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Symbolic convergence of local wisdom in cross–cultural collaborative social responsibility: Indonesian case

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ABSTRACT

Lately, the CSR policies of Multinational Corporations in Indonesia show certain improvements. It cannot be denied that at present the CSRs of Multinational Corporations in Indonesia indicate they are visibly supporting/involved in assisting the attainment of some of the Global Goals for Sustainable Development (SDGs). This study examines the CSR activities of several Multinational Corporations in Indonesia, in particular how they adjust/adapt to the local wisdom in their efforts to attain their CSR goals.

The main theory applied in our study is the Symbolic Convergence Theory, supported by the Accommodation Communication Theory. Three Multinational Corporations in Indonesia were chosen as subjects of this research. Analysis is based on the Collaborative Social Responsibility Model (Kartikawangi, 2015) and Cross Cultural Communication Competence in Business Interaction models (Kartikawangi et al., 2016).

At present "positive" actions are increasing by companies in efforts to better understand the society they are working in. Clearer understandings of local, regional and national societal factors are required to enhance the corporation's product development programs, marketing strategies, and CSR strategies. Local, regional and national societal groups are in positions to choose what should be provided by the companies in achieving shared and practical Symbolic Convergence meanings. The societal groups actively present their aspirations, but also the aspirations and local wisdom that must be absorbed by the company. Symbolic Convergence in the relationship is built by all interacting parties. These interactions include the companies, government and local society. Meanwhile, the media also assist in developing awareness through the dissemination of various balanced information in the form of social disclosures.

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1. Introduction

Corporate behaviors over the last three decades show that the business world is becoming more and more aware that the sustainability of their business depends not only on the efficient utilization of resources to recover profits as much as possible. Without an effort to elevate the key social, economic, and cultural factors of the local societies, and the sustainability of the environment, sooner or later the operations of the company will face problems. They will experience not only a decrease in their profits because of the increases in costs, but they also have the potential of corporate bankruptcy, collapse of the company, or being forced to stop their operations. On the other hand, corporate awareness that societies develop as fast as their ability to bear the load of the business demands is closely related to the moral obligation and business world ethics.

Shifting business ethics as well as continuous waves of corporate – societal issues create periodic turbulences that force corporations to develop strategies which will enable them to communicate with their internal and external stakeholders. Critical environmental, social, and economic situations provide stages for corporations to communicate the improved and evolving Social Responsibilities of the Companies. Corporate Communicators are then faced with a "new priority" in the midst of an environment which is relatively constant, but which periodically deteriorates.

Many Multinational Corporations in Indonesia have CSR policies that improve from time to time. These follow developing regulations in Indonesia. Those require companies to undertake CSR activities as stipulated in Ordinance No 40 of 2007, concerning Limited Liability Company (UU PT) and Ordinance No. 25 of 2007 concerning Foreign Investment (UU PM). Article 74 of UU PT mentions that every company pursuing its activities in the field and/or connected with natural resources must carry out its social and environmental responsibilities. At present, there are many aspects of activities that must be considered by companies in applying for their CSR programs. These include education, health, natural disaster, infrastructure, economic independence, and others. For certain reasons, companies' CSRs are also involved in efforts to attain Millennium Development Goals (MDGs). Further CSRs are included in the Global Goals for Sustainable Development (SDGs). These were launched by the United Nations Conventions on Sustainable Development Summit at the September 2015 meetings. There were 193 world leaders and supporting technocrats that contributed to those discussions and agreements.

Legally, Article 66, Paragraph 2, item C of the Limited Company Statute No. 40 of 2007, mentions that companies in Indonesia are obliged to reveal their social and environmental responsibilities in their yearly financial reports. With those statements in the said report, the motives for companies to publish *Sustainability Reports* increases. Initially only two companies published sustainability reports in 2005. Now, after one decade, Indonesia, with 60 companies publishing sustainability reports or CSRs, is the front runner and largest country publishing the such reports up to 2014.

When examining the relationships between corporations and local communities (*community relations*), researchers discovered several important factors. Jenkins and Baker (2007) researched community investment programs by the Pfizer plant near the community of Sandwich, England. Their research revealed that investment in local communities significantly enhanced the corporate external reputation. In addition, such actions also increased cooperation and helped increase employees' skills. Earlier, Close, Finney, Lacey and Sneath (2006) examined such relations from marketing perspectives. Their study of *event marketing*, which involved visitors and sponsors, community and *brand*, showed that visitors desired sponsor's involvements in the communities. If a community has a positive opinion of the sponsor, then the purchase of the sponsor's products by the community also increases. There are a number of other sets of research results on corporate relations with communities, e.g. Barbaro (2006). He saw that consultations provided to a community in Australia was more relevant since it started with a discourse on their common issues, instead of jumping directly to solutions. Further, Smith (2003) stated that proactive communication builds and enhances positive corporate images.

Meanwhile, Molleda and Quinn (2003) discovered that cross-country conflicts can involve the host countries and the countries from which such corporate and public multinationals originate. Molleda et al. indicated the importance of active interactions between such parties. Kartikawangi (2013a,b) found that to be sustainable, the front-end accommodation of an effective communications plan within the CSR implementation plan is required. That is when local wisdom and culture are considered.

Sustainability is an important issue for companies to survive and win the competition. This situation raises the question of how companies will structure their business and communications strategies and their subsequent implementation in order to effectively address the key issues.

Based on the above background studies, our current study examines the CSR activities of Multinational Corporation (MNC) in Indonesia, particularly how MNCs adjust/adapt to the local wisdom in order to attain their CSR goals.

2. Theoritical review

2.1. Corporate social responsibility

Successes in the business world are not only determined by good products, affordable prices, and sophisticated marketing networks. Success is also dependent on other factors such as corporate concern and respect for the surrounding environments. This area is called *Corporate Social Responsibility (CSR)*. Basically corporate CSR intentions surpass the basic legal and economic obligations. That is, corporations must do the right things and act in a good manner respecting the communities (Robbins & Coulter, 2010). From the above it is clear that corporate social responsibility improves profits. It also includes the added-values of protecting and creating social prosperity for the surrounding communities, even the community at large. If we apply *Corporate Social Responsibility* to corporations that have *gone public*, it is then clear that corporate responsibilities are not only for shareholders, but also for the communities at large.

From the business perspective, corporate social responsibilities programs certainly bring about logical consequences. On the one hand. corporations gain added profits from their CSR programs. None-the-less there is a price borne by the corporations. Both the communities and the businesses must have long-term perspectives This is a special consideration, or what is often called *Criteria for Social Performance. These are evaluable in four stages, as conveyed by* Schermerhorn (2010): *economic, legal, ethical, and discretionary responsibilities.*

Gomez, Balkin and Cardy (2008) describes several *Benefits and Costs* of corporate social responsibilities strategies, such as:

- Benefits: a socially responsible corporation is considered as a good business actor towards the community and the environment. This type of corporation is usually well accepted by the surrounding communities. In the views of customers, corporations that care about their social responsibilities reflect good corporate values and good product images. Corporations that have good business values indirectly affect their product image. There will be very minimum conflict between the interested parties (*stakeholders*). It produces high stakeholder loyalty at the same time as market loyalty towards the corporation's products. Research result shows that corporations that enact social responsibility have good financial performance and are able to recruit good quality manpower.
- Costs that must be born among others are: Companies who apply CSR tend to lose their focus. Companies giving more attention to being good companies in the community tend to forget parts of their true business purpose. Social responsibility programs can increase corporation competitive power.

From the above considerations, it is clear that the long term impacts of CSR's should be the concern of the corporation. Bateman and Snell (2009) explain that there is a need to balance and integrate corporate social responsibilities and corporate strategies. By doing so they bring about extensive benefits for the communities. In the long-run there will be no positive relation between CSR and financial performance. However, a good corporate reputation can still be built at the end of the day, and can still be directed to profitability. It is undeniable that corporate responsibility programs bring associated pro and contra factors. Griffin (2008) explains that from a corporate point of view, there are also rejections of CSR programs due to excessively negative or decreased profits that cause losses to the owners of the corporations. Corporate involvement in social programs can cause too much *power* for such corporations. There is a potential for conflict of interest. Many Corporation have insufficient experience in managing social programs, and therefore, there is a concern that these programs might fail.

2.2. Social responsibility strategy

Each corporation certainly applies their own customized strategies in the implementation of social responsibility programs. The strategy taken by a corporation is related to its viewpoints of its obligations to the community, ranging from the lowest level up to the highest in social responsibility practices.

Schermerhorn (2010), describes these in a framework of four strategies:

1 Obstructionist strategy – the attitude of avoiding social responsibilities. Companies focus only on economic priorities.
2 Defensive Strategy, the corporation fulfills only the minimum legal CSR requirements on its commitments for individual groups and the environment.
3 Accommodative Strategy, the corporation accepts and implements social responsibility programs to the community by considering key legal factors and ethical criteria.
4 Proactive Strategy, the corporation looks for an opportunity to provide positive contributions to social prosperity and the environment.

Of these, the strategy finally chosen by the corporation is seen as multi-level in accordance with the intensity and commitment levels of the corporation in implementing their programs. Bateman and Snell (2004), describe this phenomenon in *The Pyramid of Corporate Social Responsibility* which directly describes the level of corporate involvement in social responsibility programs. Along with the definition conveyed by Daft (2010), that CSR is *management's obligation to make choices and take actions that will contribute to the welfare and interest of society as well as the organization.* Corporations, therefore, should participate actively and voluntarily, and its presence can be as extensive as possible to provide benefits for the community. In line with the CSR values conveyed by Kinicki and Williams (2009), *corporations are expected to go above and beyond just following the laws and making profits.*

2.3. Cross cultural communication competency

Developing insights into human resource strategies and the importance of understanding cross-cultural psychological communication is a key issue. Such analysis provides a picture of the importance to an organization in the development of a worldwide communication network, may it be in the company or with external stakeholder such as supplier, customer, government and others. These phenomena also involve the development of technology that provides the ability to send messages in large volume and in high speed in a short span of time and across great distances. The capacity of communication that bridges between cultures becomes important for the affectivity of workers as well the organization. The organizational implication from these types of variations is that individuals that originate from different cultures, and have different levels of language competencies, will need special strategies that can assist them reach effective communications in their business interactions. This is needed because of their role in increasing the value of the globally interconnected business networks. Literature concerning variations provide a picture that is not very positive about the impact from the cross-cultural interaction, as was shown by Milliken and Martins (1996). Their study made a comparison between homogeneous working team with the ones that are heterogeneous. The result is that the working team that is varied has a larger conflict problem, more often resulting in replacement of team members, higher levels of stress, more absenteeism, more communication problem, lower levels of trust, lower levels of work satisfaction, low unity, and less social integration. When those types of

difficulties surfaced, there were not many studies in the field of communication that provide information concerning practical management solutions. Meanwhile, culture has been researched widely in the area of cross-cultural management pointing out at the symbolic dimension the impacts of peoples' actions. From the various definitions available it can be concluded that culture is a collection of values, certainty, attitude, and habit of groups that are being studied and which are brought down from one generation to another. Gudykunst and Kim (1984) expressed that "culture is a historically derived system of shared symbolic ideas and meanings that communities use to interpret and give meaning to their experience." Meanwhile, studies on communication indicate that there is a relation that is interconnected between culture and communication (Gudykunst, 1997). Culture, as already explained, prepares the structure for the communication process, may it be verbal or non-verbal. Therefore, it can be deducted that the way people communicate is influenced by culture, and on the other hand, culture is influenced by how the communications are made.

Within the context of organizational communications there are skills and competences that facilitate and/or inhibit cross-cultural communications. Members of an organization that have communication competence are certain to have the knowledge of the proper communication design for a specific situation, and have the capacity to apply the said knowledge. Jablin et al. (1994) and Jablin and Putnam (2001) identified two competencies, strategic as well as tactical. Strategic communication is connected with the knowledge concerning the reality of the organization, and organizational/corporate culture. How this matters are significant in the context of an individual organization, and differs from one organization to another. Whereas tactical communication competency is the ability of a person to follow and manipulate rules, including communication skill and performance capability to achieve personal, group, as well as organization aims. It can be understood that business communication is a translation process that is a dynamic, two ways process, has multiple influences, and can be transformed. This complexity and variation surfaces when a person communicates in several languages and cultures in various business as well as social environments. Therefore, the ability of an organization's members to be open to differences in their interaction preferences is a critical matter in obtaining positive output in a cross cultural business interaction (Kartikawangi et al., 2016). This cross-cultural competency can be seen in the model below:

Model of Cross Cultural Competencies
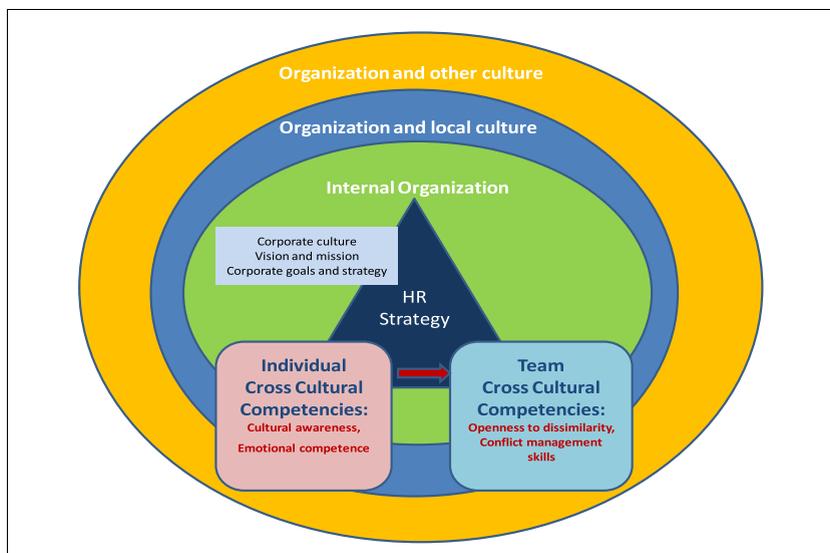
Source: Kartikawangi, Temaluru, Unaradjan, 2016

2.4. Communication accommodation

Constructive cooperation among companies, the government, the community and the media in CSR planning and implementation is a demand that must be fulfilled to optimally achieve the CSR's objectives. Such constructive cooperation is, unfortunately, not an easy thing to find. Each party has its own perspectives and interests and they often interact with the other party based on assumptions built from its own perspectives. The reluctance to communicate with other parties also often arises since it is considered as troubling and an additional burden. When interactions take place in the above conditions, the potential issue arising is not only caused by "what is said" by a certain party, but also "how the said matter is interpreted" by other parties (Condon, Michael Hect, Stella Ting-Tomey in Littlejohn & Foss, 2005). There is a need of understanding each other's position as well as the joint objectives agreed. Then all parties can commit in its embodiment. Interaction and communication interwoven among each party can be reviewed through communication accommodation concept developed through Communication Accommodation Theory (CAT) (Gallois, Ogay, & Giles, 2005).

CAT emphasizes that the interwoven communication interaction among various parties is affected by the identity of each party in viewing its group or other parties. Motivation that underlies such interaction at the end of the day is not only based

on joint interest and objective. In fact, it can be described in shallower and more limited group interests. CAT identifies such matters through communication symbols such as choice of words used, jargons and non-verbal communication forms. For instance, the social gap and whether collaboration taking place in the interwoven communication is visible to others. As well, how positive a group is towards its group identity as well as sharing similarity and objectives of the other group(S) will be seen through the chosen communication strategy (Gudykunst, 2003).

The basic strategies of CAT are convergent and divergent. Those factors depend on the communicator's willingness and motivation to approach and share similarity with his/her communicating partner (convergent). Alternatively, some communicators accentuate differences with his/her communicating counterpart and instead keep a distance and accentuating differences with the counterpart in communicating (divergent) (Giles & Noels in Martin, Nakayama & Flores, 1997). Impacts of the chosen convergence or divergence communications strategies, positive or negative assumptions and stereotypes about the other parties will be developed. At the end of the day that will determine whether the interwoven collaboration among such parties is conducted effectively. An effective Communication Accommodation Strategy can help bridge the difference among various parties, as well as help develop harmonious cooperation through the sharing similarities, sincerity to understand, and appreciation of the other parties.

Based on the above discussion, it is understandable that members of the organization need to possess cross-cultural competencies. The core competencies that are required involve individual competence, cultural awareness and emotional competency. That, at a later date, is much required when working in teams in order to achieve the aims of the organization. Those include openness to dissimilarities and conflict management skills. The relation between fellow workers is important because it is the key to good external relationship. Starting with individual competency, and followed by team competency, it is hoped that external competency is acquired to achieve the aim of the organization.

2.5. Media and symbolic convergence

Currently there is a tendency in public priorities to increase the transparencies and accountabilities of companies as a form of Good Corporate Governance (GCG) implementation. One of the key implementation priorities of GCG in companies is the application of a corporate social responsibility code. In one of its principles, GCG suggest that companies take the stakeholders' sides in the form of corporate openness in reports or disclosures, including social responsibility disclosure in their annual reports. Nevertheless, annual reports are not the only facility for social disclosure. Mass media can also play such role.

As we all know, mass media have a two-fold function, namely, social and individual. The social function role includes four factors: (1) environmental monitoring, (2) inter-party correlation in the community to respond to its environment, (3) socialization or value inheritance, and (4) entertainment function. The individual function includes: (1) supervision of information search, (2) self-concept barrier, (3) facilitator in social relations, (4) substitution in social relations, (5) facility to release emotion, (6) escape from tension and alienation, and (7) part of routine or ritual. In this review, the context of mass media is one of the tools for social discourse by disseminating information on CSR. That in turn helps participants to build awareness, concern, fund and further community involvement that is expected. The role of the media in this matter has not been fully observed and reviewed. Meanwhile through its significant function and role, the media is able to develop symbolic convergence and positive fantasy theme on CSR and on all parties involved, among others, companies, government, and community. Based on the above, this paper explores the symbolic convergence theory as a means to develop an interrelation model between related parties in CSR, in particular for environmental sustainability.

Meanwhile, we can use symbolic convergence theory analyses in communication content to discover joint meanings that arise in specific communications. A group dynamic review (analyzing group communications content) is developed through a coding system called *interaction process analysis* (Bales, 1950). Such a system is used to observe and make task group communication codes which is called *dramatizing.* Dramatizing is defined by the creation of a list of stories: *jokes, narratives, dialog, analogy, metaphor, and others*. Bales calls this approach the *dramatizing fantasy theme* and explains that the *fantasy them* approach *helps* group members to create *group cohesiveness*.

Further, Bormman developed *symbolic convergence theory*. The word *symbolic* is used here since this theory deals with language, fantasy, and many fact symbols (as opposed to material and social). The word *convergence* was used as the basis of this theory, which explains the dynamic process of the group fantasy jointly understood as the cause of communication and participation in symbolic world unification. Cragan and Shield (1995, 1998) indicated that SCT differentiates *symbolic reality* and the method of viewing *social reality* as well as *material reality.* Such symbolic facts are like ideography, ideology, orientation, and vision. Meanwhile social facts are like hierarchy, position, and role. Material facts are in the form of objects and things. Several characteristics of SCT, among others, are that dramatization works up to the communication process. That is able to create and maintain community, group and organization awareness. In addition, SCT also uses imaginative language to develop joint understandable fantasy and merge into rhetoric vision. SCT also explains how group or community awareness is formed, develop and survive. It has been shown that this approach has the capability to provide solutions to real issues in communication. Basing some work on this theory enables researchers to discover some interesting explanations. For example, fantasy communication is able to create new awareness involving meaning, emotion, motive and value. SCT excellence derives from the knowledge that places *fantasy-sharing* and *fantasy-chaining* as the power to predict human action capacities. In this study, Symbolic Convergence Theory can be used to analyze the media in conveying message on

CSR. Analysis of the fantasy theme, which is used, will be able to reveal joint symbol and meaning among stakeholders on social disclosure on CSR.

Based on the interrelations among parties in the CSR cases studied, Kartikawangi (2015) developed a model for Collaborative Social Responsibility. This model describes how the company, government, society and media work together on CSR as partners in equal positions. This Collaborative Social Responsibility model can be seen below:

Collaborative Social Responsibility Model
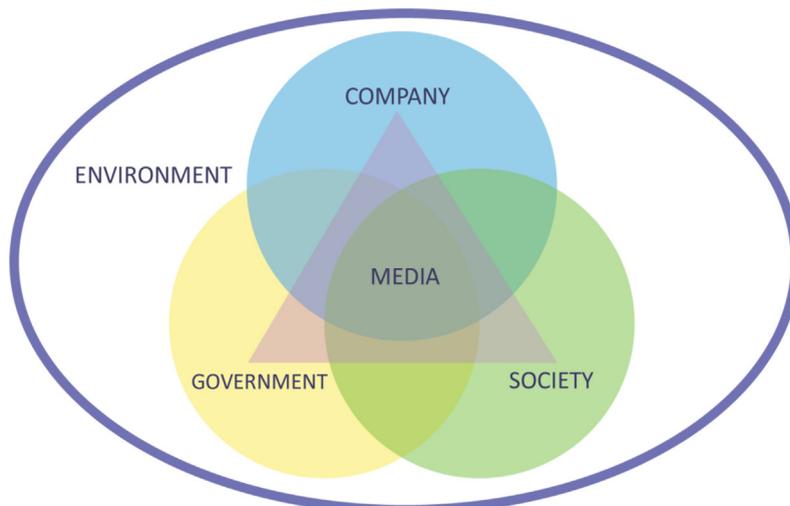
Source: Kartikawangi, 2015

3. Method

The research uses a qualitative research method, with multiple case studies, in order to find the answers to the case. Daymon and Holloway (2008) stated that there are two kinds of case studies: (1) single case study for research that require in depth exploration and specifics about certain events or a few events, and (2) multiple case studies for research that uses two or more case studies that make it possible to generalize for the purpose of a wider scope. As such the researcher can identify specific characteristic differences by investigating sameness and differences between cases.

Data used in this research encompasses primary and secondary data. Primary data are obtained through interviews with MNC and the government, focus group discussion with society, and monitoring on society that are on CSR location. MNC which are the subject of this research are: P.T. Aqua Danone, P.T. Unilever Indonesia, Tbk, and P.T. Astra International. Meanwhile, secondary data is obtained through the official websites of companies as well as related news in on-line media, such as kompas.com, bisnis.com, mediaindonesia.com. These data are complimented with literature studies in related journals, text books, and other professional References.

The data are then analyzed based on theories by using coding processes that encompass: activities of cause related marketing, concerned for the culture, and local sensibility/wisdom which are found in activities and effectiveness. The process of coding encompasses three stages: open coding, axial coding, and selective coding (Newman, 2006). Analysis through open coding, axial coding, and selective coding is done based on Collaborative Social Responsibility Model (Kartikawangi, 2015) and Cross Cultural Communication Competence in Business Interaction model (Kartikawangi, Temaluru, Unaradjan, 2016).

4. Result and discussion

4.1. Aqua lestari

Speaking of bottled water, Indonesians are accustomed to mention the brand name "Aqua". In some instances, other brand name is given. As the company that pioneered the production and sales of bottled water, the name "Aqua", in the eyes of Indonesian consumers, implies not only controlling the brand image, but also the name of a company that is popular and well known. When administering interest's groups, especially amongst NGO's, discussions must include draught, conservation, and privatization of water.

Tracking news in the Internet for the last 10 months, several cases involving P.T. Danone Aqua were mentioned. Among them: refusal for exploration permission for Aqua by the inhabitants of the village of Paladung, the region of Karang Asem, Bali; demonstration by hundreds of people of the sub-district of Polanharjo, Klaten, Central Java, that demanded the contribution of CSR funds to be distributed equally; and news of drought in the village of Babakan Pari, Region of Sukabumi – the village where Aqua is operating. It cannot be denied that Danone Aqua often have become the target of issues. This is

because it is the most prominent company, especially from the production and distribution point of view. In 2013 Danone Aqua controlled more than 40% of the market and have the largest distribution area.

Departing from the above mentioned issues, Aqua internally changed the attitude of the company toward other parties. Actually, contribution toward social-environmental programs for Danone CSR, Aqua itself can trace the actions far before Danone became the majority shareholder of Danone Aqua.

4.1.1. Historical milestone of danone aqua

Social Environment contributions of Aqua began before CSR became a trend in Indonesia. In the 80′s, Mr. Tirto Utomo, owner and founder of Aqua, was already active in various social activities. He started when he was involved with the Indonesian Badminton Association (Persatuan Bulu Tangkis Seluruh Indonesia – BPSI). From there many communities were formed that became involved in social activities.

In the beginning of the 1990′s, Emil Salim, (who at that time was Minister for the Environment) and Erna Witoelar asked Tirto Utomo his recommendations on the handling of plastic wastes resulting from Aqua production and sales. This question inspired Tirto Utomo's concerns about social responsibility and the handling of waste from his company. He saw as a first step the direct cooperation with the DML (Dana Mitra Lingkungan) Environment Funds Partnership. They implemented the first Aqua Care program (development of recycling Aqua waste) at the end of the 80′s. They also formed Friends of Aqua. Aside from cooperating with DML, Tirto Utomo in 1993 also brought in a plastic crushing machine to his plant. This can be said to be a historical milestone for Aqua, plastic waste became a commodity with real economic value. That initiative by Tirto Utomo led to the formation of an integrated chain of activities starting from plastic collections, to point of collection, to traders, to plastic grinder, to recycling factories all the way up to exports to China. This was the first initiative of its kind in Indonesia. However, it can be asserted that during the period from 1993 to 1998 most of Aqua's social care program concentrated in philanthropic activities.

In 1998 Aqua was bought by Danone. Up to 2001 Danone controlled the majority of the shares in the company. In 2004 a demonstration occurred at the Aqua factory in Klaten, Central Java. The issue was the drought which was voiced by the Environmental Group WALHI. The demonstration was targeted toward Ordinance No. 7, of 2004, concerning Water Resources. That ordinance was considered by many NGO's as the giving of a free ticket to private enterprise in the privatization of formerly public water rights.

The management response at that time was to open communication with holders of interests in Aqua, Klaten. At that time, the Danone – Aqua Department for Human Resources became the front guard for these issues because their mandate included the handling of the Social Affairs Department. Holders of interest put heavy pressure on Danone Aqua. The management had to act fast. First they handled the issue of Ordinance No. 7 of 2004. In doing so showed the public that Aqua had responded to the issue. Following this action, Danone started the formation of a CSR Department and began recruiting new staff. These actions brought attention to CSR issues from other departments. Up to 2005 Aqua began a series of internal discussions concerning CSR.

4.1.2. Main summary of danone aqua CSR activities

Initiatives of Global Danone can already be seen since 2004. Early on GRI initiatives were discussed. Also, Danone took a leadership role in the formulation of Standard 26000 of the International Standards Organization (ISO). The activities of Danone Aqua in connection with CSR in Indonesia, was part of the initiatives programs derived from Danone in Paris. These included the "Caused Related Marketing Program" (CRM) 1 for 10, as well as Ramsar.

The formation of a CSR Department in Aqua in 2005 initiated various activities. One was the Aqua Lestari Program that focused on several sustainable initiatives. Even potential impact management analyses began. Subsequently Danone studied the attention of interest holders and issues that must be handled by the company. Those included aspects of transportation, waste management, access to water, conservation, community development programs, and others.

Internally, each company department started work on key external impact factors. As well, they examined opportunities to enlarge positive contributions connected to its activities. The Aqua program 1 for 10 that started since 2006, for instance, is a translation from the Marketing Department on the challenge of taking a strategic role in the implementation of CSR Danone Aqua.

Aside from that, in 2006, Danone Aqua, in cooperation with Danone Wetland and UNESCO, designed an introduction to environmental education program for primary schools. That was based on an interactive game known as Ramsar. The game was based on a sort of snakes and ladder design as well as a form of monopoly. Each aspect contained information about environmental issues. The program also involved the education agency and schools in the area.

4.1.3. Challenges ahead

In 2010 Aqua began to put its house in order, focusing on strategy and observing CSR activities in a comprehensive manner. For Danone, carrying out CSR activities is the biggest challenge they are facing in developing internal capacity. In the factories there are no internal capabilities. Before 2009 all authorities were still held by the Head Office (HO) in Jakarta.

At this time, their initiative is focused on strengthening the local level capabilities. At the highest level of management there is general agreement that what happens in the factory must be handled by the factory itself. The role of HO at that time was to build capacity and to do things that cannot be done by the local level. For example, the engagement of mass

media. Principally, the overall corporate aim is to understand and enable how every factory can be able to be independent in the identification and handling operational risks.

Each factory is challenged to formulate a CSR Program specific to their situation based on local Social Assessments, local Stakeholder Mapping, and local Risk Mapping. In the year 2013, all factories and projects implemented Risk Mapping. Because issues are the realities that must be faced, every factory entered all issues into risk. For Danone every factory must be able to mitigate its own risks, especially from external interest holders, Different issues surfaces from year to year: the issues of draught, access to clean water, transportation, environment conservation, control of water resources as well as social contributions. As mentioned in the beginning, the market popularity of Danone Aqua made it a target of interest for external stakeholders that have vested interests around the water resources.

Through Aqua Lestari, P.T. Aqua Danone has made a commitment to always manage the environment by means of key social initiatives that are integrated across all levels at each Aqua Group location. Aqua Lestari believe that the natural environment and society are intimate friends that need to be looked after together. Aqua Lestari has committed to guard the balance between businesses, the preservation of the environment, and the development of the society. The basic principle of Aqua Lestari is: Aqua protects and preserves continuously the sources of water, operate an industry that is friendly with the environment, and promotes energy conservation. Aqua also uses alternative transportation routes to suppress pollution and economize on energy. Aside from that, Aqua assist the society in the development of the local economy through farming and organic breeding.

4.2. Sustainable living

Unilever's Reports on their environmental impacts of their products have affirmed that their multinational company operations (MNC), saw the total environmental impact of its products rose 5 percent during the past four years. This was achieved as Unilever was acquiring a new shampoo business and was struggling to convince consumers to use less energy for hot showers.

The consumer products giant released an update on its ambitious Sustainability Living Plan. Through that plan, it's aim was to cut 50% of the greenhouse gas impacts of its deodorants, food, detergents and other products between 2010 and 2020. They confirmed it is on track to meet the overarching goal for its full value chain despite challenges in some areas of the business.

The report revealed that the company has made good progress on a number of fronts, including slashing the carbon emissions impacts of its manufacturing processes by 32% as compared to 2008. That was achieved primarily through the installation of advanced clean technologies and encouraging more efficient operational behaviors of employees.

Furthermore, the company confirmed it has also made strides in reducing emissions from its transport fleet and refrigeration technologies, and has slashed energy use from its offices. However, Unilever revealed its overall emissions per consumer rose by 5 percent since 2010, mainly because it acquired Alberto Culver, which produces a number of major brands including TRESemme, Alberto VO5 and St. Ives. As such, the company admitted it was likely to miss their target to get 200 million consumers to buy products and tools that will help them to reduce their greenhouse gas emissions while washing and showering by 2015.

> "Two thirds of our value chain GHG impacts are in consumer use, primarily heated water for showering and bathing, which is more difficult for us to influence," the report stated. "External factors such as decarbonizing energy grids and effective carbon pricing will play a critical role in reducing GHG emissions, as well as product innovation and consumer behavior change."

Furthermore, Paul Polman, Chief Executive of Unilever, said it had been easier to achieve environmental targets directly within the company's control, but it was now looking to develop more innovative solutions to reduce consumer energy use. "We're making good progress in reshaping our business for sustainable, equitable growth,ḧe said. "But we need to do more."

Unilever recently added three new targets to their Sustainable Living Plan. These aim at boosting fairness in the workplace, improving gender equality, and developing an "inclusive business".

> "We have always recognized the bigger role that businesses need to play, and now is the moment for Unilever to step up and expand efforts in key areas, driving transformational change where we know we can make the biggest impact," added Polman. "In this way we will leverage our scale and work collaboratively in partnership with others to reach a tipping point in areas that will make a significant difference."

Despite the difficulties of convincing consumers to cut their environmental impacts, according to the report on environmental impact of products, Unilever has been broadly applauded by green groups for taking leadership in the battle to reduce carbon emissions.

> "It is really exciting to see a huge multi-national business take such a bold and progressive approach to how it recognizes and leverages its size, scale and influence," said Ben Kellard, head of sustainable business at Forum for The Future, in response to the latest report. "Learning and adapting is important in any business strategy, but it's even more impressive when companies, like Unilever, revise an already innovative plan with the intention of bringing about broader changes on a global scale. We hope this new plan – which includes stepping up plans to tackle several major

global sustainability challenges – helps Unilever to achieve the scaling up of the delivery of sustainability across its business and brands that we believe it is capable of."

The aim of Unilever Indonesia CSR is to socialize sustainable living. At present P.T. Unilever Indonesia Tbk. is active in a new endeavor, namely the development of the company and at the same time society. Through Unilever Sustainable Living Plan, it will assist the growth of the company business, while at the same time lessening the impact of its activities on the environment. Through these actions it is hoped to increase the positive impact on the society. P.T. Unilever Indonesia Tbk. work in partnerships. In this manner it can help change matters on a global scale: return fertility in barren forest and climate change; clean water, sanitation and cleanliness; and sustainable farming and small farms initiatives.

4.3. "Heaven stands by the good man"

P.T. Astra International, Tbk. strives to play an important role in sustainable development. Astra is like a person who always strives to do good deeds to others around them. This obsession concurs with the Chinese proverb "Heaven stands by the good man". This means that Astra, as one of the largest national business groups today, is always in the forefront in contributing to this country and nation. In short P.T. Astra International Tbk. adheres to a philosophy known as *Catur Dharma*.

Catur Dharma is the driving force for all business entities and activities in the Astra Group in conducting its duties and responsibilities toward their stakeholders. *Catur Dharma* was first implemented as a long- term sustainability strategy, dictated in the Strategic Triple P-Roadmap, which includes the Portfolio Roadmap, People Roadmap and Public Contribution Roadmap. Its humanitarian aid programs are covered by the Public Contribution Roadmap, which is improve year after year. The Public Contribution Roadmap is further divided into the Astra Friendly Company (AFC) and Astra Green Company (AGC) elements, which function as guidelines for Astra's Group business entities in their program to benefit the society and remain friendly to the environment.

As Its subsidiaries are expected to act responsibly to the surrounding communities and environment, in order to minimize potential risks and negative effects on stakeholders or the Company's operational and business sustainability.

In every program, Astra employs the 3 K Policy "Identify, Pride and Communicate". Astra must be able to identify what positive impacts a program will have on society and the environment. Moreover, the program must become something that the company can be proud of, and which when communicated to external parties serve as an inspiration and source of action. This year, the program in accordance with the above policy is "Indonesia Ayo Aman Berlalu-Lintas" (Indonesia, let's drive safely), which represents Astra's contribution through its automotive business segment in promoting understanding of the need to always obey road rules and signs with the hope of reducing traffic congestion and accidents. With the slogan "Indonesia Ayo Aman Berlalu-Lintas" may serve as a solution to these problems. Programs in the field of education, such as school's construction and renovation, and health-related programs such as the Astra Healthy Car, were also conducted. These programs were among those that helped Astra win the "Best Corporate Social Responsibility in Indonesia" award from Antara News, and many other awards from various institutions.

In managing its business, environmental preservation and protection of nature from impacts of Astra's operations, are part of its strategy and considered among the top priorities in its business activities. Every year Astra continuously improve and renew their commitments to environmental preservation and nature protection so as to eradicate or minimize any negative impact by the business on the surrounding communities. AGC enables the company to develop and implement Green Strategy, Green Process, Green Product and bring about:

• Education

   Providing of scholarship packages, and cultivation of schools and teachers.

• Environment

   Planting of trees and mangrove. This activity is in accordance with the aim of Global Goals, that is, Clean Water & Sanitation, Clean and Affordable Energy, Sustainable City and Community, Responsible Consumption and Production, Action on Climate changes and Life on Earth.

• Small Enterprise

   Cultivate Income Generating Activities (IGA) of groups, give assistance to people in the society that have received the program, and cultivation of Small and Medium size Enterprises with an absorption of 60.446 workers.

• Health

   Giving health care to patients through Astra's Mobil health service (Mokesa), cultivation of Posyandu (Community Health Center), and the gathering of blood pockets (blood donors).

Meanwhile, the government in this case assists in facilitating the development of relations between the company and society. At present, for instance, isolated traditional communities are formed as such that they will be able to bridge the relation between the company and society so that the company is accepted by the society and, thus, can carry out its business appropriately. In this context The Ministry of Social Affair has become a sort of facilitator aside from regulator. In lieu of its development, the companies now understand and are aware of the existence and importance of such traditional communities. It is noted that more or less 200 companies that are cooperating in various social responsible activities are now paying attention to the local wisdom in the society.

In the local wisdom the behavior as well as character of a society can usually be unearth. The relation of the company with the society is affected by the behavior of the society and the culture of the company. In the outside it will be affected by the behavior of the society mentioned earlier, and in the inside the culture of the company becomes a consideration. The culture of the company is reflected in the daily behavior of the company in its relation with various parties. The value of the culture of the company is also a means to show the existence of the company in a country. If the company is accepted by the society and its existence is sustainable, and at a later stage feel useful to the society, then the company start to approach the society. In doing so, the final aim of the company, therefore, is not only to be the biggest, but to be the closest with the society. Thus the company is not only seen as only observing and considering the society, but also always striving to be a good company, with a good product and, at the end, close to the society. In this instance, there is a process as to how each is negotiating and accommodating until reaching a unified concept of the company, product, and acceptance by the society.

By basing their decisions firmly on *local wisdom*, a company will easily understand other parties, and thus treat them with a more human touch, so as to open the way toward an ideal relationship between the company and the society. In the offset it is necessary to determine the ways and method of communicating in accordance with the need of the society, and then studying and knowing the local wisdom, and lastly paying attention to the human factors in building the said relation. In general, at present relations of companies with the society in the area of social responsibility can be said to be good.

The government takes note of this by presenting awards. One of the indicator to judge whether CSR is good can be seen from the awards that are presented by the government to the company through yearly activities (special events). Those companies that have received awards are made examples of successfully materializing "Seatbelt Social Investment of the Business World". Both government and companies are conscious and aware that companies need to invest in the field of social responsibility as a safety seatbelt for the continuation of the company's operation in the midst of a dynamic society.

In the interaction between a company and society there is a communication accommodation between the parties so as to reach the highest level of accommodation in achieving the aim. In communication strategy, convergence is by nature more dominant, and more inclined to mutual convergence as compare to mutual convergence/divergence, where two parties move toward unity rather than diversity. Mutual convergence is reached only in parts that are accommodated in the theory, and is called partial convergence, whereby a unification of the parts in the interaction is happening. In various cases, a complete convergence happens where a complete unification of the interaction happens.

5. Conclusion

How each company's approach fits to Collaborative Social Responsibility Model? For Danone the encouragement in which each factory is challenged to formulate a CSR Program specific to their situation based on local Social Assessments, local Stakeholder Mapping, and local Risk Mapping is an evident of the model. As mentioned in the discussion, Aqua is a target of interest for external stakeholders that have vested interests around the water resources. Through Aqua Lestari which show its commitment to always manage the environment, the collaboration among Aqua, internal and external stakeholders is constructed.

For Unilever Indonesia, through Unilever Sustainable Living Plan which will assist the growth of the company business, while at the same time lessening the impact of its activities on the environment is the implementation of the Collaborative Social Responsibility Model. Through these actions, it increases the positive impact on the society. P.T. Unilever Indonesia Tbk. work in partnerships. In this manner it can help change matters on a global scale: return fertility in barren forest and climate change; clean water, sanitation and cleanliness; and sustainable farming and small farms initiatives.

For Astra International, it concerns on environmental preservation and protection of nature from impacts of Astra's operations, are part of its strategy and considered among the top priorities in its business activities which proof the Collaborative Social Responsibility Model. Every year Astra continuously improve and renew their commitments to environmental preservation and nature protection so as to eradicate or minimize any negative impact by the business on the surrounding communities. AGC enables the company to develop and implement Green Strategy, Green Process, Green Product

In conclusion, presently "positive" efforts are made by companies to better comprehend society's needs. This understanding of society is essential for product development, marketing strategy, and CSR strategy. Society is not only in a position to choose what is provided by the company in achieving shared meanings or Symbolic Convergence. Societies actively present their aspirations and the local wisdom which must be adapt by companies. Symbolic Convergence in the said relationship is built from all parties that are in relation, that includes the company, government and society. Meanwhile, the media assist in developing awareness through various balanced information as form of social disclosure.

Acknowledgments

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