

CORPORATE SOCIAL RESPONSIBILITY CASE STUDY HSBC CIWIDEY PINTAR

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Abstract-Indonesia is the biggest country in Southeast Asia, unfortunately It has not been able to be the representative for other countries in the economy and education sector, it also fails to have the prosperity which is evenly distributed for all society. Therefore, Indonesia is still categorized as developing country. This not-well-distributed prosperity creates any gap in social life for example there are still many children who live in remote area cannot get the access of having the education as they should be. To remove the gap, the numerous programs have been arranged by the government, one of them is the supervision to the social program of the company. At this final assignment project, the author wants to evaluate Ciwidey Pintar program which is Corporate Social Responsibility program of HSBC Bank. It aims to bear future generations through formal and informal education and answer the problem explained above. The objective of this final assignment is to know more deeply about the program of the society development of HSBC called Ciwidey Pintar. In addition, it aims to analyze the impacts of whether the target is achieved or not. The author will analyze the relationship among the involved parties in holding the program to get success result. To achieve the objectives above, the author uses some theories such community development, corporate social responsibility, program of society empowerment, and sustained business theories. Besides, to get the project result, the author uses a research methodology; design of problem identifications; data collection; data analysis; and the conclusion. The result is Ciwidey Pintar. It has given a big contribution in developing education in one of the remote areas; also it brings the success of the internal part of the company for the employee's participation at this program. The problem is only about the program activity that totally does not show the empowerment spirit. For the first recommendation, they need to focus on two program impacts, social and environment. The program is adjusted with the environment condition to make use of its society.

Keywords: corporate social responsibility, ciwidey pintar, community empowerment, case study.

Introduction

The globalization causes a great number of significant changes in social life. It gives both positive and negative impacts for all countries including Indonesia. People can say that it makes them hold the world for its remarkable technology. Unluckily, that is not included with environmental management system. The social gap is one of the effects of the globalization, It makes poor middle class of society difficult to survive, but on the other hand, it opens big opportunities for educated people. That is what makes the social gap keep wider every year for example in educational sector, many children living in different area, children who have limited access to get information due to the State of the environment that does not support to achieve accessibility. The most crucial problem in Indonesia is not-well-distributed welfare in any sectors. This is reflected by a great number of people living in remote areas. Many CSR programs which help the improvement of the educational process in Indonesia, one of those is HSBC Company on education program. This covers HSBC Taman Festival, HSBC Entrepreneur Challenge, and HSBC Ciwidey Pintar so forth. That is HSBC Ciwidey Pintar whose the output can be the new references for the company to set up the program of human efficiency. This assignment will also show the execution of the research about the relation of HSBC with the partner in this project that is NGO, Satoe Indonesia as well as the relation with the societies.

Literatur Review

HSBC Company Profile

HSBC is one of the biggest corporate bankings with international finance service in the world. It has about 54 million customers in all Indonesia, the banking serves for commercial business in which UKM (Small and Medium Business) for big companies can facilitate their financial needs including financial company, or adviser of cash management that is well-known as financial consultant, and international trading.

Corporate Social Responsibility

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large (Making Good Business Sense by Lord Holme and Richard Watts). Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

Advantages of Corporate Social Responsibility

Basically, the benefit that the company gets in implementing CSR is social benefit instead of economical benefit. Based on the research conducted by Business for Social Responsibility, the benefits that can be obtained by a company that implements CSR are as follows, Satisfied employees, Satisfied customers, Positive Public Relation, Costs reductions, More business opportunities and Long term future for your business.

CSR Classification by Program type :

According to Kotler and Lee (2005), there are 6 alternatives CSR program that can be selected by considering the company's corporate objectives, type of program, the potential benefits to be gained, and as well as it's stages of activity. Which is :Community volunteering are the companies support and encourage their employees, shareholders, or associates franchise retailers to set aside their time voluntarily to help the local community organizations and the people who were the program target. Socially Responsible Business Practice are the company invests in favor of solving a social problem to improve the welfare of the community and protect the environment, and the Community encourage is helping to reduce poverty and improve the quality of life, can be done, build trust and a sense of mutual respect, embodied by developing CSR activities that lead to the formation condition of familiarity among community members.

CSR Consist of three type of CSR Program :

At the first Community relation because CSR is essentially a public relation activities, then the steps in the process of PR any coloring CSR measures. By using the stages in the process of PR which are cyclical, then programs and CSR activities are also conducted through the collection of facts, problem formulation, planning and programming, action and communication, as well as the evaluation of public attitude against to know the organization. In the second Community service business is not merely the issue of maximizing profits for the owners of the company. But what about the business being run can bring maximum benefits for owners of companies that obtained and reached by way of a more humanizing humans, and do the steps of harmonious with all stakeholders. At the last Community empowerment is process of enabling communities to increase control over their lives (become more independent and sustain)

CSR Scope

CSR is essentially the soul or the value of the underlying corporate activity in general because the CSR become the comprehensive foundation in the economic, social, welfare, and the environment. According to Rahmatullah Trianita Kumiati(2011), there are 4 basic foundation inter-related, which is:

1. Economic activity
2. Environmental issues
3. Social issues
4. Welfare issues

CSR Law In Indonesia

In law No.40 of 2007 about limited liability company, discuss about responsibility the company to social and environment. Responsibility is based on fairness that must be performed by a company. If the company is not doing the regulation, the company may be subject to sanction stated in the laws that have been set by the Indonesian Government.

ISO 26000

ISO 26000 provides guidance rather than requirements, so it cannot be certified to unlike some other well-known ISO standards. Instead, it helps clarify what social responsibility is, helps businesses and organizations translate principles into effective actions and shares best practices relating to social responsibility, globally. It is aimed at all types of organizations regardless of their activity, size or location.

The standard was launched in 2010 following five years of negotiations between many different stakeholders across the world. Representatives from government, NGOs, industry, consumer groups and labour organizations around the world were involved in its development, which means it represents an international consensus.

Community development

Community development is a process where community members come together to take collective action and generate solutions to common problems. Community wellbeing (economic, social, environmental and cultural) often evolves from this type of collective action being taken at a grassroots level. Community development ranges from small initiatives within a small group to large initiatives that involve the broader community.

Sustainable Business

What it means by a sustainable business is creating a business that has a long-term vision. And there are some fundamentals aspects in creating a sustainable business. Which are:

1. A company that supported by great systems, such as Good Management system, Comprehensive Marketing Strategy, Integrated Financial Strategy and also a great Human Resources Management.
2. A great commitment between the BOD, BOC, Stakeholders and Employee's for the company programs.
3. A great corporate culture based on the company's vision and mission to create a harmony environment in the company.

Methodology of Data Process

The method used by the author to process the data in this final project is qualitative method. This method covers an interview, deep interview, and structural interview toward HSBC with involved division that is corporate sustainability division. The author will also interview the participant of the program with transparency system, and analysis from the secondary data of the program. The objective of this method is to see whether the target of the company conforms to the impacts that are felt by the participants.

Research Design

Research design explains the process executed by the author to finish the final project. Basically, there are six steps in conducting this research started from identifying background to get any conclusion and to give recommendation for HSBC in general especially corporate sustainability division, formulating the theoretical background, conducting the exploration research, analytical process, next step which is drawing the conclusion and recommendation of the research. The conclusion is explaining all findings of this research finished by giving the recommendation for involved party to support the development.

Here is the methodology structure of this research:

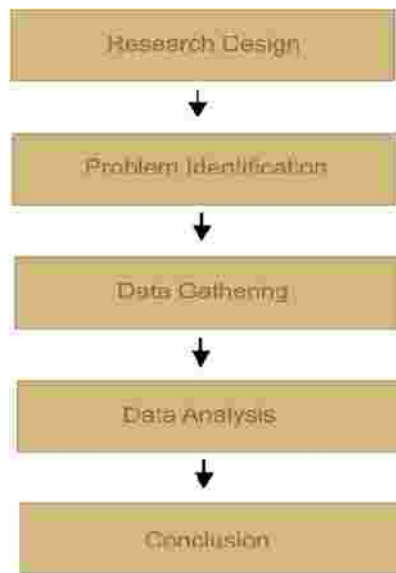


Figure 1 : Research Methodology

The first thing to do in this final project is to build research design. It contains the description about each step of the research and illustration of what the author does from the very beginning until very end of the process. The design is made to be a guidance that must be followed by the author to achieve the goal of the report. In this thesis, the form of the research design is as follows

Problem Identification

The next step after deciding the research design is to conduct problem identification. In this process, the author observes directly with some teams from HSBC corporate sustainability division by visiting the main office of HSBC at JendralSudirman Street lot 29-31, Jakarta. This causes any discussion about which division that the author must examine for the thesis. Finally, the discussion comes to the result that the author will analyze one of CSR HSBC programs named HSBC CiwideyPintar.

Data Collection

The next step of the research is to collect all data needed. This collection is carried out by interview process toward 2 parties, the first one is 5 HSBC employees that become the volunteers of CSR activity of the company. The second one is 10 participants of HSBC CSR program, CiwideyPintar that are divided into 5 activities to know the impacts felt by the participants themselves toward this program in which every activity consists of two. The activities include computer program, packet C equality program (for Senior High School Students), soccer school program, and the last is English teaching program. The author also uses a clearly new method called Observatory to observe the participants. And for the data, it can be collected from CSR yearly report of HSBC and also special report of Satoe Indonesia program. Besides, the author adds another book as a reference.

Data Analysis

After collecting the data, the author continue to analyze it to get the result and to answer all the research problems. To analyze and evaluate the execution of HSBC CiwideyPintar program, the author uses 4 steps of data analysis and evaluation, they are:

Interview is used to find the explanation and oral statement from the informants by face to face and straight meeting them. The interview is applied for the villagers as well as the participants of the program who are considered being able to give deep information about the social situation especially in building villages.

Observation

Observation is the supervision on the phenomenon that can be seen directly as the complement of acquired data. The observation is carried out to get the required data in this research so that the result will describe the social situation after participating in this program. The society's condition

always depends on the context of space and time, therefore this observation will be very useful to catch the social phenomenon these time. The observation is executed by watching thoroughly villagers' daily activities which focuses on education and environment performances.

Secondary Data

Secondary data collected includes the report from CSR program, HSBC CiwideyPintar that comes from HSBC as well as Satoe Indonesia and the data of village condition got from the local official on 2 locations. The secondary data is used to support the data collected from the observation and interview.

The analysis process with qualitative approach consists of three steps at the same time those are data reduction, data appearance, and writing of recommendation. The data reduction is the process of selection, simplification, abstraction, and data transformation got from raw data. The data reduction is conducted by reading interview transcript, observation notes, or documents that will be analyzed then arranging data categorization. The process is continued with data appearance, the data is compiled to be the collection of organized information. The last process is the conclusion, it is drawn after finishing data collection process.

Conclusion

This last chapter provides the summarize and study of data analysis from this case, and explains about the recommendation for corporate sustainability division of HSBC Company that protects CSR program so that they can make a better system for their program of society development.

Data Collection and Analysis

1. The Existence of HSBC CSR Program

HSBC is one of the British Multinational Banking Companies existed in Indonesia. It has been established for 135 years which is quite long time to affect the economy in this country. HSBC is the company that is aware of the importance of the company sustainability especially for a guest position in one country because it is part of Asian Pacific Regional whose company system is adapted from UK which expands development value of community condition and future generations. One of which is Corporate Social Responsibility (CSR) Program for HSBC. Corporate sustainability intends to be a long term business to maintain a stable environment and to build healthy as well as educated communities toward the social development. This makes a good sense of business for the company as it gives more sustainable contribution to the economy development.

2. Ciwidey Pintar History

CiwideyPintar is one of the real contributions hosted by SI (Satoe Indonesia) and HSBC Bank which have similar vision to be able to develop their potentials in improving Indonesian National Development. The same vision creates a program between Satoe Indonesia (developing village) and HSBC (CSR program) usually called HSBC Kita on Education Sector called CiwideyPintar Program regarding to future first to achieve the great proud generation, and to become a pioneer of the better changing. The name of CiwideyPintar represents a vision that is to make education the key to eradicate poverty and ignorance for a middle and long term. To carry it out, CiwideyPintar brings the message or mandate that the vision can be conveyed through well prepared and arranged program. The program will be held for a year with the output expected by each sub program. The Location of Ciwidey Pintar Program in Ciwidey, Bandung, Jawa Barat.

3. Main target of Ciwidey Pintar

The Program of CiwideyPintar is the HSBC CSR program that unites the concept of csr socially responsible business practice, in its execution, the concept of volunteer community toward the employees and other parties is used.

Every focus performance of Ciwidey Pintar consists of

1. Computer Program,
2. Fun English,

3. Paket C examination (get senior high school graduation certificate),
4. Soccer school
5. Volunteer program

4. Program Timeline



5. The Interview Result of CiwideyPintar Program with HSBC

The program of CiwideyPintar for HSBC gives a lot of advantages felt directly and indirectly, this is because CSR concept as sustainability business brought by HSBC in cooperation between HSBC and Satoe Indonesia has been run more than just once even for a longer time and continuous contract. The interview is about Since when did the volunteer system exist in HSBC of Indonesia, History of the Volunteer of the Program in the Corporate Sustainability Division of HSBC and Since when did the volunteer system exist in HSBC of Indonesia.

6. Interview

History of the Volunteer Program in the Corporate Sustainability Division of HSBC. Since when did the volunteer system exist in HSBC of Indonesia?

Based on Maya Rizano as the Head of Communication and Corporate Sustainability of HSBC Indonesia, since 2006 HSBC in 50 countries including Indonesia has got the company development of value with UK as the leader. The value is called economy development by seeing community condition through education. Since then, HSBC has granted the commitment of corporate sustainability through Future First program of HSBC. It is an education program for unlucky children around the world. From that time, the volunteer program is carried out with any hope that each employee has the social spirit inside.

What is the Corporate Sustainability Division done to ask other employees to be the volunteers?

The first way done by the corporate sustainability team is to ask the volunteers to decide the concept. Firstly, the volunteers use the flash mob dance concept, flash mob is the movements of a great many of people in public area all of sudden. Doing a little thing then comes to the bigger and bigger one such the dance that is begun with 10 people becomes more in tone two, will be more in tone three, and eventually all people dance together. Usually, the dance is organized via social media, email, or other media.

Ciwidey Pintar program has the most numerous volunteers every month that go out of the city and lodge in the village programs. That makes the review about the program becomes the trend in the employees circle of HSBC Indonesia. This is kind of refreshing for them through social action particularly the stakeholder that is so open in welcoming them. The attraction of this program is not just felt by HSBC Indonesia but also HSBC Hong Kong. They notice the monthly report project that makes them curious and finally visit Ciwidey in May 24-27 2013.

Is there any reward for the employee who becomes the volunteer?

This program is established as the new form of HSBC training. HSBC does not want to make its employees to be an opportunist, therefore there is no reward. However, in the beginning of program introduction, there is additional income for the volunteer, but if someone has been categorized as loyal volunteer (participating in CSR program more than three times), he will get surprised reward such CSR trip to other country, lunch with board of director, even lunch with CEO of HSBC Indonesia.

What is the initial purpose of holding the volunteer program and the result had by Ciwidey Pintar that is visited by the volunteers every month?

The initial purpose is to involve the HSBC staff in each HSBC program including CSR, based on ISO 26000, CSR as the corporate image. Another purpose is to improve the internal communication and good relations with the various interested parties through the volunteer program by HSBC.

The Volunteer program is also made to create the future generation who will be the future leader of HSBC because this program gives the soft skill training such interpersonal skill, human skill, communication skill, and leadership. The soft skills they get will be very beneficial and valuable.

What are the impacts of the existence of the volunteers toward the Ciwidey Pintar Program?

The Volunteer which is the internal program of HSBC gives a lot of impacts toward the Ciwidey Pintar Program. The influences are experienced by Satoe Indonesia particularly the campus regional party and by the participants of the Ciwidey Pintar program. The visit of the volunteers from HSBC that is scheduled once a month always gives a new experience because the different team comes every month to support this program.

Mr. Widi as the founder of Satoe Indonesia, said that his party was very fortunate to cooperate with the company which is willing to directly involve on the field, so there are two ways of learning, the first is from the students as SI from the campus to HSBC otherwise from HSBC to the SI itself. Each month, the volunteers are given the motivations from the field party to show the best performance, the students also are so curious about HSBC Company and its division. There is sharing and evaluation monthly session to improve the performance and to know each other.

Each participant competes to show up their own ability. This impact is felt by the teachers of each program, when the visit of the volunteer which brings the result test is announced, a number of attendances increase. This visit also becomes the time to express pride and gratitude for any help given by HSBC, for example: the participant of Paket C program gives a handmade wooden frame that is carved with grateful statement on it. It is because the spirit and the confidence of the volunteers have been distributed to the participants.

7. Impact Program

Impact for the for the Volunteer Program, HSBC with its special internal program called the volunteer succeeds to decrease the value, and the process of knowledge transfer to the employees becoming the volunteers. This success also gives the influence to each program held by CSR division and to the employees' pride of where they work. Then it slowly creates a loyalty that is arranged in the volunteering program. Impact for the participant e that all programs give the long-term positive impacts for the education and economy field of its participants. Generally, all of them stated that every process of the program gives new experiences that can change their life. They also hope that this program will be continued because of good relationships between HSBC and Satoe Indonesia. In addition, the local community provides a comfort zone in running the program.

The author used these three requirements to measure the effectiveness of CiwideyPintar CSR Program from HSBC. CiwideyPintar wants to develop the young generation and give any access to the local community in improving their knowledge and potentials. HSBC has passed this requirement, through this program the development of formal and informal education becomes available. For the second one, HSBC is also successful with it. The program of CiwideyPintar of HSBC

gives the impacts toward the internal and external of the company. For the internal one, this program is successful in giving the value to its employee and the process of sustainable business regarding the future generation, future leader, employee engagement. For the external company that is participants of all programs, this CiwideyPintar program increases the incomes of them and the quality of formal and informal education.

As for the third criteria, the CSR Program is sustainable. The object of the program can be considered independently, HSBC still has many things to do. The program is already sustainable and independent, it will be designed to the independent process for the next a year with the concept of community empowerment from them, by them, and for them. Later, the program will be sustained with them. As the participants, they will manage their program independently for other village communities, HSBC, and Satoe Indonesia as the supervisor.

Conclusion

HSBC is a corporate banking with international finance service in the world that gives positive impacts to any region by solving the problem of access difficulties toward formal and informal education. The result is the quality improvement of education which effects better economy condition to several participants of Ciwidey Pintar.

The concept of CSR from HSBC gives any significant impacts on either the external or internal of the company. It benefits the neighborhood of an area as well as the employee and corporate sustainability. According to the author from the interview result, this Ciwidey Pintar is the most successful program of the voluntary works focused on its own internal company. It gives a new meaning to empower the employees who will be the future generations and leaders of HSBC. In addition, HSBC can be the representation for any other companies in the matter of the voluntary program. Finally, not all programs create the community empowerment whose process enables them to increase their standard of living (be more independent and sustained).

Recommendation

Based on the problem explained before, the author has some recommendations for the corporate sustainability of HSBC that manages CSR programs, one of which is Ciwidey Pintar. These aim to increase the effectivity and the output development of the program.

First, in the concept of CSR program, HSBC must focus on the impacts that will be given. There are two points which must be notified; the social and the environmental impacts of each program. Both become the significant things to achieve the goals such to develop one region or a local community.

Second, a number of activities must increase every year. Ciwidey Pintar planned to be run for 3 years should provide the activities focused on 70% of environment and 30% of other skills; so, not only the program will be sustained and independent but also the region will not depend on other parties. In other words, the concept (from them, by them, and for them) is successful in empowering each region.

Next, every CSR program can equally give the education and skill trainings. Along with the community empowerment concept that is to provide the training for the participants, three recommendation explained above can help to hold the sustained and independent concept to improve a region.

Another recommendation is about CSR program that gives huge impacts for the sustainability of the company through its employees such volunteering program by HSBC. The research question is how the concept and system of the company can be offered to its employees and not only to its external part. The author hopes that many companies ask their employees not just from CSR division to

participate in their CSR activity so that every single value of the company can directly be felt by their stakeholders.

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