

**EVALUATING THE INTEGRATION OF CSR INTO
CORPORATE STRATEGY USING THE STRATEGIC CSR
MODEL
(The Case of PT Indonesia Power)**

UNDERGRADUATE THESIS



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**MANAGEMENT PROGRAM
FACULTY OF ECONOMICS AND SOCIAL SCIENCES
UNIVERSITAS BAKRIE
JAKARTA
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As partial fulfillment of the requirements for Undergraduate Degree in Economics
at Universitas Bakrie



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2016**

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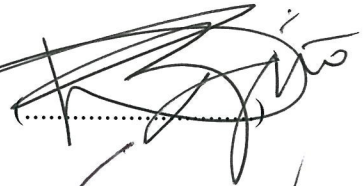
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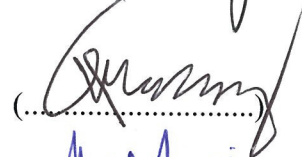
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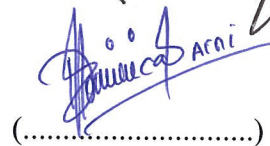
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Jakarta, August 2016

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**EVALUATING THE INTEGRATION OF CSR INTO CORPORATE
STRATEGY USING THE STRATEGIC CSR MODEL
(The Case of PT Indonesia Power)**

Muhammad Aldi Rachman¹

ABSTRACT

Integrating CSR into corporate strategy is not a simple job to do. Many companies that claim to have implemented CSR strategy and programs essentially only do what Werther and Chandler (2011) call *greenwashing*—the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service. Such companies only conduct CSR programs that are mere charitable or “sweetener” programs for marketing purposes, without any sustainable benefits or impactful social and environmental outcomes (Googins and Rochlin, 2006). Many still see CSR as solely an obligation imposed by government to companies and liken it as tax. These companies might conduct CSR initiatives only because it is mandated by the laws. Integrating CSR into corporate strategy, thus, encompasses not only the implementation of various philanthropic programs, but beyond that companies must institutionalize strategic CSR components into its internal structure as well as externalize them to its key stakeholders.

This study evaluates the integration of CSR into corporate strategy in the case of PT Indonesia Power, using the strategic CSR model (Werther and Chandler, 2011). PT Indonesia Power is the biggest power plant company in Indonesia and a subsidiary of PT PLN that has a vision and mission to be an environmentally friendly company and to achieve sustainability growth. In general, the result of this study shows that Indonesia Power has rightly integrated CSR into corporate strategy.

Key words: CSR, good corporate governance, Indonesia Power, integration

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