

Analyzing the effectiveness of CSR as a business strategy: a case study in total E&P Indonesia, a French Oil and Gas company

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Abstrak

In the past few decades, the concept of social responsibility has emerged as an increasingly important feature of the business landscape. No longer can businesses base their decisions solely on economic criteria (profit), now they must also consider the legal, ethical, philanthropic and social impacts of each business decision.

The role of business is rapidly changing. In today's emerging global society, businesses have embraced corporate social responsibility (CSR) not only as a value reflective of their new role in contributing to societal goals, but also as a strategy for improving the bottom line.

Corporate Social Responsibility is business' responsibility, strategy, and contribution to sustainable development. It called business responsibility because of the basic principal that we are not the owner of nowadays, but we owned to the future. It called business strategy because through CSR, the company can use it as a strategy to prevent from threats.

Corporate Social Responsibility plays a key role in enhancing the business image of the company. The CSR is part of the company's strategy. CSR gives values to three stakeholders: company, community and local government.

The company needs the secure feeling condition in order to make it free from any threats caused by external that can affect to the going concern operation of the company. The company losses measurement because of environment threats result is the cost that has to be paid by the company. For example the cost of discontinue project that was blocked by the community for reasons like oil spill in the river or sea, etc. Therefore, CSR is a "must".

Thirty years ago, the Club of Rome stated that there were only 30 years' worth of oil reserves and that we should impose zero growth. Thirty years later, with sustained economic growth, there are still more than 40 years' worth of reserves in front of us. We should not conclude from this that the diagnosis was completely false. However, the researcher believes that if we try to do our best for this planet, we still can renew the wealth that is kept in the tummy of the earth. In conclusion, doing well for our lands benefits the entire stakeholder and the earth itself.

The researcher is trying to emphasize the CSR doing by oil and Gas Company in Indonesia named Total E&P Indonesia. Oil and gas industry is the industry that dealing with its activities within area of exploration and production of hydrocarbon resources to produce oil and gas. Its working area is often overlapped with the center activities of communities which will affect the stability of the environment.

Nowadays, the threats to the company like oil & gas have showed the scale that can harm the investment in mineral resources, and become the bilateral issue between the investor countries and our country Indonesia. The direct losses normally resulted by the interrupted of operation due to a blockage by the communities to Total E&P Indonesia have reached the cost between USS 70,000 - USS 75,000 per days.

To overcome those problems, the company develops an approaching method intensive program called Sustainable Development Program. If the company gets in trouble, it is not sustainable. Sustainable development is an essential parameter that impacts all the company's activities. Sustainable development is a basic element of business that cannot be seen as a constraint.