

Knowledge Management of Sustainable Corporate Social Responsibilities Astra Group

Henita Rahmayanti¹

¹(Faculty of Economics and Business, Airlangga University, Surabaya, Indonesia)
Corresponding author: Henita Rahmayanti

ABSTRACT. Astra was officially established in 1957 engaged in automotive. Astra has been listed in Indonesia Stock Exchange since April 4, 1990. PT. Astra International, Tbk has 214,835 employees in 208 subsidiaries, associated companies and jointly controlled entities running seven business segments. The seven business segments of Astra are: Automotive, Financial Services, mining & energy equipment, agribusiness, logistics infrastructure, information technology and property. The aims of this paper are providing further description of Astra's strategy in running a sustainable CSR. This research uses descriptive qualitative method and literature study. This research resulted in a strategy and knowledge management parse Astra in implementing sustainable CSR. The advantage of this research is useful for other researcher as research literature material. While like a businessman, the results of this research are useful as a second opinion in building a sustainable CSR.

KEYWORDS: Sustainability CSR, Management Strategic, Knowledge Management

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I. INTRODUCTION

Elkington (1998) [1] discloses the concept of CSR in "Cannibals with Fork: The Triple Bottom Line in 21st Century Business". Elkington's book explains that good CSR should side with three principles: Profit, People and the Planet. With the existence of CSR, the company not only has the focus to create profit as big as, but more active in community development and preserve the environment. Kotler and Lee (2007) [2], stated that Corporate Social Responsibility (CSR) is a commitment to improve the welfare of the community through optional business practices and through the resources of the companies they manage. CSR is important for corporate development through corporate interaction with community empowerment. The company as an industry, can devote its attention to the process and community development that can improve the welfare of the community by synergizing in the company's business activities through appropriate policies.

The new CSR program can be Sustainable if, a program created by a company is truly a joint commitment of all the elements that exist within the company. In addition, when companies engage in CSR activities should have a basis of decisions that are not solely oriented to the economic (profit) aspect. Furthermore, the company must also consider the social and environmental impacts that may arise in the future. CSR refers to the company's contribution to the concept of sustainable development, namely "Development that fits the needs of the current generation without neglecting the needs of future generations" [3]. A sustainable CSR program is expected to create a more prosperous and independent community life. Each activity will involve the spirit of synergy of all parties continuously build and create prosperity and will eventually create independence from the community involved in the program. PT Astra International, Tbk is a public listed company and has been listed on the Jakarta Stock Exchange since April 4, 1990. Today, PT. Astra International, Tbk has 214,835 employees in 208 subsidiaries, associated companies and jointly controlled entities running seven business segments. The seven business segments of Astra are: Automotive, Financial Services, mining & energy equipment, agribusiness, logistics infrastructure, information technology and property. Astra International has received many awards both nationally and internationally related to the sustainable CSR program they have done. The application of the concept of Astra Sustainability Development Framework.

This is what integrates the management of Astra's business portfolio (portfolio roadmap) with people roadmap and environmental contribution and community empowerment (public contribution roadmap). The steps for realizing this idea are formulated as a whole in the Triple-P Roadmap strategy. However, Astra International also faces challenges in implementing the sustainable CSR program. Pongki Pamungkas as Chief of Corporate Communications, Social Responsibility & Security (CSRS) of PT Astra International, said some of the sustainability challenges facing the company include: 1) Astra is required to continue to encourage synergy between head office, and foundations in managing the program, so that its implementation becomes more effective and targeted, 2) Astra must continue to expand the benefits of CSR by donating in the outermost areas

across the archipelago, and Astra is required to be able to maintain consistent compliance and beyond compliance principles in order to inspire another.

II. LITERATURE REVIEW

Social Responsibility: Corporate social responsibility is the company's concern for the environment through various activities undertaken in the framework of environmental safeguards, community norms, development participation, and various other forms of social responsibility. Corporate Social Responsibility or Social Disclosure, Social Reporting is the process of communicating the social and environmental impacts of the organization's economic activities to the special interest groups and to society as a whole (Sembiring, 2005) [4]. In addition, ISO 260000 defines CSR as the responsibility of an organization for the effects of its decisions and activities on society and the environment. The Company embodies activities in the form of transparent and ethical behavior. These activities should, of course, be consistent with sustainable development and community welfare, taking into account stakeholder expectations, in line with established laws and international behavior norms, and integrated with the organization as a whole.

Further development, CSR views the company as a moral agent. With or without the rule of law, a company must uphold morality. The parameters of a company's success in the perspective of CSR is to promote moral and ethical principles, namely to achieve the best results without harming other community groups. One of the most frequently used moral principles is the golden-rules, which teach a person or a party to treat others the way they want to be treated. Thus, companies working with moral and ethical principles will provide the greatest benefit to society (Julia, Rahayu, & Yudi, 2010) [5].

Benefits of Social Responsibility: According to (Griffin, 2010) [6] there are three dimensions of social responsibility disclosure benefits. The first dimension is the company, where the benefits of corporate social responsibility disclosure can enhance the positive image in the eyes of society and government. The second dimension is from a community point of view. In addition, to accommodate community interests, public relations with the company will be more closely in a win-win situation. The third dimension is from the government's point of view. CSR disclosure for companies is the result of public and private partnerships (companies) in carrying out social missions.

Stakeholder management theory by Freeman & Reed (1984) [7] suggests that there is a tendency for companies to manage relationships with their stakeholders. The relationship is for a decision-making act based on normative considerations. Such considerations are to minimize the adverse impacts of corporate decisions on stakeholders. In line with what was proposed by Deegan (2007) [8], that the disclosure of social responsibility is a tool to maintain the company's position. The position in question is a favorable position for those who control the economic resources of the rare (capital). Company management tries to produce information according to the needs of investors, because if not do, investors can reject the information and seek other information. Production of information will be voluntary management without the need for regulation, because in investing in the capital market, whether in the form of stocks, bonds, or other forms of investment, rational investors generally conduct a series of analysis of the investment that will do.

Sustainable Social Responsibility: The development of CSR in the 1990s was marked by the presence of the report of The World Commission on Environment and Development. This report is better known as The Brandland Commission, which reports in its publication entitled *Our Common Future* in 1997. An important point in the report is the concept of sustainable development. The Brandland Commission's report is the beginning of a shift in the paradigm of social responsibility practice, conceptually and strategically outlined in the application of sustainable development. The concept of sustainable development contains an important aspect in the framework of maintaining balance, both from content and time horizon. This is demonstrated by sustainable development rules and applications that incorporate the current development dimension by not compromising the capabilities and needs of future generations.

One major breakthrough of CSR development was proposed by (Elkinton, 1998) [9] on The Triple Bottom Line. The concept recognizes that if the company wants to grow sustainably, it is necessary to pay attention to 3P. Companies should not only pursue profits, but also have to contribute positively to the people and actively participate in preserving the environment (the planet). Profit is the company's main orientation. Increasing the welfare of personnel within the company, improving the level of welfare of the owner, increasing the contribution for the community through tax payments, business expansion and production capacity requires funding source. This can be done when supported by the ability to create corporate profits. People is the society in which the company is located. They are the parties that influence and influence the company. Thus the community has a strong interrelation in order to create value for the company. It is almost impossible for a company to be able to run operations in a sustainable manner without the support of the surrounding community. Therein lies the most important of the willingness and ability of the company to get closer to society through social responsibility strategy.

Planet is the physical environment (physical resources) of the company. The physical environment has significance to the existence of the company because the environment is the place where the company operates.

A concept that is not denied is the company's relationship with nature that is causal. Environmental damage, unbound exploitation of the balance, sooner or later will destroy the company and society. **ISO 26000 (Guidance of CSR)**: CSR is actually a process of social interaction between companies and their communities. Companies do CSR can be because of the demands of the community or because of its own consciousness. The field is also very diverse and are in different conditions. Currently ISO (International Organization for Standardization) has a new concept of CSR standards completed at the end of 2009. The standard is known as ISO 26000 Guidance on Social Responsibility, with the birth of this standard will only be known one CSR concept worldwide (ISO, 2010) [10].

In this case there is a development in the preparation, from CSR or Corporate Social Responsibility to SR or Social Responsibility course. This change, according to the shadow committee of Indonesia, is due to ISO 26000 guidelines intended not only for corporations but for all forms of organization, whether private or public. ISO 26000 provides voluntary guiding standards on the social responsibility of an institution covering all sectors of public bodies or private entities in both developing and developed countries. With this ISO 26000, organizations will add value to today's growing social responsibility activities by: 1) developing a consensus on the notion of social responsibility and issues; 2) provide guidance on translating principles into effective activities; and 3) sort out best practices that have been developed and disseminated for the benefit of the community or the international community. The basic principles of social responsibility that form the basis for the implementation that animates or becomes information in decision making and social responsibility activities according to ISO 26000 include: a) Compliance with law; b) Respect for international instruments / bodies; c) Respect stakeholders and their interests; d) Accountability; e) Transparency; f) Ethical behavior; g) Take precautions; h) Respect the basic human rights.

III. RESEARCH METHODS

This study uses a qualitative method. Qualitative research describes the type of content but not based on statistical accuracy, presented through words arranged in the form of stories or events, so it has a real and meaningful story (Silalahi, 2010) [11]. The emphasis of the analysis in this study is on the comparative inference process as well as on the analysis of the dynamics of phenomenal relationships observed by using scientific logic (Azmar, 2001) [12].

The design of this research study of Astra International CSR Analysis and Strategy can be described in the following chart:

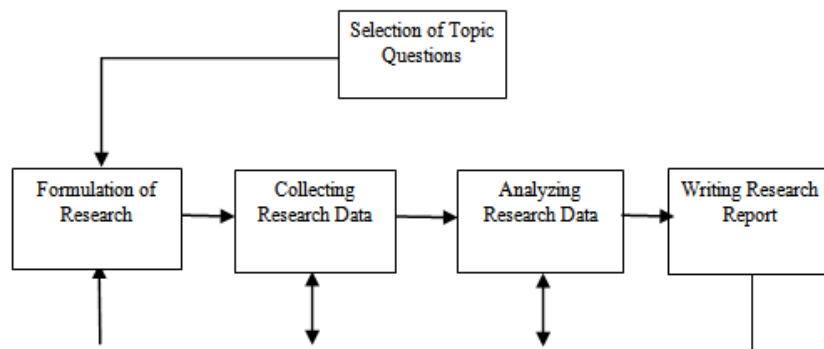


Figure 1 Research Design

Source: (Efferin, Darmadji, & Tan, 2008) [13]

Formulation of Research: Each research formula needs to be explained separately from its data sources, methods of data collection and analysis, how the method is done in more detail, and what is the reason. The researcher should make a list of questions to help answer this Research Formulation. In this study, the researcher will classify the questions in this research into 3 (three) classifications, namely 1) opening questions, 2) core questions, and 3) closing questions. The researcher will prepare a series of questions and sequences, but in the process of discussion / interview later, researchers do not have to refer entirely to the list that has been prepared. However, the most important is, researchers will direct the question to the respondent to answer the formulation of research in this study.

Data Source: Sources of data used in this study there are 2 types of primary data sources and secondary data sources. Primary sources are data sources that directly provide data to data collectors. Secondary data sources are data sources that do not directly provide data to data collectors, for example through others or through documents. Primary data source is Manager or employee of Astra International, appointed to be responsible for running Astra Group CSR. Secondary data sources; are *ASTRA on Become Pride of the Nation*; Jakarta: Gramedia Pustaka Utama; and *40 years CSR ASTRA Moving Forward with Astra*; Jakarta: SAIN PRESS.

Analyzing Research Data; In this research Team Astra Management System Analyst is one of the most important role to help ensure the implementation of CSR in all Astra group can run in accordance with the target company. Thus, the Astra Management System Analyst team will be the primary data source in this research. The results of Focus Group Discussion (FGD) researchers with Astra Management System team will be processed into interview transcripts. Method of data processing interview with verbatim transcription pattern. The researcher will change the entire interview result into a detailed text form (transcript). The data analysis begins by encoding all transcripts of interview results by entering each sentence containing the same word or intent in the same code.

The researcher in the FGD process will bring a guidance form that lists the questions to be discussed. The results of the interview are set out in the transcript and coding form, in which the researcher will transform the interview data into written form (transcript) in detail. The next step is coding and awarding the category of the transcript.

In this study the researchers also conducted direct observations and analyzed various secondary data sources related to this research. This activity will help provide additional information and verify data obtained from Focus Group Discussion (FGD).

Research Object; The object of this research is Astra International in Jalan Gaya Motor Raya No. 8, Sunter II - North Jakarta, Jakarta. Astra International is an open company and has been listed on the Jakarta Stock Exchange since April 4, 1990. Astra International currently has 214,835 employees in 208 subsidiaries, associated companies and joint venture entities running 7 business segments. The seven business segments of Astra are: Automotive, Financial Services, mining & energy equipment, agribusiness, logistics infrastructure, information technology and property.

Time and Place of Research; This research began in October 2017 until March 2018. In that time period, researchers will conduct field research, data processing, and preparation of research reports.

IV. RESULTS

ASTRA Group CSR Development. Astra's seriousness in building this sustainability activity is seen with the publication of the 2020 Constituent Roadmap which is a translation of Astra's strategy target until 2020. This strategy to support Astra's vision becomes the nation's pride. Astra has also consistently published Astra Continuing Reports since 2002, referring to the 4th Generation Global Reporting Initiatives (GRI G4). The objective is to communicate all Astra's annual activities related to governance, economy, environment, occupational health and safety, and social responsibility.

Further development, the spirit of giving "hooks instead of fish" more widely applied. Programs that are growing more towards Income Generating Activities (IGA) for surrounding communities. This is realized for example with the provision of funds for the processing of plastic waste (garbage bank), convection business, fabrics (cleaning cloth used in factories and workshops), handicrafts, revolving capital assistance, fish farming, and others.

Framework of the Four Pillars. Astra made another leap in CSR management. This leap is marked by the launch of ONE (Integrated Astra Spirit) for Indonesia. There are three basic things that later underlies the emergence of ONE Indonesia. First Astra must be the nation's pride. William, founder of Astra, has fought hard, falling awake, to prove that Astra is built for the benefit of the nation. Today, despite a change of leadership, Astra wants to remain a property of the disadvantaged nation. Every human being keeps the company in line with the ideals and values of Chatur Dharma, Sejahtera with the nation.

Second, Astra has the potential to create added value for the surrounding community. For almost sixty years, Astra accumulates a large amount of knowledge wealth, networking, excellent products that will keep Astra growing. All should not be owned solely for self-interest only. Astra will not be a dead sea that has no life in it. By channeling the best potential, the company will develop as it grows in the growing community.

The third, most importantly, is the desire of leaders to make Astra a role model for others. After rising from the monetary crisis of 1998, Astra has grown to become the largest company in the country. By doing our best to build the welfare and unity of this nation ONE Indonesia was born. For Astra, SATU Indonesia is aware of the importance of synergizing in conducting CSR activities to create greater impact.

Triple-P Roadmap choose as the main strategy because this strategy is in harmony with the concept of Triple Bottom Line. The difference is that Astra chooses a non profit portfolio, as the main aspect. Astra believes that profit is the result of business process excellence. Business activities are not just mere profit growth, but also about how to contribute to the development of the Indonesian bangsa. In line with the establishment of Triple-P Roadmap strategy, SATU Indonesia is developed into 4 pillars, namely Education, Environment, SMEs, and Health.

Through improvements in the education sector, SATU Indonesia will stimulate the birth of a smarter generation in the future. The environmental field was chosen because of the world's problems, (fire and deforestation, pollution in the big cities, and floods). Green environment is one of the conditions for the survival of mankind. SMEs in particular are intended to assist the strengthening of existing MSMEs, and the rise of new

SMEs. The company will get support to increase local content so that it can be more competitive in global competition. The birth of new SMEs also fosters a good middle class for national growth. Thus, a strong SME will encourage economic strengthening and improve the competitiveness of the country. The ONE Indonesian pillar chart can be seen below:

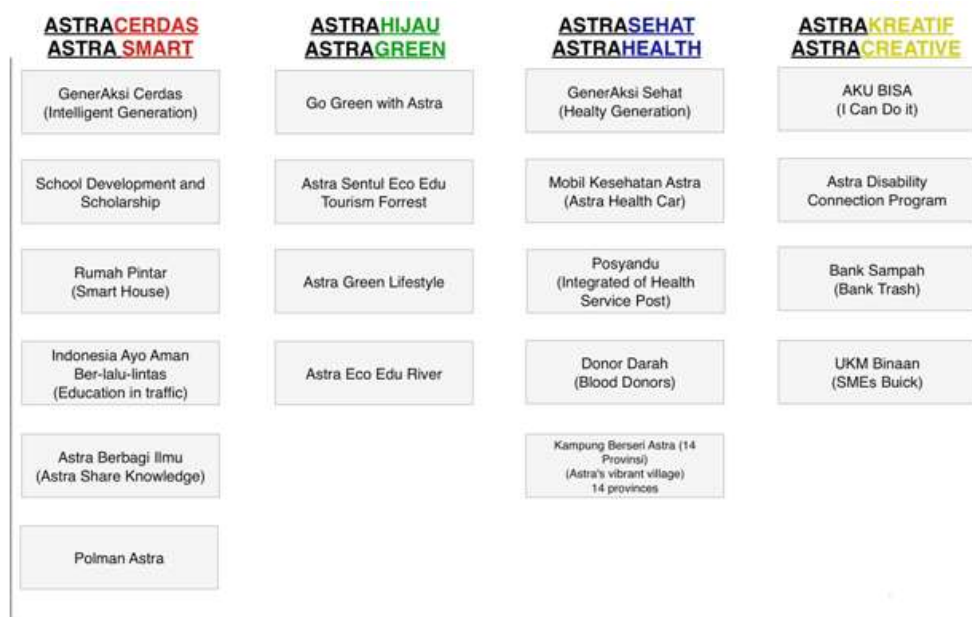


FIGURE 2 Pillar SATU Indonesia [14]

Knowledge Management Astra in Managing Sustainability. Astra has a sustainable business principle that has become a corporate culture. William, founder of Astra, said that Astra must be a shady tree shelter from the rain and hot for many people. Astra must prosper with the nation. Astra must be able to provide a lot of added value in every area where Astra is located. Community Development, Can create a new job, become a pilot institution, become the nation's pride. This is in line with Astra's vision of "to be a socially responsible and environmentally conscious corporation".The vision and ideals above prove that Astra is not a monopolistic institution separate from society. Astra can grow big just by becoming part of this nation. This firm commitment is held by leaders to keep Astra afresh on new jobs, pay taxes, and transfer technology. Conceptually, the principle of sustainable development is basically the concern of all parties. By 2015, the number of organizations submitting the Sustainability Report refers to the Global Reporting Initiative (GRI) standard has reached 9,287. This figure is greater when compared to the previous three years, 2012 reached only 3,500. In the meantime, Astra has made the report in line in 2002 showing its business actors who consider social and environmental impacts. Another form of Astra Management's commitment is to establish an Environment & Social Responsibility (ESR) division at headquarters, which is under Corporate Communications, Social Responsibility & Security responsibility. If another company's structure such as ESR is seen as nothing more than a cost and a luxury. But Astra considers that Public Contribution is not cost, but investment. At the subsidiary level, a special organization is formed which synergizes with the head office. The structure depends on the complexity of the organization. There are leaders at the same level of directors, but there are also those who only designate a Person in Charge (PIC) and coordinate with other PICs throughout the organization.

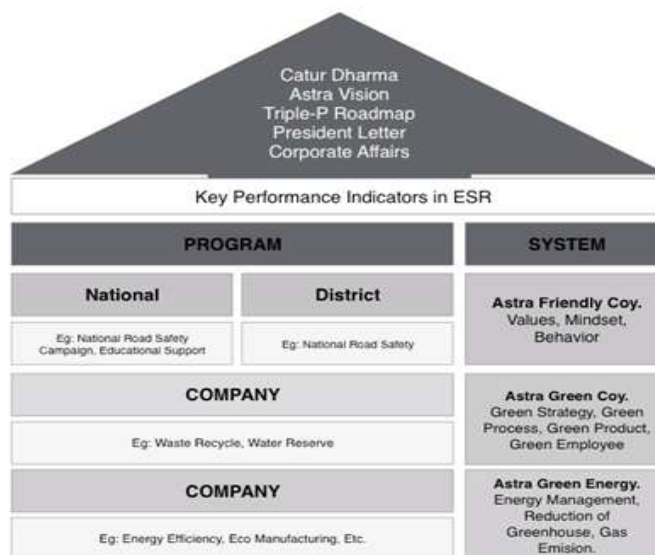


FIGURE 3 structures of program environment & social responsibility astra

To ensure the program runs in concert, ESR designed three system frameworks known as Astra Green Company (AGC), Astra Friendly Company (AFC), and Astra Green Energy (AGEn). These three systems reflect the company's values on which the various environmental, occupational and occupational health (LK3) programs are implemented. The AGC, AFC, and AGEn systems provide early warning regarding company's compliance with LK3 and Social Responsibility (SR) legislation and work efficiency. If there are field findings or system nonconformities, repairs may be made without waiting for external warnings. To ensure the internalization and application of these systems, each Astra person plays a disciplined PDCA cycle and ensures continuous improvement activities in every Astra Group installation. This is in line with cultural development expert LK3, SK Poon, which emphasizes cultural development should begin with Engineering, Enforcement, and Education or Triple-E.

Catur Dharma As the Foundation of Astra. The first concept of Chess Dharma was made by William, the founder of Astra, which was then synthesized into the grains of the formulas of Chatur Dharma. In the formulation it becomes Astra's principle that companies should be able to create as many jobs as possible, become agents of national economic development, facilitate technological change, and pay taxes. Until today, the management of Astra agrees the philosophy and values contained in it is even continuously sharpen it to ensure that Astra business does provide the greatest benefit to the nation.

This thinking emphasizes that profit and growth are the result of loyal customers. Further explained, loyal customers will get satisfaction from the quality of service operated employees who are loyal, satisfied, productive. In the end December 20, 1982, Astra management agreed on the formulation of corporate philosophy which was then known as Catur Dharma, namely:

1. Beneficial to the nation (To be an asset of the nation).
2. Best service for customers (Best service to customers).
3. Mutual respect and cooperation (Respect for the individual and development of teamwork).
4. Always strive for the best (Strive for excellence).

Meanwhile, the knowledge management built by Astra has become the basis for running CSR. In running CSR, PT. Astra International, Tbk. based on Catur Dharma company which always refer to Vision Company Mission. From the vision of the mission was born four pillars of CSR consisting of Education, Environment, SMEs, and Health. The four pillars as the basis for carrying out the CSR are poured into a sustainable program integration strategy. In an effort to maintain and improve the business of PT. Astra International, Tbk. in order to face change, the implementation of the strategy is poured into Triple Bottom Line model. These strategies include economic, social, and environmental. The knowledge management chapter of CSR implementation in Astra can be seen in the chart:

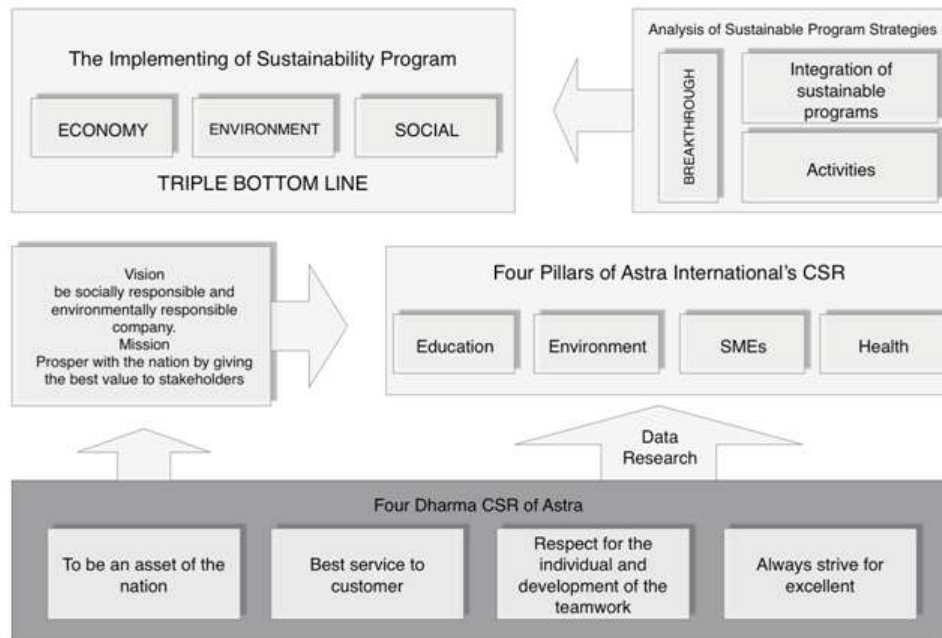


FIGURE 4 Knowledge Management of Astra CSR

Chatur Dharma is the main foundation of Astra in running its business. Chess Dharma is a business culture that is run. It is also an inspiration that is reflected in the company's mission vision. The company's vision of "being socially responsible and environmentally responsible company" is the company's strategy of applying the first Chess Dharma, "Becoming a beneficial property for the nation and country" as well as the second Dharma chess, "Providing the best service to customers". Companies will not be beneficial if they do not have a passion in social and environmental life. Astra realizes that this company is in the middle of the environment and always interact with the spirit of mutual benefit, then the social and environmental responsibility become the company's priorities and strategies. While giving the best service is reflected in that vision. Companies will not be able to be good servants if they have no awareness of the environment and social. Because Astra believes that environment and social are the main pillars of the business being run. It is the company's mission to deliver the best value to the company's stakeholders as well as to run the fourth corporate culture of "always striving to achieve the best".

V. CONCLUSIONS

Future Research Direction. In running the vision of the company's mission, Astra focuses and rests on four pillars of Astra CSR namely Education, Environment, SME, and health. Each of the four pillars has a program to realize the goal. In order for all activities in the four pillars are not out of the vision of the company's mission, then all are integrated and institutional in the form of foundations. Astra also puts direct director-level people to sit in the foundation to keep in mind that there is no difference in the vision of the foundation's and company's mission. Astra also pours this CSR program into a sustainable corporate strategy through a range of activities that focus on three things: economic, social and environmental. This is clearly stated in the Triple Bottom Line which is the application of Triple-P Roadmap's theory of the Roadmap Portfolio, People Roadmap, and Public Contribution Roadmap.

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