certain subsectors such as mineral and coal mining, the education and skills of the communities around the mine sites are highly considered, which can be realized by providing scholarships for local residents that are adjusted to the company's ability to allocate CSR budgets in the education sector.

- **Improved public facility maintenance**

Many national companies place CSR programs as community empowerment, where one of the targets is the maintenance of public facilities needed by local communities, for example, repairing road facilities, relocating and rebuilding traditional markets, maintaining lighting facilities for villages around the company's activity locations, and other improvements, which are really needed by the local community on a daily basis.

- **Village development or social facilities that are useful for the community around the company's activities**

Similar to the previous benefits, one of the company's efforts in the CSR program is the construction of vital public facilities, such as health facilities, including the construction and improvement of regional hospitals, construction of health centers and schools. In fact, companies that have long operations are building transportation facilities such as airports and ports. This can certainly be a form of achieving the company's strategy in achieving the goals that have been set. Thus, it can be seen that the CSR program built by the company can help the community and the environment around the production operation area

DISCUSSION

CSR Misperception

Many perceptions arise in interpreting the Indonesian version of CSR. The private sector is trying to find understanding by looking at what companies have done abroad and studying some guidelines related to CSR. On the other hand, the central and local governments are also starting to look for their own definition and understanding of CSR, which ultimately leads to the company having to allocate a budget for CSR. In fact, some also interpret CSR as a source of development financing or even a source of regional income.

As is known, the purpose of CSR is business sustainability. This means a healthy environment, a prosperous society and a strong economy (Bruntland Report. WCED, 1987). Practically, through CSR the company is expected to improve the company's image in the eyes of the community. Thus, the CSR program must be carried out by the company concerned.

Misperceptions about CSR can lead to wrong actions. The scope of CSR consists of all activities that have a positive impact on social, economic and environmental aspects. These three aspects will be interrelated and influence each other, which in the end will have a positive impact, namely the achievement of community welfare and independence from an economic perspective, plus a well-maintained and green environmental condition.

Therefore, CSR can be defined as company investment, not consumable costs. CSR is an investment that can improve the company's image that will differentiate it from other companies. Each company has its own unique CSR development program. In other words, it enhances excellence and creates competitive value and is well-known among industry and the general public.

For this reason, a broad and deep understanding is needed in interpreting CSR, whether among companies, the community and the government. Misunderstanding what a CSR program is will be very detrimental to the company, because it might result in an increase in production costs which in turn will result in an increase in the price of goods/services produced by the company. This will compromise investment opportunities because investors lack confidence in the company due to the company's unfavorable condition and inefficient business management.

Partial perceptions in understanding CSR often appear among the general public and people and companies often believe that:

- CSR is separate from the core business of a company
- CSR is only for big companies
- CSR organization is just a label
- CSR only highlights the social aspects
- Community development is the same as CSR

- CSR is only cosmetic in nature for company image
- CSR does not concern with customers
- CSR is not for supply chain

CSR Model

There are at least four CSR models or patterns that are generally applied by companies in Indonesia, namely:

1. **Direct involvement.** The company runs its CSR program directly by organizing its own social activities or handing over donations to the community without intermediaries. In practice, the company appointed one of its officers to be part of this task.
2. **Through company's social foundation or organization.** The company establishes its own foundation under its company or group. This model is an adoption of a model commonly applied in companies in developed countries. Usually the company provides start-up funds, regular funds or endowments that can be used regularly by foundation activities.
3. **Partnering with other parties.** The company cooperates with social institutions-NGOs, universities or foundations that manage CSR activities as well as manage activity funds.
4. **Joining a consortium.** The company co-founds, becomes a member or supports a social institution established for a particular social purpose. This model is more oriented towards grants, particularly development grants. The consortium or institution like this is trusted by the companies that support it pro-actively seek cooperation partners from the operational institutions and then develop mutually agreed programs.

The community empowerment process can be carried out through several stages, starting from:

- a. determine the target population or group
- b. identify issues and needs of the target group
- c. plan program of activities and ways of implementing it
- d. determine sources of funding
- e. identify and invite parties to be involved
- f. carry out activities or implement programs
- g. monitor and evaluate activities

Empowerment activities are usually carried out in groups and organized by involving several strategies such as education and training, skills, productive economy, social care, awareness and changing attitudes and behavior, advocacy, mentoring, social action to be more responsive to the needs of the target group.

The community development program is based on a participatory, humanist and emancipatory approach based on the following principles:

- a. work together, play an equal role
- b. helping people to help themselves and others
- c. empowerment is not a one-night activity
- d. activities are directed not only to achieve results, but also to master the process.

CSR Contribution and Community Self-reliance

The ideal CSR program is one that is able to create community independence, improve the local economy and deliver and prepare the community to achieve social justice goals. These things will be difficult to achieve if the company does not understand the importance of stakeholders. In addition, CSR programs really need the cooperation, collaboration and participation of stakeholders.

A company's CSR activities are expected to make a major contribution to sustainable development, which includes economic, social and environmental aspects. In the economic aspect, CSR can help build the local economy.

Companies through CSR can contribute to solving unemployment problems through improving the local economy. Evidently, at this time Indonesia cannot expect much from the government to solve this problem, so companies must proactively contribute to alleviating citizens from poverty and reducing unemployment.

Building the local economy is not an easy task. Often, the obstacles and challenges to the development of an area are the culture of the local community itself. For example, people in Java who tend to be consumptive will spend their income after receiving it from work. Nothing is allocated for savings or for future needs, both short and long term. This condition will cause them to look for shortcuts to get additional income and the tendency to commit corruption is quite large.

Other examples are observed among people, namely dependency mentality. This can be seen from the force majeure conditions due to natural disasters in an area, which resulted in a large flow of donations and assistance for the needs of the affected community. Gradually this condition will form the mentality of the people who are very dependent on donations, which in the end is the mentality of demanding rewards for all forms of activity. This habit will make them very dependent on donations and will demand money for everything. Even if they are involved in activities that are fully devoted to their needs, demands for rewards will still arise. In the end, this condition will create laziness and lack of motivation to try.

This resulting cultural condition requires innovation to be changed, which is certainly not a simple task. Companies must find the best way and focus on the main problem, namely reviving local wisdom which is the noble value of local residents, which brings back a positive mentality and proactive action. How can this be done? With a cultural approach, which in its journey requires a lot of innovation, which is adapted to the times.

What is the strategy for local economic development? With the traditional approach by doing: capacity building, focus on improving the quality of life and information flow.

Capacity building is carried out by developing expertise for the community in certain fields as well as forming an entrepreneurial mentality, by building a mentality that is unyielding, tenacious, creative and understands cooperation and proactive action.

Currently, access to information and the development of information technology make it easier to access information or even disseminate information, so that companies can provide facilities and access to the public as well as provide briefing on how they market their products to the market, so that market access for the community around the company will increase. more open.

Economic development through CSR requires hard work, collaboration and long-term commitment. CSR activities are long-term investments for companies. The impact will also be very significant, both for the company and for national development.

Challenges for CSR

Efforts to implement CSR itself are not without obstacles. Among economists themselves, there was also a cynical reaction, for example, criticism of the concept of CSR with the argument that the main goal of the company is essentially to maximize profits for shares at the expense of other things.

There are also people who think that the reason why companies want to do social projects is because there is a commercial advantage behind it all. Namely, raising the company's reputation in the eyes of the public or the government. Therefore, business people must show tangible evidence that their commitment to implementing CSR is not a joke.

The benefits of CSR itself to business people also vary depending on the nature of the company concerned and are difficult to measure quantitatively. However, there is a large amount of literature showing a correlation between social/environmental performance and firm financial performance.

CSR is finally understood to benefit companies. But, of course, companies are not expected to receive short-term financial rewards when they implement CSR strategies. Because that is not the goal.

One of the challenges in implementing CSR is violent conflict. In general, violent conflicts that occur are often experienced by companies and local communities. Most of the reasons for the conflict were rejection against a company to operate in the vicinity of the community's residences and protests that their land had entered the company's concession area. Other conflicts may be caused by excessive public demands for corporate CSR. This conflict situation can be detrimental to the company and increase the risks faced. It can also be said that conflict is also an impact on the company's operations. So, a company that is able to overcome conflict means that it can increase its competitive advantage because it can run its operations smoothly and safely.

The most widely used way to resolve conflicts is negotiation with several authorities. The conventional approach is to react to conflict, but overall prevention is better.

There are several alternative conflict resolutions. Companies have a choice between acting alone or in collaboration and acting directly or indirectly. The problem is, when is the right time for companies to act alone, collaborate, act directly or otherwise. The determination of this strategy is of course very dependent on the level of risk that can be posed by the parties related to the conflict. For this reason, it is better at the initial stage for the company to map out the parties related to the conflict, so that further conflict resolution can be carried out based on the priority risks that can be raised by each priority stakeholder.

Conflict greatly disrupts the smooth operation of a company; therefore, the company should make preparations by predicting the risks posed by each stakeholder with the aim of identifying the actions that must be taken in the event of a conflict. The following table is an example of conflict resolution based on the level of relevance of the stakeholders.

The Relationship between Sustainability and Social Responsibility

Sustainability itself is closely related to CSR because the meaning of sustainability is meeting the needs of the present in ways that do not endanger the ability of future generations to sustain themselves. So, corporate practices that can reduce the opportunity for future generations to get a decent life must be avoided, such as the opportunity to enjoy fertile soil and easy-to-live plants, clean and fresh air, and a healthy life. Thus, sustainability is the ultimate goal of all types of business and CSR is the "vehicle" to achieve that sustainability.

From CSR reporting (GRI), the reported economic aspects include financial performance and costs incurred for workers and suppliers. Environmental aspects include the use of raw materials, energy and water; biodiversity; amount of waste generated. The social aspect includes four things, namely labor practices, human rights, society, and product responsibility.

The growing phenomenon today demands changes in the order of life in various fields ranging from politics, economics, social, and culture. This tendency continues to be on the agenda for major changes in society, which expects justice and opportunities to realize sustainable common prosperity (sustainable development).

Sustainable development requires a harmonious relationship between government, business and society. Each stakeholder plays their respective roles in accordance with their capacities and competencies. The business world as one of the stakeholders plays an important role because of its potential in terms of capital and human resources.

The participation of the business community in sustainable development is the development of corporate awareness programs for the surrounding community through CSR, which aims to create and maintain a balance between profit making, social functions and environmental preservation.

Therefore, CSR is a management concept that uses a triple bottom line approach, a balance between making profits, must go hand in hand with social functions and environmental preservation for the realization of sustainable development.

CSR in the Perspective of Sustainable Development

CSR is a global issue in addition to democracy and human rights. Currently, the success of the CSR program is one form of the company's performance achievement. Conceptually, CSR also often intersects and is often equated with corporate responsibility, corporate sustainability, corporate citizenship and corporate stewardship.

The increasing demand for companies to practice CSR is actually inseparable from the fact that the company's existence is increasingly having a negative impact on the community and the surrounding environment. The CSR program has become an important issue related to environmental issues and sustainable development. This is triggered by the many disturbances and damages, both physical, psychological and social as a result of the management of resources that are not managed properly. Samekto stated that environmental damage is transboundary and then appears and destroys the ozone layer, resulting in global warming, destruction of biodiversity and other environmental damage.

The low awareness to implement CSR programs in Indonesia is a very risky thing considering the global community's concern for environmentally friendly products and human rights principles.

The environment is an important aspect of CSR so that the concept of sustainable development should be reflected in the CSR program. The concept of sustainable development emerged as a response to sustainable developments.

CSR and sustainable development become important when linked to environmental issues. The demand for implementing CSR programs must inevitably be carried out, due to the fact that companies exploit natural resources 30 percent beyond the ability of nature/environment to provide them. Therefore, the concept of sustainable development needs to be embedded. According to Sonny Keraf, the paradigm of sustainable development must be understood as a political ethic of development, which is a moral commitment about how development should be organized and implemented to achieve certain goals.

As set out in Law Number 40 of 2007 concerning Companies, and several other regulations, CSR obligations have shifted from a moral obligation to a legal obligation so that in its implementation it can be enforced. Thus, to make it happen, the CSR programs that are built must be oriented towards sustainable development.

In order to create programs that are oriented towards sustainable development, especially environmental sustainability, the Dasakarya on environmental management serves as a guide in its preparation, which includes efforts to:

- a. Preserve the environment
- b. Increase environmental carrying capacity
- c. Improve environment quality
- d. Mobilize the protection and utilization of flora and fauna diversity
- e. Coordinate the integration of human resources, natural resources and artificial resources in environmental management
- f. Strive for optimal use of regional space
- g. Normalize environmental functions by reducing the risk of environmental destruction
- h. Spur community participation
- i. Anticipate and rely on environmental information systems and environmental ecosystems
- j. Utilize science and technology for environmental management and environmental management law enforcement.

These ten efforts are strategic guidelines in the implementation of sustainable development and must be implemented in an integrated manner in every development activity, whether carried out by the central and regional governments, the business world and the wider community.

Through CSR programs that are oriented to the Dasakarya environmental management and CS practices as listed in table 4, it is hoped that the outcome of CSR is to place business entities to participate in realizing the concept of sustainable development.

CSR implementation in companies

CSR as a Strategic Concept

Companies should always strive to achieve brilliance with competitive advantage in the market. In other words, companies must be able to create strategies to deliver their products and services in order to create greater value for customers.

All of this can be done with strategic management which consists of planning business development as a guide for the company while struggling to achieve its mission, goals and ideals as well as being able to maintain a healthy direction for the company's growth.

The condition of the practice of the business world in the past which tended to be negative gave rise to the discourse of CSR, which in turn became the need to change the image of the business world that was maintained in a sustainable and environmentally friendly manner. Over time the understanding of strategic management in CSR has developed, not only controlling the market (customers), but also controlling stakeholders. This opinion is supported by Ann Svedsen in the book *The Stakeholder Strategy* (1998).

The concept of stakeholder itself has undergone several fundamental changes. Previously stakeholders refer to investors, boards of directors, management, customers, suppliers, and government, now it is becoming more broadly involving employees, trade unions, the general public, and special interest groups. However, several experts answered that the company's paradigm shift made them realize that they were part of their environment that needed to be cared for properly in order to live together in a sustainable manner.

In the last ten years, there has been a positive trend that has developed quite prominently in the form of real and grounded efforts, which are carried out and based on good intentions to improve the social, economic, and cultural conditions of the community, as well as to preserve the environment.

Socially responsible business considers not only what is best for the company but also what is best for society at large. Businesses have responsibilities to several key stakeholders, including the community within the radius of business operations and the environment.

CSR as an Effective Promotion Program

The implementation of CSR can be packaged to seek a positive image or as a very effective company promotion tool. Beyond just promotion, although this is not the goal, it appears that competitive advantage can be obtained by integrating various social and environmental considerations into business strategy.

Philip Kotler says that if you do something but do not tell other people, they may think that you did not do anything.

In principle, CSR communication is the same as product or service marketing communication to change the target's perception to be positive. However, CSR is an invisible/tangible product and does not immediately show results, so the communication strategy becomes complicated and is aimed at touching their feeling side rather than their thinking side. This communication will be more effective if stakeholders are directly involved with the programs and activities carried out. For this reason, the message format is generally in the form of publicity (show it) of an activity that is carried out not just telling (tell it). It is evident that many responses and interests have arisen because of this publicity, for example the program in the mass media, Metro TV. This program is designed to disseminate the need for CSR implementation for companies, so that this opportunity is used by companies to convey a message that the company is very concerned and involved in every community empowerment program and the benefits are felt by the recipients of the program.

This communication does not need to wait until a crisis arises, although many companies are hesitant to submit their CSR programs. The company's concern that there will be a rush of requests for assistance is one of the reasons for the company, in addition to some companies stating that they do not need to show their CSR programs to the public. This condition shows that there are still doubts among them whether the CSR program they are doing is right on target or has been well organized and planned, and has clear goals.

For this reason, strategic communication is needed for CSR programs so that companies can understand the basic concepts of the CSR programs that they have built as a form of companies that have implemented CSR programs with clear objectives. Keep in mind that if we allow other people to make a wrong perception about the company, then we are justifying it.

CSR Program

As is known, the implementation of CSR in Indonesia emphasizes community development activities (community development-comdev). In the implementation of comdev there is a collaboration of common interests between the company and the community, participation, productivity and sustainability. Comdev can be said to be the **SOUL** for implementing CSR activities. Especially in Indonesia, the implementation of CSR is indeed more appropriate for community empowerment programs. It is hoped that with CSR activities with Comdev in mind, the company's strategic goals can be achieved, in addition to optimum profits and benefits for the community.

Community empowerment is essentially how individuals, groups or communities try to control their lives and try to create a future according to their ideals or desires.

Comdev focuses on efforts to help community members who have the same interest to work together, by identifying common needs and then carrying out activities together to meet those needs. Comdev is also often implemented in the form of (a) development projects that enable community members to obtain support in meeting their needs (b) campaigns and social actions that enable their needs to be met by other responsible parties (Payne, 1995).

Some of the programs implemented by many companies in Indonesia are:

1. Empowering MSMEs: for example, the establishment of the Small Medium Enterprise Program by PT Riau Andalan Pulp and Paper. The form of involvement of local entrepreneurs in the production process, both in the forestry sector and the production sector
2. Development of cattle and duck farms by PT Telkom, so as to empower the production and marketing of salted eggs and the establishment of financial institutions as distributors and managers of funds for this informal sector.
3. Ancol helped to plant mangrove trees along the Cilincing coast. In addition to maintaining the natural habitat around the mangrove tree area, the program will also have an indirect impact on the beaches that are “controlled” by Ancol himself. Abrasion is minimal, coastal pollution is pretty much resolved; sea water quality is improved; and finally, Ancol became a fun recreation area.
4. One fish cannery company, Mackarel, also does the same thing. This company does not accept fish from fishermen caught in certain nets that can damage coral reefs. Even this company also provides a special net for it. Although coral does not have a direct impact on the fish caught by Mackarel, but in marine symbiotes, coral damage in the long term will reduce the population of fish that will be canned.
5. In the mineral and coal subsector, the implementation of this CSR is a mandate of Law Number 3 of 2020 concerning Mineral and Coal Mining. With the aim of encouraging the economy, education, socio-culture, health and environment of the community around the mine, both individually and collectively, to become better and more independent.

The scope of community empowerment is grouped into 3, namely the Ring I, Ring II and Ring III communities.

In its implementation, there are several stages of preparation of Blue Print, Master Plan, Annual Plan, Implementation and Reporting. The Main Program for community empowerment in the Minerba subsector consists of 8 programs, namely (1) Education (2) Health (3) Real income level or employment (4) Economic independence (5) Social and cultural (6) Providing opportunities for local communities to participate in sustainable environmental management (7)

Establishment of community community institutions to support independence (8) Infrastructure supporting PPM.

Some of the results of the implementation of community development in the mineral and coal mining sub-sector:

- a. PT Kaltim Prima Coal, which has a very complete program, including grant assistance to citrus farms, making farmers very productive with very good quality agricultural products.
- b. Several companies develop cattle farming, plantations, fisheries and tourist sites.
- c. Kontribusi dalam proyek-proyek infrastruktur utama.

CSR in micro, small and medium enterprises (MSME)

The awareness of MSME actors in implementing CSR is an implementation challenge from the implementation of the Corporate Social Responsibility (CSR) Law, namely Law no. 40 of 2007 concerning limited liability companies. The rules and guidelines related to technical guidelines for implementing the law are not yet fully understood by MSME actors. MSMEs are usually (though not always) built with initial capital to meet the income of the owner's family. Then the company's goal will develop to help others or around to get a decent income.

At this stage, in fact, SMEs have been doing CSR unconsciously. Some MSMEs even specifically empower underprivileged communities or women who are economically vulnerable.

The social impact of MSMEs at this level has actually helped. However, it may not be detailed or well structured so that the social impact has not been seen in the reporting.

MSMEs often have strong ties to consumers or the communities in which they exist. Because for MSMEs, customers are people they meet every day. It is rare for MSMEs to have a marketing office that is different from the place of production or the office where these MSMEs work. In a simple study, 72% of consumers actually believe that MSMEs are more likely to have an impact on local residents or their communities than large companies.

To be able to implement CSR which can then be used as a marketing and branding tool, MSMEs need to structure and inventory what activities they have done and are included in the CSR category. Owners or CEOs of MSMEs should be directly involved in this process so that a clear concept of CSR implementation can be delivered.

Oftentimes in many companies, CSR is carried out separate from company operations with little to no CEO involvement. As a result, a lot of coordination does not occur well, causing wasteful CSR program and the resulting impact is not commensurate with the effort or expense made.

To maximize the positive impact of CSR, CSR strategies must be carried out in a coherent manner and become an important part of the work of every MSME owner. The

alignment of CSR programs should start with the investment and audit of all existing initiatives. To carry out effective CSR, it can be divided into 3 workspaces.

1. Focus on Philanthropic Process

In this workspace, the CSR work process will not have a direct impact on the company's performance. This is what many have done in the early days of CSR implementation. Examples of this workspace are giving donations, distributing products to victims of natural disasters and the like.

2. Focus on Increasing Company Effectiveness

In this workspace, the CSR process is carried out by making inefficient processes into efficient ones. The purpose of this workspace is to reduce expenses or increase income. Or both.

3. Focus on Changing Business Models

In this workspace, a business model is built to be a solution to existing problems.

MSMEs tend to have limited resources, so the CSR provided does not necessarily have a significant impact. Therefore, there are several things that can be done to have a more meaningful impact. Collaboration between MSMEs is needed. It may lead to better performance. However, it is better if CSR collaboration is carried out in a more structured framework. A restaurant MSME business can cooperate with spices and food raw material MSMEs, for example, to collaborate in making ready-to-eat food products that are given to orphanages or parties in need. Collaboration with other non-profit companies can also be one way to have a more significant impact.

CONCLUSIONS

By keeping 3Ps (profit, people, planet) in mind, a company is trusted by shareholders to be able to continuously pursue potential markets for sustainable products and services, and at the same time be successful in reducing and avoiding ongoing costs and risks.

Low awareness of corporate sustainability among companies may be caused by a number of mindsets, including (1) sustainability is related to the future, business is related to the present; (2) environmental and social efforts only compromise the company's profit; (3) sustainability is only for big companies, not for small companies; (4) customers don't care about sustainability, they just look for the cheapest price. They raise doubts on companies to implement sustainability in short-term planning and long-term planning.

The various case examples above suggest that the implementation of sustainability will provide continuous development. Sustainability also offers companies new ideas and opportunities to stimulate innovation, improve relationships with local communities, increase efficiency and productivity and differentiate the company from its competitors in a highly

competitive market. So, doubts among businesses about the implementation of sustainability should be dispelled, because when handled properly, the implementation of corporate sustainability management may prove to be a blessing for the company.

Islam strongly supports Corporate Social Responsibility (CSR) because it is no doubt that business creates many social problems and companies are responsible for them. Businesses need various natural resources for business continuity, thus, companies are also responsible for maintaining and preserving them.

CSR in Indonesia emphasizes COMMUNITY DEVELOPMENT activities (community development-COMDEV). COMDEV can be said to be the SOUL in the implementation of CSR activities. It is hoped that CSR activities with COMDEV, company's strategic goals can be achieved, in addition to optimum profits and benefits for the community.

CSR is a way for companies to make a profit. Indeed, the profits will not happen in the short term. However, from the experience of companies that build CSR programs, profits can be felt by the company in the long term, where the company's success in building CSR can be seen from how CSR is part of the company's strategy to achieve company goals.

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