

A JOURNEY TOWARD CREATING SHARED VALUES



Contributors:

**Camila Lastrilla, Indana Nabhan, Huger Anggoro, Ahmad Fikri, Argia Sinarta
Ginting, Herry Yusirwan, Yoon Ko Woon, Naufal Adiyanto, Albert Yuda S., Dyah
Indra A., Rosada Asnada, Tania Mentari Desriyani, Fadhillah Indra Budi,
Giovanni Alexander Panudju, Muhammad Naufal, Mely Primayanti**

Editor:

**Amelia Naim
Mas Achmad Daniri**

A Journey toward Creating Shared Values (CSV)

Community Engagement Service of IPMI's MBA students

in the field of Good Corporate Governance

EDITOR: AMELIA NAIM INDRAJAYA &

MAS ACHMAD DANIRI

PUBLISHER

AMNA

NATIONAL LIBRARY OF REPUBLIC OF INDONESIA
Cataloguing-in Publication entry (KDT)

A Journey Toward Creating Shared Values (CSV)

Editor:

Amelia Naim Indrajaya and Mas Achmad Daniri

Cover Designer:

Ahmad Setia

Layout:

Nur Rahmad

Copyright © 2020 AMNA

Published by:

AMNA

Ph: 021 743 0208

This publication is under copyright law. Other than for the purposes of and subject to the conditions prescribed under the Copyright Act, no part of it may in any form be reproduced, without prior permission.

Dedication

For a successful MBA program, action based, and experiential learning is a must to get the greatest exposure. In IPMI International Business School every MBA subject should be highly implementable and ready to support real businesses. This book is the IPMI MBA school's dedication to all the business players supporting CSV practices in Indonesia

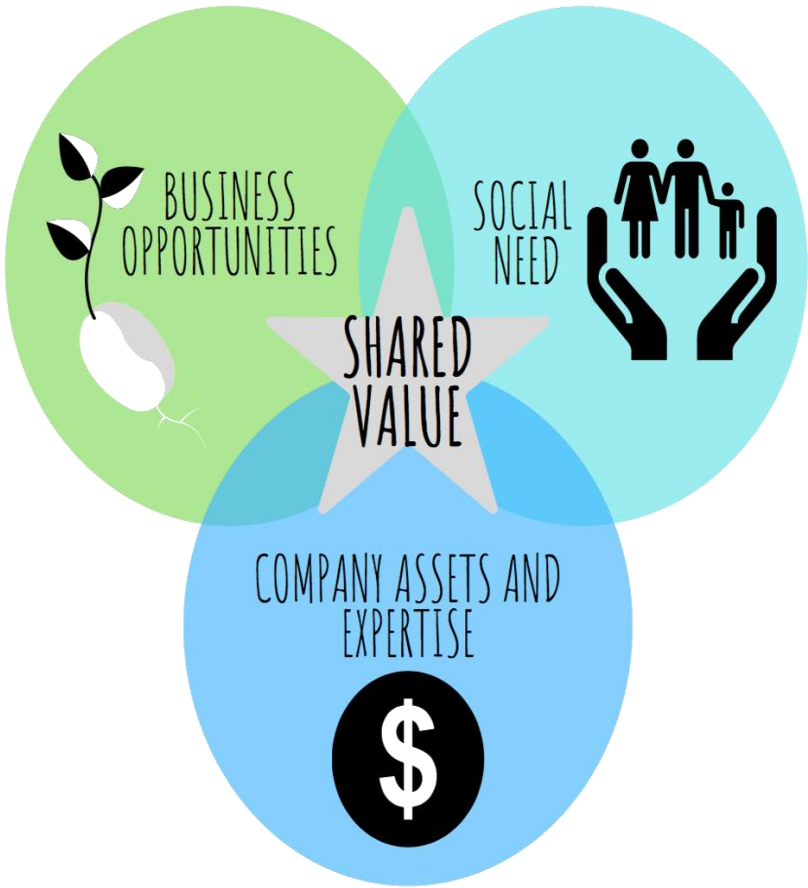


Table of Contents

EDITOR's NOTE.....	1
The Integral Aspect.....	2
The Importance of CSV approach in Supporting Sustainability	4
The Link to Environment, Social and Governance.	6
The Content of This Book.....	9
REFERENCE.....	12
Chapter One.....	15
Creating Shared Values: A Case Study of Bursa Efek Indonesia	15
Abstract.....	15
INTRODUCTION	16
Creating Shared Value (CSV).....	16
Indonesia Stock Exchange (IDX)	18
Problem Identification	25
Solution	27
METHODS.....	28
RESULTS AND DISCUSSION	28
Financial Education Center in Elementary School	29
Young Investor Program	33
CONCLUSION AND RECOMMENDATION	36
REFERENCE.....	38

Chapter Two	39
Creating Shared Values: A Case Study of Chubb Insurance Indonesia	39
Abstract	39
INTRODUCTION	40
Company Profile.....	40
Chubb Vision & Mission	41
Chubb Values.....	42
Chubb Corporate Governance.....	43
PT. Chubb General Insurance Product	47
Chubb Corporate Social Responsibility.....	49
METHODS	61
RESULTS AND DISCUSSIONS	62
CONCLUSION AND RECOMMENDATION	71
REFERENCE	73
Chapter Three.....	75
Creating Shared Values: A Case Study of Panasonic Manufacturing Indonesia	75
Abstract	75
INTRODUCTION	76
Creating Shared Value (CSV).....	76
Panasonic Manufacturing Indonesia.....	77
Electronic Waste Management.....	79

Carbon Emission Management 83
Problem Definition 85
Problem Solution 86
METHODS..... 86
RESULT AND DISCUSSION..... 89
PMI’s Vision and Mission in Environmental Aspect 89
CSR Program Analysis 89
CSV Program Proposal 92
Panasonic E-Waste Management Framework 94
Feasibility and Cost Benefit Analysis..... 96
Project Realization Timeline..... 99
Benefits..... 102
CONCLUSION AND RECOMMENDATION 107
REFERENCE..... 108

Creating Shared Values: A Case Study of Panasonic Gobel
Indonesia..... 111

Abstract..... 111
Introduction 112
Panasonic Gobel Indonesia..... 114
Problem Identification 118
Problem Solution..... 119
METHODS..... 119
RESULTS AND DISCUSSIONS..... 121

CONCLUSION AND RECOMMENDATION	141
Recommendation.....	144
REFERENCE	146

EDITOR'S NOTE

According to the Freedom of Learning and Freedom Campus concept (Merdeka Belajar Kampus Merdeka = MBKM) supported by the Minister of Research and Higher Education, the Indonesian campus should embrace the corporation and the community and becomes the change agent for sustainability development. In accordance with the MBKM concept our MBA students are implementing their Good Corporate Governance subject in an action based experiential learning journey through the implementation of the CSV (Creating Shared Values) approach. The CSV approach becomes a strategy to develop the companies' CSR (Corporate Social Responsibility) into a mutually beneficial Win-Win approach. In the development this CSV approach can also help companies to implement ESG (Environmental, Social and Corporate Governance) and GRC (Governance, Risk and Compliance).

Four corporations had given their commitment to be their discussion partners for the process. The corporations are Panasonic Manufacturing Indonesia (PMI), PT Panasonic Gobel Indonesia (PGI), PT Chubbs General Insurance Indonesia (Chubb) and PT Bursa Efek Indonesia (BEI). Under the supervision of Bapak Achmad Daniri and the GCG Faculty Amelia Naim, the students are empowering their corporate

partners through a contribution toward supporting company's sustainability by implementing the CSV approach.

The Integral Aspect

The chosen subject is the application and contextualization of the theory of creating shared value (CSV) in industry and society. Why the CSV is strategic for sustainable organization? It is because in the real world it is often found that many parties impose their will and interests without considering the interests of other stakeholders. These potentially could cause conflict of human interest.

We have found through our previous consulting work that with the CSV approach, companies can develop their competitive advantage. As we have heard from Erna Witoelar (the Counselor of KEHATI Foundation, former Minister of Environment, Republic of Indonesia), the original founder Michael Porter had shared the technique of CSV, but through the real implementation of Creating Shared Values for Multi Stakeholder's approach (Daniri, 2021), readers can understand more thoroughly how to develop their competitive advantage through CSV approach. This book further showcases the process of implementing CSV in a real corporation case study.

Humanly, the interest of an individual, as a social being, is highly dependent on many related parties. In other words, cooperation and collaboration have become the needs of the

community, groups, companies, and have even become the attention of every individual in the society.

CSV is one of the techniques to get full support from stakeholders. It is necessary to start by incorporating the interests of each stakeholder into the goals of the organization. In this book the authors supported by the students are helping to discover and propose to each company how they could create the shared values. The steps will be described in this first part of this Editorial Notes.

First, we need to identify the interests or needs of each stakeholder related to the organization's activities, before compiling a work program. In preparing the work program, it is necessary to involve stakeholders so that the interests of the organization and stakeholders are accommodated in the program.

Organizations need to know the interests of each stakeholder both internally and externally. This should be done by recognizing the needs of each stakeholder and conditioning them to obtain maximum benefits. This is arranged in an integrated way to achieve goals effectively and efficiently, while on the other hand the needs of each stakeholder can be met so that the organization gets full support from all stakeholders including the society.

After the organization successfully understand the interests of each stakeholder, the companies should start to

relate this interest to the achievement of organizational goals. So, the next step is to formulate business activities and Corporate Social Responsibility that are mutually beneficial (win-win) by prioritizing the fulfillment of stakeholder needs.

There are several types of CSR. Some are only in the form of donation / philanthropic gestures to gain social license from the community. But the strongest type of CSR is developed by radically innovating the business model embracing the SDGs and the Social/Environmental issues faced by the stakeholders which is implemented through the CSV approach.

In a simple word, if the companies are implementing CSR strategies which are not in line with the company's business strategy and cannot be embedded as part of the business model of the company, then the company will only gain philanthropic benefit, at the least only getting a social license to support the organization's operations. But the more the CSR is using the CSV approach, and the strategy is embedded within the business model, then the more it will be part of the strategic competitive advantage of the company.

The Importance of CSV approach in Supporting Sustainability

It is obvious to see that CSR through the CSV approach is resulting toward win-win approach which is beneficial both to the company and the stakeholders. The impact can then be

measured both sides. In the micro point of view, it is in the form of the benefit to the company. In addition, it could also be seen from the macro point of view, in terms of the benefit to the community, to the country and the world. This could be seen as the contribution to supporting the Sustainable Development Goals of the United Nations.

One of the tools to measure the impact is SROI (Sustainability Social Return on Investment). This SROI seeks to develop a way to estimate the impact of company's policy toward supporting the sustainability. SROI is giving the understanding of the concept, and stresses upon the importance that a SROI ratio holds in context of businesses especially for the one who is committed to support the SDGs of the United Nations. The SROI will be a good measure to analyse the contribution of the company towards Sustainable Development Goals of the United Nations. This SROI will be discussed more in detail in a separate book.

IPMI as a higher education institution has a vision to develop future entrepreneurs and business leaders. These future gamechangers play an important role to promote the Global Goals of the United Nations as the common objectives to be achieved in 2030. The Center for Sustainability Mindset and Social Responsibility (CSMSR) of IPMI International Business School was developed in 2015 and was formally established in 2018, is supporting the positioning of IPMI as

an educational institution producing transformational entrepreneurs and leaders in working for a better world.

The CSMSR is in accordance with IPMI's value and vision by linking research, academic offers, and community outreach with the United Nations Global Compact 17 Sustainable Development Goals of the United Nations. This endeavor is highly related to this purpose. Through this experiential learning students have ample time to implement their knowledge on Creating Shared Values to their partnering companies.

The Link to Environment, Social and Governance.

In addition to supporting the Sustainable Development Goals of the United Nations, the company also must implement the ESG concept (Environmental, Social, Corporate Governance). This CSV approach is a good tool to implement the ESG concept. The objective is to achieve the organization targets related to the Environment, Social and Good Corporate Governance concept.

Nowadays, the investment decision is influenced by the ESG concept. The company who failed to show high indicators to the ESG value, will not be showcase as the highly prospective investment. The investors are showing awareness and commitments by their tendency to invest in green and sustainable companies. This is based on the facts that sustainable and green companies are supported by all the

stakeholders and they tend to be more profitable in the long run (Daniri, 2020; Indrajaya, 2017, Indrajaya, 2018, Indrajaya, Daryanto and Sjahrifa, 2019, Indrajaya and Rimanoczy, 2021).

Four companies were chosen as the counterpart to implement this CSV approach. Each group of students work hand in hand with the local champions of each company. Primary data was collected through a direct participatory approach with the local champions from each company. The counterparts were engaged in a team-work collaboration to come up with a workable recommendation.

The recommendation for each company was presented through a live zoom session which has become a necessity in this COVID era. Each of the counterparts were present and were part of the participatory community engagement process.

The live webinar session was also open for the public. This is to promote the importance of Good Corporate Governance as well as to introduce the CSV tool as a strategy to increase competitive advantages. During the webinar session participants were actively engaged and showed a high interest to the subject.

This model of webinar is also a form of community engagement. The objective is to promote the idea of Business as an Agent for World Benefit, where businesses can do well by doing good.



Figure 1

(Environmental, Social and Governance)

Source: Sustainability Academy The power of ESG

Each group of students presented their proposal of CSV to be implemented in the company. Through the webinar, we could see the evidence of positive feedbacks from the counterparts, as the partners eagerly welcome the recommendations to be implemented in their respective companies.

The limitation of the study comes from the limited time available of working with the counterpart / target business.

Future classes could choose to work on the continuation of the program to maintain the sustainability of the program.

Being a business school, students are encouraged to focus more into the practical implication's aspects. This final work of book publication has finally accomplished the target to evaluate the students based on their ability to implement the learning experience in the form of practical implication to a real business entity.

The Content of This Book

In the first chapter Camila Lastrilla, Indana Nabhan, Huger Anggoro and Ahmad Fikri are working hand in hand with BEI (Bursa Efek Indonesia). BEI already have a current CSR matrix and students had come up with a practical proposal to further create shared values.

In the second chapter Argia Sinarta Ginting, Herry Yusirwan, Yoon Ko Woon, and Naufal Adiyanto are proposing the CSV approach to Chubb Insurance. Chubb Insurance is a general insurance company, majority owned by the United States of America. The students came up with the brilliant idea to develop a mindset of Assurance and risk-avoiders to the students from their early age.

The third chapter is dedicated to the Panasonic Manufacturing Indonesia. The students Albert Yuda S., Dyah Indra A., Rosada Asnada were working hand-in hand with the

counterparts of Panasonic Manufacturing Indonesia to propose the implementation of CSV for PMI. The CSV is to create a platform to reduce the Electronic Waste and at the same time increase the profitability of the company. The second program proposed is to take advantage of the Carbon Credit program.

The fourth is the proposal shared by Fadhillah Indra Budi, Giovanni Alexander Panudju, Muhammad Naufal, Mely Primayanti. The proposal is dedicated to the Panasonic Gobel Indonesia (PGI). The students came up with a great idea of a platform based, service provider for not only PGI products but also becoming a solution for giving quality service to other electrical brands in Indonesia.

The Pandemic situation has highly impacted the Higher Education in Indonesia and campuses in the whole wide world. One of the toughest challenges is how to develop the best way to evaluate the learning process of students during their learning process in the campus. The traditional way of checking the student's ability through written exam is no longer fulfilling in this Pandemic era. One touch of Google will give the students a full range of answers. As opposed to the traditional method, this community engagement activity provides the students the opportunity to work directly with the business world, hence the evaluation process is done through the Community Engagement Service. The experience

itself is rewarding and is giving a great impact both to the society and the organizations and to the students as well.

In the process, the students become the consultants with real assignments for real companies, where they can implement their knowledge and skill in the most inspiring and motivating way for a better future of Indonesia specifically the businesses that they are collaborating with.

REFERENCE

- Indrajaya, A. N., Daryanto, W. M., Sjahrifa, C., & Yeung, S. (2019). The conceptual model of spiritual leadership and spirit at work in creating a sustainable competitive advantage. *International Journal of Business, Economics and Law*, 19(2), 47-51.
- Indrajaya, A. N. (2018). Spiritual development programs, individual spirituality and sustainability mindset toward higher commitment to social and environmental impact. *International Journal of Business Studies*, 2(3), 150-163.
- Indrajaya, A. N. (2017). Implementing Spirituality In Business and Management Education. *Fostering Sustainability by Management Education*, 33.
- Indrajaya, A. N., & Rimanoczy, I. (2021). Millennials as change makers supporting SDGs. In *Revolutionizing Sustainability Education* (pp. 196-215). Routledge.
- Daniri, M. A. (2006). Good corporate governance: Konsep dan Penerapannya Dalam Konteks Indonesia, Edisi Kedua. *Jakarta: PT Ray Indonesia*.





CHAPTER ONE

**Creating Shared Values: A Case Study of
Bursa Efek Indonesia**

Camila Lastrilla

Indana Nabhan

Huger Anggoro

Ahmad Fikri

Sekolah Tinggi Manajemen IPMI

Abstract

The importance of sustainability became more highlighted during the COVID-19 pandemic. Companies had widened their perception of success to focus not only on profit, but on people and the planet. The Creating Shared Value approach has evolved from Corporate Philanthropy and Corporate Social Responsibility by utilizing their business model to address real societal needs through the business itself while achieving economic success. Bursa Efek Indonesia or the Indonesia Stock Exchange (IDX) has continually evolved to

meet opportunities to support CSR activities. Supported by the OJK (Otoritas Jasa Keuangan) BEI is educating the prospective investors on financial literacy toward investing decisions, financial responsibility and good financial management. In this chapter, we propose a revolutionary arm to this strategy by attempting to reach a younger market. This strategy aims to foster a future talent and prepare them to invest or promote towards green and blue initiatives economy. In the long-term, this CSR through CSV strategy will raise a more educated generation with a developed mind that increase and develop the capital market to be more efficient and reliable.

Keywords: *Sustainability, Creating Shared Values, Green and Blue initiatives, Financial education, Capital Market*

INTRODUCTION

Creating Shared Value (CSV)

Porter and Kramer (2017) and Daniri (2021) defined Creating Shared Value (CSV) as an operational strategy that elevates the overall value of a company. An effective CSV strategy advances the economic and social state of a company at the same time. This way, companies could achieve long-term success by creating value for both stakeholders and local communities they serve.

The idea evolved from Corporate Philanthropy or the investments and activities a company voluntarily performs to

take responsibility for its impact on society. This idea then evolved into Corporate Social Responsibility (CSR). CSR is a form of good corporate citizenship to society by complying with ethical standards and the Sustainable Development Goals (SDGs). Facing external pressure to mitigate the risks of their stakeholders, companies are compelled to develop an effective CSR strategy not only motivated by philanthropic intentions (Daniri, 2021). Furthermore, the idea evolved into Creating Shared Value (CSV) which integrates the philanthropic, ethical, and sustainable goals into the business model of a company. Through providing a product or service that could improve the state of society, whether it be social or environmental, companies also will be able to handle the power of capitalism in creating shared value at the society.

According to the book *Lead by CSV* by Mas Achmad Daniri, CSV strategies evolve around three main activities: reconceiving products and markets, redefining productivity in the value chain and enabling local communities' development. Daniri writes about some unique qualities that make a CSV strategy effective. It is a way to do business while giving benefit for company and society concurrently. An efficient CSV strategy provides opportunities to create shared value by involving social and environmental problems as one of the driving factors in their business strategy.

Indonesia Stock Exchange (IDX)

IDX journey began in 19th century, at the Dutch East Indies Government. It was on December 14, 1912 that stock exchange trading activities were inaugurated under the name “Vereniging voor de Effectenhandel”, which served as a branch of the “Amsterdamse Effectenbeurs” stock exchange in Amsterdam, Netherlands. IDX was formally established on November 30, 2007, by merging the Surabaya Stock Exchange (SSX) into Jakarta Stock Exchange (JSX). SSX was formed first on June 16, 1989 followed by JSX on December 4, 1991.

Currently, IDX along with the Indonesian Clearing and Guarantee Corporation (KPEI), which was established in 1996; and the Indonesian Central Securities Depository (KSEI), which was established in 1997 are three institutions that are members of the Self-Regulatory Organization (SRO), an organization that exercises the authority to apply regulations in the capital market industry in Indonesia.

Based on the Annual report year 2020, Vision, Mission and Strategic Objective of IDX stated as follow:

1. Vision is to become an acknowledged and credible world-class stock exchange
2. Mission is to provide an infrastructure that enable an orderly, fair, and efficient securities trading whilst being accessible to all stakeholders
3. Strategic Objectives are as follows:

- a. To become the Center of trusted securities trading and support Indonesia capital market.
- b. Increase in number and participation, while at the same time develop professional retail and institutional investors.
- c. Increase in quantity and quality of listed companies and increase in the quality and variety of the capital market instruments.
- d. Develop a trusted and efficient capital market infrastructure.
- e. Increase in exchange members capacity and participant expansion.

In addition, IDX has finalized Master Plan 2021-2025. The main objective of the master plan is to become a credible Exchange that drives and contribute to the sophisticated and diversified business financing through the capital market of Indonesia.

This Master Plan is to support the vision of Indonesia becoming the fifth largest economy in 2045. This is in line with the Indonesian Government vision of “Indonesia Emas 2045” through superior Human Resources and mastering knowledge and technology.

This vision was ratified on September 10, 2020. IDX has set its Vision, Mission, Goals and Strategic Targets as a direction towards implementing strategic initiatives in the

Company's operational activities as follows (see figure 1) on page 17..

Despite the pandemic situation which was started in the early 2020, surprisingly IDX has set an improvement both in daily transaction and value of transaction.

The exchange saw a 73% increase in the number of daily active investors from 2019 and reached a market capitalization of Rp 6,970 trillion (\$490 billion) by 2021.

Given the increase of investors by 56%, the largest increase since 2016, there is a great opportunity to raise the financial awareness of the investment society. Furthermore, there must be an understanding of the intersection between shareholder value and responsibilities.

In utilizing the knowledge of corporate governance, social issues, and capital markets, the company must create a socially responsible investing phenomenon in line with the mainstream investing.

In conclusion, the environmental, and the social issues including the implementation of Sustainable Development Goals of the United Nations are addressed at a grander scale within the business model. This is possible through using the CSV approach as the strategic tool.

In a pictorial graphic, the vision, mission and Strategic Objectives of BEI (Bursa Efek Indonesia) can be seen in the following page (Figure 1).

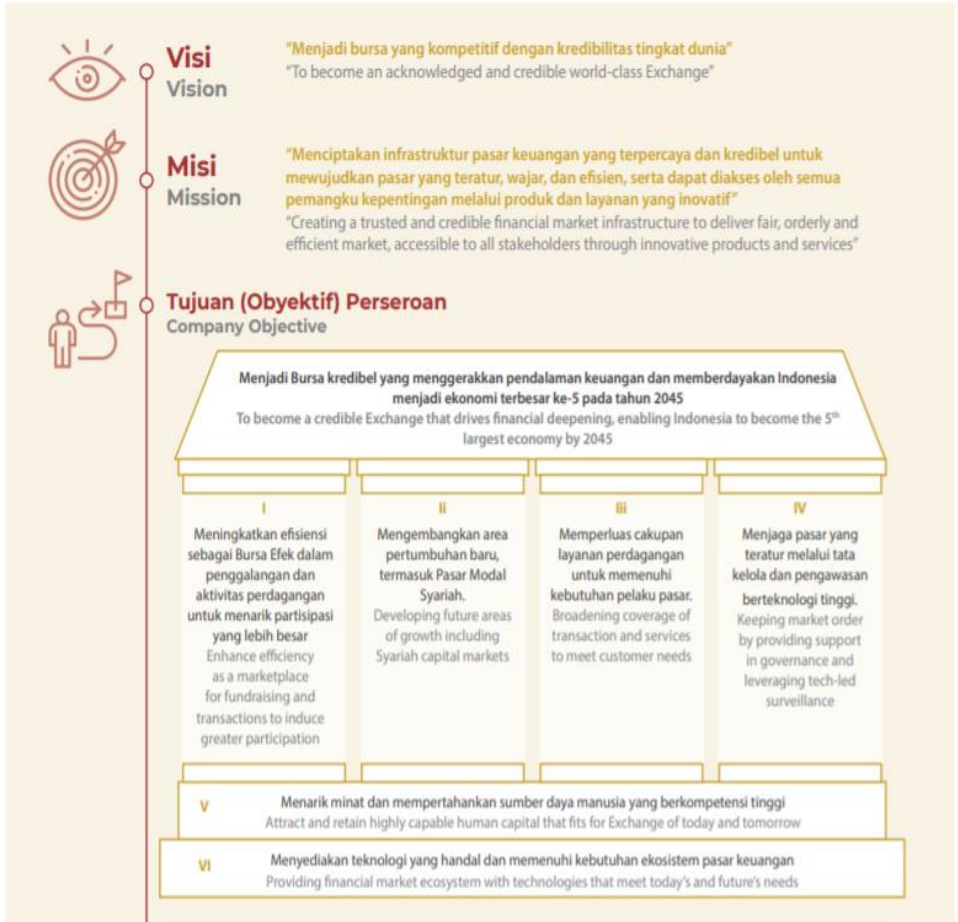


Figure 1

IDX believes social life and environment play a big role in the IDX's growth; Therefore, IDX has strengthened its commitment to provide the best for the environment and the community. IDX at the same time also support the Indonesian people to grow and have a significant development.

IDX Current CSR Activities can be seen in the matrix as seen in the figure 2.

The matrix is showing the Indonesian stock exchange current CSR Activities, in the year 2020. From the list we can see that the activities are carefully figured out to support sustainability.

IDX has continued to give its best effort in fulfilling its responsibilities through a number of CSR activities that have a positive impact on social and community, as seen in the matrix as follows (Figure 2).

No.	Nama Kegiatan Activity	Penerima Bantuan Beneficiary	Waktu Date	Biaya (Rp) Cost (Rp)
1	<p>Kegiatan CSR bersama SRO berupa Donasi Bingkisan Ramadhan kepada Petugas yang bekerja di Gedung BEI seperti kepada petugas keamanan, kebersihan, parkir, dan teknisi. Total paket yang dibagikan bersama SRO adalah 875 paket.</p> <p>Donation of Ramadhan gifts to IDX Building workers such as those in charge of security, cleaning, parking, and technicians. As many as 875 packages were distributed at this donation event, held together with SRO.</p>			68.921.572 68,921,572
	<p>Bantuan sembako untuk warga kec. Gunung Labuhan, Lampung melalui Mesjid Jami Al Muttaqin, kampung Gunung Sari</p> <p>Daily staple assistance for residents of the district of Mount Labuhan, Lampung. The distribution of the daily staple was channeled through Jami Al Muttaqin Mosque in Gunung Sari village.</p>			15.000.000 15,000,000
2	<p>Pembangunan sarana atau prasarana yang terdampak gempa di Lombok</p> <p>Construction of facilities or infrastructure affected by the earthquake in Lombok:</p>		Januari– November 2020 January– November, 2020	3.354.958.537,56 3,354,958,537.56
1.	<p>Renovasi Pura Gunung Sari, Taman Sari</p> <p>Renovation of Gunung Sari Temple, Taman Sari;</p>	<p>Warga desa Gunungsari, Kabupaten Lombok Barat;</p> <p>Citizen of Gunungsari village, West Lombok Regency;</p>		
2.	<p>Renovasi Aula Yayasan Pondok Pesantren Bayyinul Ulum</p> <p>Renovation of the Bayyinul Ulum Islamic Boarding School Foundation's Hall;</p>	<p>Warga dusun Subak Sepulu, Desa Santong, Kecamatan Kayangan, Kabupaten Lombok Utara;</p> <p>Citizens of Subak Sepulu hamlet, Santong Village, Kayangan District, North Lombok Regency;</p>		
3.	<p>Pembangunan Masjid Baitul Makmur</p> <p>Construction of the Baitul Makmur Mosque;</p>	<p>Warga dusun Sentul, Desa Pendua, Kecamatan Kayangan, Kabupaten Lombok Utara;</p> <p>Citizens of Sentul hamlet, Pendua Village, Kayangan District, North Lombok Regency;</p>		
4.	<p>Pemasangan Jaringan Pipa Air Bersih</p> <p>Installation of Clean Water Pipeline;</p>	<p>Warga Dusun Kebun Patu, Desa Sukadana, Kecamatan Bayan, Kabupaten Lombok Utara;</p> <p>Citizens of Kebun Patu hamlet, Sukadana Village, Bayan District, North Lombok Regency;</p>		
5.	<p>Pembangunan Vihara Veluvana</p> <p>Construction of Veluvana Temple</p>	<p>Warga Dusun Sempak, Desa Tegal Maja, Lombok Utara.</p> <p>Sempak hamlet, Tegal Maja Village, North Lombok.</p>		

Figure 2

Indonesia Stock Exchange (IDX) Current CSR Activities. Annual Report from the year 2020

No.	Nama Kegiatan Activity	Penerima Bantuan Beneficiary	Waktu Date	Biaya (Rp) Cost (Rp)
3	Bantuan perbaikan jalan wilayah Perumahan Puri Citayam Permai 2 yang rusak terkena banjir akibat jebolnya tanggul Kali Pelayangan Helping to repair roads for the Puri Citayam Permai 2 Housing area damaged by flooding due to the bursting of the Pelayangan river embankment.	Warga Puri Citayam Permai 2 Residents of Puri Citayam Permai 2	24 Januari 2020 January 24, 2020	15.000.000 15,000,000
4	Perbaikan bantaran sungai Cisdane dan fasilitas Yayasan Banksasuci yang rusak akibat banjir Repairing Cisdane river levees and Banksasuci facilities damaged by flood	Yayasan Banksasuci Banksasuci Foundation	24 Januari 2020 January 24, 2020	23.500.000 23,500,000
5	Wakaf tunai untuk pembangunan tambahan ruang kelas baru di sekolah SLB Gratis Cahaya Quran. Cash waqf for the construction of new classrooms at Cahaya Quran Free Special Education School.	Yayasan Tabungan Surga Tabungan Surga Foundation	10 Februari 2020 February 10, 2020	10.000.000 10,000,000
6	Bantuan perayaan Paskah sekaligus pemberian sembako dan biaya pendidikan untuk keluarga penyandang difabel, serta santunan kepada para lansia. Easter celebration donation as well as providing basic food needs and education costs for families of people with disabilities, as well as compensation for the elderly.	Panitia Perayaan Paskah Difabel Gereja GKPO Halim GKPO Halim Church's Disability Easter Celebration Committee	6 Maret 2020 March 6, 2020	10.000.000 10,000,000
7	Donasi penanganan COVID-19 Donations for handling COVID-19	RS. Univ. Airlangga Airlangga University Hospital	3 April 2020 April 3, 2020	20.000.000 20,000,000
8	Donasi penanganan COVID-19 berupa Alat Pelindung Diri (APD), disinfektan dan <i>handsanitizer</i> *. Donations for handling COVID-19 in the form of Personal Protective Equipment (PPE), disinfectant and hand sanitizer*. * <i>handsanitizer</i> merupakan donasi dari pihak ketiga. *The hand sanitizer was a donation from a third party.	Klinik Pratama Ardita Prtama Ardita Clinic	20 April 2020 April 20, 2020	4.792.500 4,792,500
9	Donasi penanganan COVID-19 berupa uang tunai Cash donations for handling COVID-19	Masyarakat Pasuruan dan Probolinggo The people of Pasuruan and Probolinggo	4 Mei 2020 May 4, 2020	10.000.000 10,000,000

Figure 2

(cont.) Indonesia Stock Exchange (IDX) Current CSR Activities. Annual Report 2020.

Problem Identification

Based on the survey held by the OJK (Otoritas Jasa Keuangan, Financial Service Authority) on financial literacy, it has found that the country scored 38.03 percent on the financial literacy index and 76.19 percent on the financial inclusion index, up from 29.7 percent and 67.8 percent in 2016. Moreover, financial literacy in capital market sector were 4.92 percent, which considered very low compared to banking industry that reach 36.12 percent. The details of financial literacy based on financial sector shown as below picture.

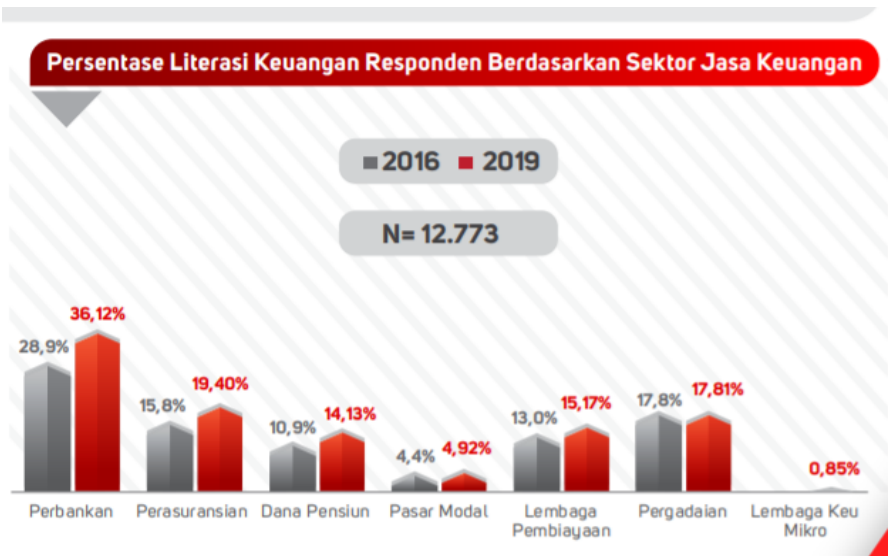


Figure 3

Financial literacy level by financial sector

In addition to the financial literacy level, another room from improvement is related to student’s participation asset in capital market. Based on Capital Market Statistic report issued by KSEI, in the Individual Investor Demographic part on the working status, participation rate of student reaching 27.21 per cent but the amount invested, or the asset contribution still considered very low, around 1.40 per cent.

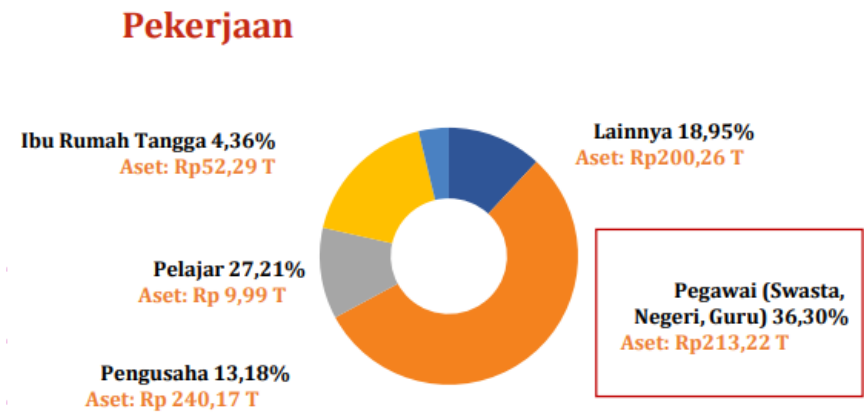


Figure 4
Individual Investor Demographic by Working status

Increasing the Number and Participation of Investors is one of Company’s Strategic Objectives and to aim IDX’s Master Plan 2021-2025 which is in line with Government vision “Indonesia Emas” (This is the theme of Future Vision of Indonesia launched by the current president of Republic

Indonesia Joko Widodo) which is visioned to be achieved by 2045.

IDX believes it is important to educate millennials or young generations earlier. Currently, the number of Indonesian retail investors as of June 2021 is 5.6 million investors, only half of them is millennial. This portion is equivalent to 4% of the total millennial population which reaches 70 million people.

Solution

The solutions offered to solve problems arise in this paper are:

- 1) To make financial education more accessible to the youth by establishing investing-focused Financial Education Programs in Elementary Schools; and
- 2) To engage the youth in participating in trading activities (ages 12-18) by creating a Youth Investor Program.

The target to be achieved from these activities are:

- 1) preparing a future talent pool who emphasize towards green and blue initiatives economy or company.
- 2) raising a generation of educated and developed mind investors that could expand and develop the market to be more efficient and reliable.

METHODS

This chapter describes how researchers gather the necessary data or information that is used in the assignment. Methods that will be applied in this research are as follows:

a. Analyze the Company goals

While determining the proposed CSV program for IDX, we analyze the vision mission of IDX, what are the targets of IDX, so that the proposed CSV program could be in line with the IDX goals.

b. Discussing session

After analyzing the IDX, vision and mission, goals of IDX, the current CSR programs implemented, we do online discussion with some key person of IDX to get insight from their point of view regarding our proposed CSV programs. Based on these inputs, the students' team under the supervision Experts, shared the result using the CSV approach.

RESULTS AND DISCUSSION

Referring to the problem identified above, we propose two programs which we believe could strengthen IDX's CSR based on the CSV approach. This is done in the purposes of reaching a new market and prepare the future capital market leaders. These programs are:

- a. Financial Education Center in Elementary School;
and
- b. Young Investors Program.

In order to become a successful program, it needs collaboration between school operator, students, parents, IDX, and securities companies. The goal is to educate the youth to have knowledge related to investment. In the short term, participation from the parents to provide money is optional. The benefit is both for the children and the parents, so that they both could be involved in these programs which will increase the number and participation of investors. As for the long term, these kids will have an excellent financial literacy and technical skills required so they will be ready to become the future leader in the Investment Industry.

Financial Education Center in Elementary School

The first program is Financial Education Center in Elementary School is a new market that has not been reached by IDX. This program will create a foundation to student in reaching the high level of financial literacy. OJK, a capital market supervisory agency, already has “OJK goes to School” program that targeting elementary school student, so they have an awareness of literacy to financial services industry including banking, insurance, capital market, financing, pension fund, pawnshop, and Syariah economic. IDX could grab the opportunity to focus more on increasing literacy of

capital market. Despite providing a very wide knowledge in financial services like what OJK been doing, a simple introduction will help these students to understand and aware on how to manage the money they have, one of the examples is the explanation of “ $Y = C + (I/S)$ ”. “Y” is the money they receive from their parents, “C” is consumption, “I” is for the investment, and “S” is for Saving. The whole process should be under the supervision of the parents. This would contribute also to the higher financial literacy of the parents as well.

Table 1

Number Of Students by Gender and School Status for Each Province 2020/2021

No.	Provinsi / Province	Laki-laki (L) / Male (M)			Perempuan (P) / Female (F)			L+P/M+F		
		Negeri Public	Swasta Private	Subjmi Sub Tot.	Negeri Public	Swasta Private	Subjmi Sub Tot.	Negeri Public	Swasta Private	Jumlah Total
1	Prov. D.K.I. Jakarta	300,713	123,133	423,846	279,345	116,648	395,993	580,058	239,781	819,839
2	Prov. Jawa Barat	2,062,235	287,808	2,350,043	1,923,430	257,263	2,180,693	3,985,665	545,071	4,530,736
3	Prov. Jawa Tengah	1,277,930	159,373	1,437,303	1,176,223	145,339	1,321,562	2,454,153	304,712	2,758,865
4	Prov. D.I. Yogyakarta	104,813	44,381	149,194	97,995	40,938	138,933	202,808	85,319	288,127
5	Prov. Jawa Timur	1,217,169	204,957	1,422,126	1,127,399	184,561	1,311,960	2,344,568	389,518	2,734,086
6	Prov. Aceh	242,906	17,201	260,107	223,118	15,146	238,264	466,024	32,347	498,371
7	Prov. Sumatera Utara	680,141	178,952	859,103	628,698	161,766	790,464	1,308,839	340,728	1,649,567
8	Prov. Sumatera Barat	300,270	31,271	331,541	271,744	26,607	298,351	572,014	57,878	629,892
9	Prov. Riau	346,865	71,112	417,977	318,819	63,500	382,319	665,684	134,612	800,296
10	Prov. Jambi	182,368	16,705	199,073	167,761	14,500	182,261	350,129	31,205	381,334
11	Prov. Sumatera Selatan	441,568	43,938	485,506	406,084	38,548	444,632	847,652	82,486	930,138
12	Prov. Lampung	396,603	40,448	437,051	364,289	36,479	400,768	760,892	76,927	837,819
13	Prov. Kalimantan Barat	276,846	30,744	307,590	249,536	28,176	277,712	526,382	58,920	585,302
14	Prov. Kalimantan Tengah	127,521	22,120	149,641	115,657	19,994	135,651	243,178	42,114	285,292
15	Prov. Kalimantan Selatan	179,107	17,673	196,780	164,495	15,277	179,772	343,602	32,950	376,552
16	Prov. Kalimantan Timur	186,142	32,760	218,902	171,013	29,351	200,364	357,155	62,111	419,266
17	Prov. Sulawesi Utara	71,801	44,346	116,147	64,598	40,233	104,831	136,399	84,579	220,978
18	Prov. Sulawesi Tengah	153,213	13,228	166,441	139,843	11,647	151,490	293,056	24,875	317,931
19	Prov. Sulawesi Selatan	433,699	33,095	466,794	400,483	29,173	429,656	834,182	62,268	896,450
20	Prov. Sulawesi Tenggara	151,721	5,504	157,225	138,719	4,755	143,474	290,440	10,259	300,699
21	Prov. Maluku	82,395	32,808	115,203	74,631	29,139	103,770	157,026	61,947	218,973
22	Prov. Bali	183,767	21,666	205,433	171,095	19,390	190,485	354,862	41,056	395,918
23	Prov. Nusa Tenggara Barat	254,128	16,897	271,025	233,333	14,655	247,988	487,461	31,552	519,013
24	Prov. Nusa Tenggara Timur	233,166	139,208	372,374	207,120	123,372	330,492	440,286	262,580	702,866
25	Prov. Papua	152,311	94,891	247,202	126,006	82,414	208,420	278,317	177,305	455,622
26	Prov. Bengkulu	97,838	10,106	107,944	88,266	8,693	96,959	186,104	18,799	204,903
27	Prov. Maluku Utara	65,390	12,689	78,079	59,221	11,451	70,672	124,611	24,140	148,751
28	Prov. Banten	524,299	98,520	622,819	484,772	89,118	573,890	1,009,071	187,638	1,196,709
29	Prov. Kepulauan Bangka Belitung	78,361	8,094	86,455	72,173	7,069	79,242	150,534	15,163	165,697
30	Prov. Gorontalo	57,004	1,902	58,906	52,646	1,642	54,288	109,650	3,544	113,194
31	Prov. Kepulauan Riau	82,371	37,381	119,752	75,749	34,591	110,340	158,120	71,972	230,092
32	Prov. Papua Barat	44,850	26,780	71,630	40,101	24,171	64,272	84,951	50,951	135,902
33	Prov. Sulawesi Barat	77,414	1,824	79,238	70,383	1,669	72,052	147,797	3,493	151,290
34	Prov. Kalimantan Utara	40,491	4,560	45,051	35,893	4,248	40,141	76,384	8,808	85,192
Indonesia		11,107,416	1,926,085	13,033,501	10,220,638	1,731,523	11,952,161	21,328,054	3,657,608	24,985,662

This program could be launched in the private school first, because most of private school collect fee and tuition from the students, while public school is free according to the government regulation. According to the data collected from The Ministry of Education and Culture, there are 3,657,608 private school students in Indonesia. If each of students, after having investment education or knowledge participate around 1 million rupiah per year, it will generate money around 3.6 trillion annually just for the amount of investment. If only 100 thousand rupiah per year, it still increases 365 billion annually.

The aim for the students by introducing investment in capital market is they will know and be aware that investing their money in capital market will generate return better than saving their money in the bank. Before directly entering investment mode, teachers and parents should be trained first by IDX. There will be different learning levels for each grade. For example, first and second year student will be introduced to manage their money, so that they will know the difference between need and want. One of the questions to assess their ability is like the image below:

Of the following items, which one is a need for a student?

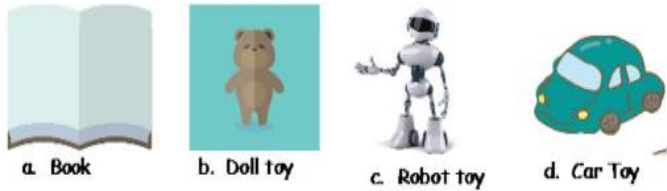


Figure 5

Test for the First and Second year student

As for the third year and fourth year students, they will be introduced to the financial instrument such as saving, deposit, and investment. By this time, they will be able to assess what is the best financial instrument to match to their needs and goals. Determining the advantage and disadvantage of each financial instrument also become one of their assessments. One simple question related to these grades is as the image below:

One of the goals of saving is to achieve your long-term goals. Which of the following is your long-term goal?



Figure 6

Test for Third and Fourth Grade

For the fifth and last year student, they should be able to make a future plan for themselves including their target and what they need to do to achieve their dream. It is very substantial for them to know how to calculate return on investment.

Young Investor Program

For the second program, this will become the next level investment education program for the middle school, high school, and university students. In this program, after they are able to identify their goal and how to achieve it, these young people will also be introduced to the way to measure their risk profile.

Risk profile is an evaluation of an individual's willingness and ability to take risks, either conservative, moderate, or aggressive. This is a good knowledge on how a person is risk averse or more of a risk takers.

After they know their risk profile, they will be able to determine the composition of financial instruments which is a match to their personal profile. This knowledge will be an important information to be able to choose a matching risk, according to their personal risk profile.

Below is the category of risk profile with the possible asset allocation.

Table 2

Investor Risk Profiling

Risk Profile	Possible Asset Allocation
Conservative	Equity: 0-10%; Fixed Income instruments: 90-100%
Moderately Conservative	Equity: 10-30%; Fixed Income instruments: 70-90%
Moderate	Equity: 40-60%; Fixed Income instruments: 40-60%
Moderately Aggressive	Equity: 70-90%; Fixed Income instruments: 10-30%
Aggressive	Equity: 90-100%; Fixed Income instruments: 0-10%

The next thing in this investment program is these students will be able to learn how to invest directly. This direct investment will happen after they enrich their knowledge based on financial literacy. IDX will provide them with the necessary resources to help the students become more financial literate.

One of the most exciting programs for this youth is that they will be able to have an experience in trading stocks by using IDX or security company software. They will be registered in a competition, which is blended with the third program, where the winner of this competition will have a privileged to become a capital market ambassador. These ambassadors will be trained and introduced to the capital market environment. By becoming the ambassador, their future in the world of finance especially in the capital market is already started. The winner also will get a work bond scholarship from IDX and will be directly working as IDX officer after they finish the program.

The whole program will educate the students to be a wise investor. The students should not be trapped in thinking that IDX is a gambling instrument, but instead realized that IDX is developing the Rational Investors. These are the investors who support the sustainable companies which support the green and social companies. In the Stock Exchange, the more rational the investors will be preferable compared to the speculative investors.

To maximize the program that has been mentioned before, the school, the security company and IDX need to work together to establish Investment Gallery. Currently, Investment Gallery has been established in the university, but yet to be implemented in Middle and High School. One of the consideration that IDX has not focused yet in implementing

Investment Gallery in middle and high school is because the investors that can be registered should be minimum 17 years old or who already get national ID card based on OJK regulation. That is why we propose that the program should be under the supervision of the teachers and parents.

To solve the root cause related to OJK regulation, there should be an intense communication between OJK, IDX, security company, and community representative. The spirit would be how to encourage the youth to participate in the investment environment. One of the solutions that can be considered is to create a special requirement for youth people who want to directly invest in the capital market i.e., for person who under 17 years old, have to show permission letter from their parent or guardian and the parent or guardian already registered their name as the investors.

CONCLUSION AND RECOMMENDATION

In accordance with the original objective, our plan for CSR through CSV tool improvement program are:

- A. Financial education in elementary schools. It means to make financial education more accessible to the youth.
- B. The second program is young investor program, which is to engage the youth so that they will be prepared to participate in trading activities or become the future capital market leader.

The grand design of these program is not only preparing a future talent pool, but also emphasized them to invest or promote towards green and blue initiatives economy. Additionally, in the future, these programs will raise a generation with educated and developed mind that increase and develop the market to be more efficient and reliable. With the continuity of above targeted programs, it will be very possible to IDX become a credible world-class Exchange that drives financial deepening and empowers Indonesia becoming the fifth largest economy in 2045.

REFERENCE

Indonesia Stock Exchange. "Indonesia Stock Exchange Annual Report 2020, Pages 2-3. Accessed Sept. 30, 2021.

Statistik Pasar Modal Indonesia, 2020, KSEI,
[https://www.ksei.co.id/files/Statistik_Web_-
_Desember_20202.pdf](https://www.ksei.co.id/files/Statistik_Web_-_Desember_20202.pdf)

Mas Achmad Daniri. (2021). Lead by CSV, Creating Share Value, Paradigma Baru Penerapan CSR, Jakarta : Pustaka Kaji.

Survei Nasional Literasi dan Inklusi Keuangan 2019, OJK, 2019, <https://www.ojk.go.id/id/berita-dan-kegiatan/publikasi/Pages/Survei-Nasional-Literasi-dan-Inklusi-Kuangan-2019.aspx>

Utami, E. S. (2019, October). Analysis Capital Structure on Indonesia Stock Exchange. In *2019 International Conference on Organizational Innovation (ICOI 2019)* (pp. 686-690). Atlantis Press.

CHAPTER TWO

Creating Shared Values: A Case Study of Chubb Insurance Indonesia

*Argia Sinarta Ginting, Herry Yusirwan, Yoon Ko Woon,
Naufal Adiyanto*

Sekolah Tinggi Manajemen IPMI

Abstract

Creating Shared Value (CSV) is a program that synergizes creating value for the society while supporting the company's business and contribute to the company's profit. Compared to the general Corporate Social Responsibility (CSR) activity, CSV gives benefit to its stakeholders, so it is not viewed as a burden to the company, but as a tool to create social economic impact as well as to maximize profit. Risk Reduction Education Program that introduces risks and ways to mitigate them to young children is beneficial to the society, especially in reducing the casualties caused by unsafe actions and conditions. On the other hand, Chubb General Insurance Indonesia generates profit

by lowering claim that usually happen due to unsafe actions and conditions. This program has the spirit of CSV which is creating value both for the society and the company.

Keywords: *Education program, Risk Reduction, CSV*

INTRODUCTION

Company Profile

PT. Chubb General Insurance Indonesia is an insurance company that provide various insurance services for individual and industry. It is the subsidiaries of Chubb Limited which is an insurance company founded on 1882 and currently is one of the largest publicly traded property & casualty insurance company listed in New York Stock Exchange. Chubb Limited operates in 54 countries with around 600 offices worldwide and has more than 31,000 employees.

In Indonesia, the shareholders of PT. Chubb General Insurance Indonesia consist of:

- Chubb INA International Holdings Ltd. (80%) and
- PT. Adi Citra Mandiri (20%).



Figure 1

PT. Chubb General Insurance Indonesia Shareholders

PT. Chubb General Insurance Indonesia has a subsidiary to specialize its services which is PT. Asuransi Chubb Syariah Indonesia that offers life insurance using sharia values, meanwhile PT. Chubb General Insurance Indonesia provides general insurance for various client.

Chubb Vision & Mission

Chubb Group is committed to strengthening its position as a global leader in the insurance market by always doing business consistently, in a disciplined and focused manner. This is the Chubb's dedication to delivering:

- a. Best Value for Clients

High added value to clients by dedicating substantial capital and creativity resources in assumptions and risk management.

- b. Best Value for Shareholders

High added value to shareholders by managing capital and risk in a professional, efficient, and profitable manner.

c. Best Value for Employees

High added value to employees by creating an environment that brings satisfaction and ethical basis.

Chubb Values

The following figure is showing the values of Chubb which should be embedded in its corporate culture (please see figure 2)

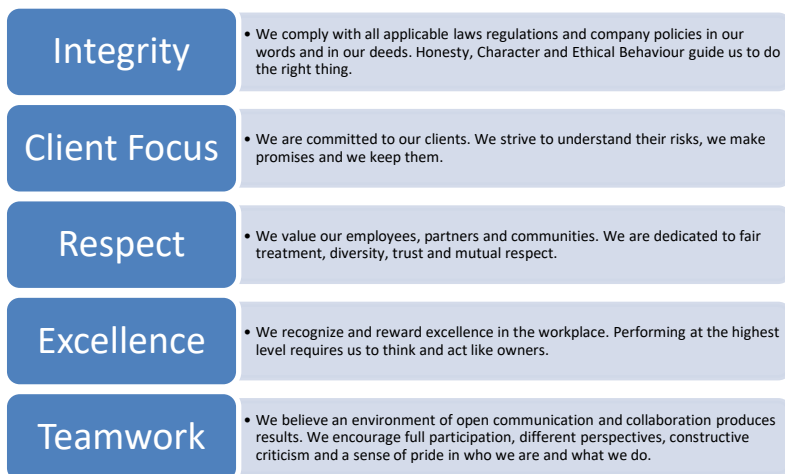


Figure 2

Chubb Values

Chubb Corporate Governance

Chubb Insurance is in line with the spirit of the Financial Services Authority (OJK) in ensuring the implementation of Good Corporate Governance (GCG) principles. Chubb is operating in the growing sustainable financial services sector accompanied by increasingly complex, dynamic financial activities and systems, and interrelationship between financial services institutions. OJK has enacted regulations that comprehensively regulate GCG that aim to protect stakeholders.

In conducting its business, Chubb has always been fully committed to implementing high standards of ethical business adhering to five basic principles of GCG consisting of (i) Transparency, (ii) Accountability; (iii) Responsibility; (iv) Independency; and (v) Fairness.

In the Corporate Governance implementation, PT Chubb General Insurance Indonesia as the Primary Entity has undertaken the following matters:

a. Primary Entity Board of Directors

The Primary Entity Board of Directors applied the Corporate Governance in Chubb Indonesia Financial Conglomeration through the following implementation:

- The Primary Entity Board of Directors applied Corporate Governance Guidelines into all Financial Service Institution (“FSI”) within Chubb Indonesia Financial Conglomeration.
- In terms of implementation of the integrated internal auditing function, the Primary Entity Board of Directors received an integrated internal audit report and ensured that audit findings and recommendations were followed up in accordance with the applicable authority in the respective FSI.
- With regard to the implementation of integrated compliance, the Primary Entity Board of Directors ensured that all policies, regulations, systems and procedures, as well as undertaken business activity were done in accordance with OJK regulations and prevailing legislation.
- In the framework of the implementation of the integrated risk management, the Primary Entity Board of Directors implemented the Integrated Risk Management Policy in all FSI in Chubb Indonesia Financial Conglomeration.
- To implement the integrated risk management process, the Primary Entity Board of Directors was supported by the Integrated Risk Management Committee. The Integrated Risk Management Committee held 2 (two) meetings in

2020. The results of the Integrated Risk Management Committee meetings were set forth in the minutes of meetings, well documented and reported to the Primary Entity Board of Directors and Board of Commissioners.

b. Primary Entity Board of Commissioners

The Primary Entity of Board of Commissioners was responsible to perform an oversight on the Integrated Governance implementation below:

- The Primary Entity Board of Commissioners was responsible for evaluating and giving direction in the improvement of Integrated Governance Guidelines. The existing Integrated Governance Guidelines complied with the OJK Regulation Number 73/POJK.05/2016.
- In monitoring the implementation of integrated governance, the Primary Entity Board of Commissioners was supported by the Integrated Governance Committee. The Integrated Governance Committee held 2 (two) meetings in 2020. The results of the Integrated Governance Committee meetings were set forth in the minutes of meetings, well documented and submitted to the Primary Entity Board of Directors and Board of Commissioners.

c. Risk and Compliance Division of the Primary Entity

- With regard to the implementation of Integrated Corporate Governance, Risk Management and Compliance Division of the Primary Entity that was designated as the Integrated Compliance Working Unit coordinated with the compliance function in the respective FSI, had the duty to observe and evaluate the implementation of the compliance function in each FSI in Chubb Indonesia Financial Conglomeration.
- In the application of the Integrated Risk Management, the Risk and Compliance Division of the Primary Entity carried out the function of Integrated Risk Management Working Unit which involved engagement and coordination with the risk management function in each FSI within Chubb Indonesia Financial Conglomeration based on the stipulated integrated risk management policy.

d. Internal Audit Division of the Primary Entity

In implementing the integrated internal audit function, the Internal Audit Division of the Primary Entity acted as the Integrated Internal Audit Working Unit with the following responsibilities:

- Evaluated and provided feedback on the adequacy of the internal audit methodology, policies and procedures at the respective FSI in

Chubb Indonesia Financial Conglomeration at the planning stage of the audit, audit execution, audit reporting and follow-up monitoring.

- Submitted the integrated audit result report to the Primary Entity Board of Directors and Commissioners.
- Monitored the follow-up of integrated internal audit results and reported the results to the Primary Entity Board of Directors and Board of Commissioners.

PT. Chubb General Insurance Product

Personal Insurance

a. Accident Protection

Personal Accident Insurance

b. Travel Protection

Travel Insurance for Leisure

c. Home & Other Property Protection

- Personal Motor vehicle Insurance
- Property Insurance
- Simply Home Platinum Plus Insurance Business Insurance

a. Group Personal Accident, Health & Travel

- Group Personal Accident & Health Insurance
- Group Business Travel Insurance

b. Casualty

- Environmental Impairment Liability Insurance

- Broadform Liability Insurance
- c. Construction
 - Builders Risk Insurance
 - Civil Engineering Insurance
 - All Risks Insurance
 - Construction Risk & Insurance Solutions
- d. Cyber
 - Cyber Insurance
 - Cyber Services
 - Chubb Cyber Index
- e. Energy
 - Boiler & Machinery Breakdown Insurance
 - Offshore Liability Insurance
 - Power & Utilities Facilities Insurance
- f. Financial Lines
 - Directors & Officer Liability Insurance
 - Banker Blanket Bond & Electronic Computer Crime Insurance
 - Professional Indemnity Insurance
 - Elite Medical Malpractice Insurance
- g. Property
 - All Risk Insurance
 - SME Insurance

Chubb Corporate Social Responsibility

Chubb Insurance believe that a corporation must not only deliver financial performance but also shows how to make a positive contribution to the society. Corporate responsibility is ingrained in the culture of Chubb Insurance. It is also an integral part to all the company and in accordance with Chubb Insurance vision, mission, and values. Through the established Corporate Social Responsibility (CSR) entities and company-sponsored volunteer initiatives, Chubb has been contributing to societies and creating social footprints around the world. Chubb Insurance believe that positive contributions to the fabric of our communities will return long-lasting benefits to society, employees, and company.

In Indonesia, Chubb Insurance has been contributing to various CSR program such as:

2012

Held a tour by visiting children's wards at hospitals in three major cities in Indonesia. In collaboration with Yayasan Sahabat Bangsal Anak (SABA) - Friends of Children Hospital Ward, in Surabaya at Soetomo Hospital, in Bandung at Sadikin Hospital and in Jakarta at Harapan Kita Hospital.

The activity aims to lift the spirits of children who have to undergo treatments in hospitals for the long run due to terminal illnesses and the fact that they come from poor families. Also to donate toys, nutritious foods as well as daily necessities.



Figure 3

Hospital Tour and Donation

2013

In order to improve the quality of education in this case particularly for Elementary School students in Tangerang and Malang, Chubb had donated more than 200 school-books and other educational books to elementary schools in Tangerang and Malang.

The scholarship was named as "Caring for Education/Peduli Pendidikan" from Chubb Insurance. This scholarship and internship program is targeted for senior high school students wishing to continue studying in the university,

where they will be registered in the STIMRA (Insurance Management College/Sekolah Tinggi Manajemen Asuransi), and then employed as interns.

Chubb also carried out a program to build housing for slum communities in the outskirts of Jakarta, namely in Mauk, Tangerang, in collaboration with the Habitat Humanity Foundation. This program had managed to build four little



Figure 4

Donation & Scholarship

houses for needy families.



Figure 5

Housing Donation

2014

CSR Food from the Heart –a collaboration with partner travel agents. In this program a portion of travel insurance premium sales is allocated for donation to an orphanage under Sayap Ibu Foundation.



Figure 6. Food CSR

Chubb Insurance hold a blood donation program as an activity to align with one of the philanthropy themes, namely to promote education and healthcare. Chubb Insurance successfully held the first RDS activity in Surabaya as a pilot project, followed by the second blood donation program held in Jakarta.



Figure 7

Blood Donation Program

2015

In line with regulations of the Financial Services Authority, Chubb Insurance held a two-month program on financial literacy and donated books to middle schools through Chubb Insurance branch office. Chubb Insurance also

donated more than 100 schoolbooks and other educational books to an elementary school in Yogyakarta.

Chubb Insurance continued the tradition and spirit of sharing by supplying aids to orphanages during Chubb Insurance Fun Walk 2015. As part of the Corporate Social Responsibility (CSR) program to reduce poverty, Chubb Insurance donated assistance for Nurul Iman Orphanage at the same time as the first Chubb Insurance Fun Walk event concluded. The donations included basic food packages and meal packages to prepare for then-upcoming holy fasting month of Ramadan 1436 Hijriah. Chubb Insurance also donated more than 500 souvenirs, school supplies and meals to children in six orphanages in the same month.



Figure 8. Education & Donation Program

On 23 October 2015, Chubb Insurance held Global Day of Service themed 'Saving the Environment'. As many as 200 participants who were employees of Chubb were participating in the activities held around the Maritime Museum area. Employees did a deep cleaning of the museum area and contributed to providing a number of trash bins and plant pots to make sure that cleanliness and tidiness of the area is always preserved. In addition, as a financial institution, the company also added a special agenda in the form of a finance-related workshop themed 'To Know Insurance' for the participants. Also attending this event were Mr. Suwanto, Head of Tourism & Culture Sub-Service Office, and Mr. Suwanto as the Head of the Maritime Museum.

2016

Chubb collaborated with Planet Water Foundation to hold a CSR for supplying drinkable water to residents around Cogreg 1 Public Elementary School in Tangerang, Banten. In this activity, which was held on 4 August 2016, ten volunteers from Chubb participated and worked together to build a water tower that can supply drinkable water to 1,000 people per day.

This activity is expected to help improve the area's condition, especially related to availability of drinkable water which was often an issue to communities around the Public Elementary School.

In line with Regulation of the Financial Services Authority, Chubb held four Financial Literacy programs which introduced the basic concepts of insurance, as well as donated books to local academic institutions in Medan, Semarang, Surabaya and Bandung.

On 10 November 2016, Chubb Indonesia held its Regional Day of Service activity in Kidoso Village in Mauk, Tangerang. Around 60 employees from Chubb Indonesia's general insurance and life insurance participated in building a reading corner and donated books for children. They also renovated the flooring and performed mural painting on public restrooms, built two units of catfish breeding ponds, as well as renovated the floors and kitchens of five resident houses. In carrying out these activities, Chubb Indonesia worked together with Habitat for Humanity Indonesia.

2017

For the fifth annual Regional Day of Service, Chubb Indonesia once again cooperated with Habitat for Humanity Indonesia (HfHI) to reach the families of Kidoso Village in Mauk, Tangerang. The activities were focused on addressing urgent housing needs of the most vulnerable and impoverished households. Understanding that most of the villagers are labor workers and farmers, with the help of the company emphasized to build not only safe and healthy homes, but also durable and energy efficient. 60 volunteers

worked their trowels, pliers, hoes, bucket of cement, and pick axes to help start two houses' foundation and one house's walling stage of the construction.



Figure 9

Housing Program

2018

To boost the impact of its annual Regional Day of Service across the region, employees from both the general and life insurance operations again joined forces with their collective outreach efforts organized around the theme, Education@Heart. In Indonesia, volunteers visited SDN Kedung Dalam 1 & 2 schools of Kidoso Village in Mauk, Tangerang. During the visit, the volunteers organized a range of educational activities aimed at developing the children's

psychomotor and cognitive abilities, from storytelling to learning about the planets and the solar system to financial literacy.



Figure 10

Education Programs

Chubb in Indonesia had also organized Corporate Social Responsibility to Help Mount Agung's Refugees. As part of giving back to the community, Chubb Life had taken a part in helping the victims by providing foods, clothing and other basic needs for children.

This event was participated by 50 volunteers which consisted of Chubb Life employees and Sales Agents. The activities were spread out to several evacuation zone and were focused in the evacuation zone that has more refugees, which were Tanah Aron and Desa Saren.

This donation was part of Chubb Life’s Corporate Social Responsibility (CSR) program in 2018. Other CSR programs were focus on child education and improvement of life quality in the suburban areas which were implemented across the year 2018.



Figure 11

Mt Agung Donation

2019

Chubb Charitable Foundation was rebuilding school in the Disaster-Hit area of Sulawesi. Following the devastating 7.4-magnitude earthquake that struck Central Sulawesi in September 2018, Chubb Charitable Foundation donated almost IDR750 million (USD51,000) to rebuild MTS Alhairat

junior high school in Pandere village of Sigi regency, one of the areas hardest hit by the temblor.

A ground-breaking ceremony was held on March 12th, 2019, to mark the beginning of the construction project. A representative from Chubb Insurance in Indonesia visited the site to meet with students, members of the school board and teachers, the Non-Governmental Organization (NGO): Aksi Cepat Tanggap, the village's religious leader, and local representatives from the Ministry of Religious Affairs.



Figure 12

School Donation

METHODS

In creating this program, the method that we do to ensure the best solution for Chubb CSV are as follow:

c. Gathering Data.

In this phase we gather data that are related to the creation of CSV program. Data about the company such as company profile, company business and products are necessary for developing CSV program. We also develop a mapping of company's stakeholder to have a complete view of all at stakes related to the company and how the program impacted to them.

d. Creating the program.

In this phase we create a CSV program that is suitable and beneficial to Chubb General Insurance Company and other stakeholders, especially the society, and not only in the form of philanthropy like most of the CSR held by Chubb previously.

e. Weighing the program.

At this phase we look at how the program will give positive impact to the society and be beneficial to the company. In addition to the company and the society, we analyze how the program supported the government, and other stakeholders.

The method is done to make sure that the program created will give the optimal values for all stakeholders, especially the society and the company.

RESULTS AND DISCUSSIONS

CSV activities are very important for the sustainable growth of a company. They are not just contributions to the society but also can be the driving factors for the growth. Therefore, a company should also contemplate on the relevancy and the efficiency of the CSV activities which suit best for the company.

a. Key Concept of Chubb's CSV activities

"People are the future."

After the Korean war, a founder in Korea purchased a desolate mountain. The founder created a forest management department in the company, sprinkled birch seeds in the mountains, and took care of the trees to grow well. He named the mountain "Forest of Talents." And the company's human resource development center was established in the mountain so that employees and people could receive good education there. He always told his employees and society something like this. "Spraying seeds on the desolate land and steadily supplying appropriate water and nutrients, even if it takes a long time, it will eventually grow into beautiful trees. These trees gather to form a forest and play a role in protecting the land for a long time. People are like trees. Even if it takes a long time, if you teach carefully, you eventually create a good talent, and good talent in time would create a great company."

After 60 years, trees grew, and the forest became a lush

forest. And in the Forest of Talent, the company has become the second-largest business group in Korea. Investment in people does not lead to visible profits right away, but it is a substantial investment that strengthens the company in the long run.

The concept of our idea is “People are the future.”

In Indonesia, which has various and abundant natural resource, it is crucial to explore and refine the resources. However, the key factor which can make the country and society stronger and more developed is the talents. Therefore, it is also the most important to foster talented people who need to lead the future.

b. Benefits desired by stakeholders.

Each stakeholder has its own desires regarding the company’s activities which will impact to each of the stakeholder the most. The challenge is to figure out what are these specific desires, from each of these different stakeholders.

Figuring out what are the desires that each stakeholder has can help the company set up the relevant CSV activities. This would be the key information to develop a good CSV proposal.

The table (table 1: Stakeholders and It’s Desired Benefit) below is the table figuring out each stakeholder and its desired benefit.

Table 1
Stakeholder and It's Desired Benefits
(Source: Author)

Stakeholder	Desired Benefits
Company	High-profit realization, positive brand image construction, high insurance purchase rate, and low insurance claim rate
Customer	Hedge risk, low insurance premium
Shareholders	Corporate High Profit
Employee	Stable job, high salary, Pride in work
Society	Companies that fulfill their social responsibilities, low social costs (reduction of accidents)

c. CSV Idea and Action Plan

Our plan to develop CSV activities is to create value by utilizing the company's resources. Chubb has branches across Indonesia. Considering that the employees from each branches' have knowledge of the insurance industry and that the existing CSV activities were mainly focused on philanthropic activities, we devised a plan in which the company can easily implement CSV activities in an effective way. It is in the form of an education system for students at

school, which in the long run will create awareness for living with assurance. The infographic is shown in the figure below.

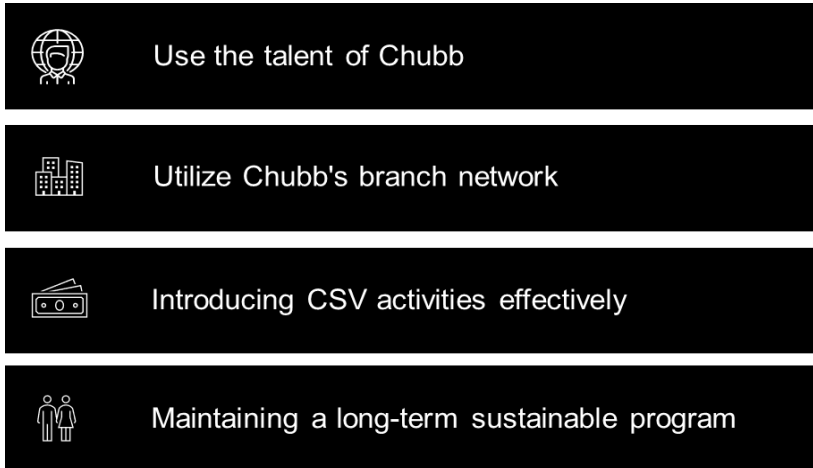


Figure 13
Chubb's Infographic

Action plans will be taken as seen in the following steps. We are following each step as seen in the following infographic.

1. The first is by Implementing Chubb Education Program.
2. The second is by changing students' perception and developing their awareness of risks
3. Third is by changing the students' behavior to avoid risks.
4. The Fourth is behavior to reduce accidents.
5. This new behavior will increase awareness of the usage of insurance and reduce the insurance claims

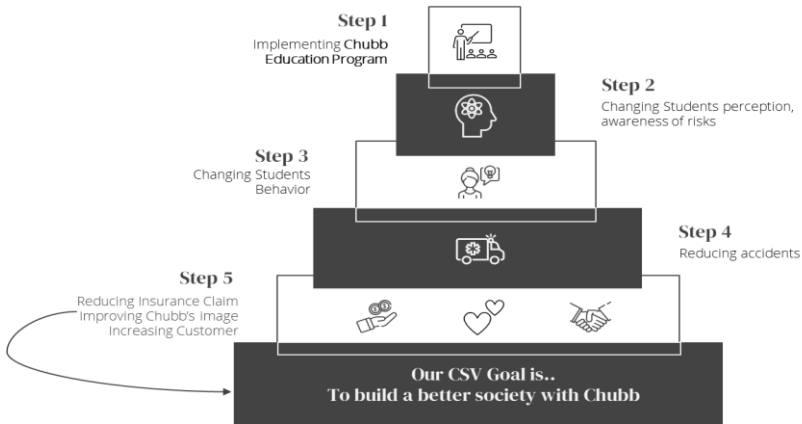


Figure 14
Chubb’s Info Graphic

Through the above steps, we will be able to achieve our CSV Goal to build a better society with Chubb.

d. Specific ideas

Education program that Chubb will create to start with the CSV activities is primarily divided into traffic safety education, fire safety education, hygiene education, proper diet education, and First Aid Training.

By signing MOUs with schools near the branch, employees of the branch will regularly visit the school to provide education to the students.

- ① In the case of traffic safety education, young students are educated on compliance with traffic signals and precautions on crosswalks to prevent

car accidents, etc. This will help them realize the essence of following simple traffic rules that can affect their lives.

- ② In the case of fire safety education, the main cause of fire occurrence, evacuation instructions, fire escape plan, fire drill, and fire extinguisher manual, students are trained to recognize the risk of fire. After an accident occurs, awareness of property loss, pain from injury, and loss of labor is raised.
- ③ First Aid Training to the students provides more opportunities to save a life in danger. First of all, the company will teach employees the first aids such as CPR, respiratory obstruction, fracture first aids, etc.
- ④ Hygiene education teaches measures to reduce the risk of infectious diseases such as COVID-19. (How to wear masks, use hand sanitizers, and Reduce infection through avoiding physical contact, etc.). This education program can reduce the risk of rapidly spreading viruses and causing health problems in the future and recognize the sickness caused by the disease.
- ⑤ Proper dietary education reduces the risk of developing diseases such as cancer by emphasizing the importance of a balanced regular diet. This education makes the students recognize that these serious diseases may require expensive medication

that may lead to the patient's unemployment, economic privation, and deterioration of family and social relationships.

e. Expected effects

The company can expect the following positive effects from the CSV activities that introduced above.

- ① Traffic safety education - Traffic accident rate decrease/risk perception increase/Insurance claim rate decrease/insurance premium decrease
- ② Fire education- Fire accident rate reduction/risk perception increase/insurance claim rate reduction/insurance premium decrease
- ③ First aid Training will directly result in lowering unfortune deaths. This will gradually have an effect on the life insurance claim rate.
- ④ Hygiene education, dietary education - Reduction in the incidence rate of serious diseases such as infectious diseases and underlying diseases/increase in risk perception/decrease in insurance claim rate/ insurance premium decrease.

The expected effects above mentioned can be summarized as seen in the following table. This table is just depicting the general impact. In the future more detailed impact can be analyzed more deeply in future research.

Table 2

The Impact of CSV in Education for Chubbs

Education	Expected Effects
Traffic Safety	∇ Traffic accident rate ▲ risk perception ∇ Insurance claim rate ∇ insurance premium
Fire Safety	∇ Fire accident rate ▲ risk perception ∇ insurance claim rate ∇ insurance premium
First aid Training	∇ unfortune deaths ∇ life insurance claim rate
Hygiene &Dietary	∇ The incidence rate of serious diseases ▲ risk perception ∇ insurance claim rate ∇ insurance premium

The needs of stakeholders can also be satisfied through the CSV activities by lowering accident rates, increasing the potential clients’ awareness of the accidents/ diseases and their tragic remaining years caused by the accidents/ disease.

CSR Program Matrix and Value Weighting Justification

Even though it's already explained above that the program is giving benefits to both the society and company fitting to be a CSV program, but we need to weigh our program impact and measure the benefits to the society, company, government, and other stakeholders.

Table 3
Scoring of Chubbs' CSR activities

Programme	Overcoming Impact	Benefits for Society	Benefits for the Company	Support Gov. Program	Benefits for other Stakeholders	Score
Tour visit to children's ward hospital and donate toys and foods	3	4	4	4	4	19
Scholarship "Caring for Education" and books donation to elementary schools	5	5	4	4	4	22
Donate housing for slum communities in the outskirts of Jakarta	3	4	3	4	4	18
CSR food from the Heart – donation to orphanage	4	5	4	4	3	20
Blood donation program in Jakarta & Surabaya	4	5	4	4	3	20
Book and food donation to orphanage	3	4	4	3	3	17
Global Day of Service – Saving the Environment by cleaning museum of maritime and providing numbers of trash bin	2	3	3	3	2	13
Books donation to school	4	5	4	4	3	20
Renovated and reparation of public facilities	4	5	5	5	4	23
Clean water for communities in Tangerang	4	4	4	4	4	20
Housing for communities in Kidoso, Tangerang	4	4	3	4	4	19
Volunteer for educational activities in elementary school	4	4	4	4	4	20
CHUBB Risk Reduction Education Program	5	5	5	5	5	25
Value Weighting Criteria						
<ol style="list-style-type: none"> 1. Donation only 2. Help solve the problem but the portion is small 3. Better 4. Win-win 5. Sustainable and complete 						

CONCLUSION AND RECOMMENDATION

Through the process of creating the program by improving the values produced to the society and company, we concluded that:

a. Risk perception and buying insurance

Improving awareness of young children in recognizing the risk of an accident and at the same time knowing the necessity of insurance could make them become potential customers in the future.

b. Advertisement effect

It can also encourage the institution (school) and its employees (teachers and staff) to register for insurance through regular visitation in delivering the risk reduction education program.

c. Improvement of profitability

Accident/disease prevention education can reduce probabilities of an accident/ disease to happen, which will lead to the reduction of insurance claims, and thus will improve the company's profitability.

As stated above that the Chubb General Insurance Company could gain profits through education program by lowering insurance claim as well as the society gain values by having improve understanding

of risks led to accidents, it is recommendable that Chubb General Insurance Company implements the program in Indonesia, especially schools or environment close to Chubb office.

REFERENCE

Daniri, M.A. (2021). Lead By CSV, Paradigma Baru Dalam Penerapan CSR, Jakarta: Pustaka Kaji.

Chubb (2020). Chubb General Insurance Sustainability Report 2020, Jakarta.

Chubb (2020). Chubb General Insurance Laporan Keuangan 2020, Jakarta.

<https://www.chubb.com/id-id/about-chubb/tanggung-jawab-sosial-perusahaan.html>

<https://www.chubb.com/id-id/about-chubb/laporan-tata-kelola-perusahaan-yang-baik.html>

<https://www.chubb.com/us-en/about-chubb/who-we-are.html>



CHAPTER THREE

**Creating Shared Values: A Case Study of
Panasonic Manufacturing Indonesia**

Albert Yuda S., Dyah Indra A., Rosada Asnada,

Tania Mentari Desriyani

Sekolah Tinggi Manajemen IPMI

Abstract

Sustainability is something that company tries to achieve, realizing that company should focus on three important things: People, Planet and Profit. Following the change in business orientation, companies had shifted their Corporate Social Responsibility programs into Creating Shared Value programs that could be a strategy to support the People, Planet and Profit concept. Panasonic Manufacturing Indonesia as one of the biggest manufacturing companies in Indonesia had also already prepared their organization and being open to the opportunities to involve CSV activities in their business. Environment is always being a critical issue in manufacturing

business. Electronic Waste Management and Emission Control are one of the biggest problems. In this chapter, we will try to propose a new opportunity to solve those problems. Programs to achieve Win-Win solution: solve the environmental problem, based on consumer's needs, and utilizing digitalization, to gain profit for company.

Keywords: *CSR, CSV, Waste Management, Carbon Trading*

INTRODUCTION

Creating Shared Value (CSV)

Creating Shared Value (CSV) defined as an operational policy that improve the competitive value of a company and advance the economic and social state at the same time (Porter and Kramer, 2011). According to Peter Brabeck-Letmathe, nowadays, companies have realized that they could achieve the long-term success only if they could create value for both stakeholders and local communities where they operate. As we know, companies already pay some attention to this by conducting a Corporate Social Responsibility (CSR). CSR is a form of company's contribution for Sustainable Development Goals (SDG) by managing risks of their stakeholders. CSR is often driven by external pressure and for philanthropic motivation (Daniri, 2021). Meanwhile, CSV use a business-thinking to solve traditional social problem. By

providing a product or service that could handle humanity or environmental problem, companies are not only contributing their assets for society, but they could still do business by creating the benefit value with the society (IE University, 2019).

According to Lead by CSV book by Mas Achmad Daniri, CSV could be approached by:

1. Reconceiving products and markets
2. Redefining productivity in the value chain
3. Enabling local communities' development

While the characteristic of CSV programs is:

1. CSV is a way to do business while giving benefit for company and also society.
2. CSV provides opportunities to develop the competing value by involving social problems as one of driving factors in their business strategy.
3. CSV requires a company to develop business by creating innovation and increasing efficiency in their business process.
4. CSV is a business strategy of a company to create shared value.

Panasonic Manufacturing Indonesia

PT Panasonic Manufacturing Indonesia (PMI) is a well-known electronic manufacturing company in Indonesia, which

was established in 1970. PMI is a producer of home appliances, such as: Water Pump, Air Conditioner, Refrigerator, Washing Machine, Radio, and Fan.

PMI's mother company originated from Japan, therefore, PMI adopt some Japanese culture in their workplace. One of the culture that they apply in daily routine is 5S (Sort, Straighten, Shine, Standardize, and Sustain). Not only that, but PMI also has two philosophies that drive their company. First is Tap Water Philosophy that drives them on contributing to society by enriching their life and make it more convenient. Second is Banana Tree Philosophy which means there are no part of banana tree that goes to waste. Their benefit goes everywhere, available for all, and nurture the next generation. Both of their philosophy were then written as their mission that is to serve all of our consumer by providing FUKUHIN (prosperous products). PMI also has a company motto which is "Make People before Product".

In doing CSR, PMI follow the authority of Panasonic Gobel in general, yet they have their own concept. It is divided into two CSR concepts:

1. Next Generation

This concept focuses on education, culture, art, and sports. Activities that have been done by PMI were giving scholarship to the employees' child or children around the operational area of PMI, being

a sponsor of PBWI, collaborating with Kriya Nusantara to support handcrafting production, etc.

2. Environment

The activities that have been done to support this concept were collaborating with Magno Corporation a bamboo-based bicycle manufacturer, planting coffee in a deforestation area, encouraging farmer in Temanggung to substitute tobacco plantation to coffee plantation, and recycling the waste material so that it can be used again as theraw material.

Electronic Waste Management

Electronic Waste Management is being a crucial problem for some countries. According to the UN Global E-Waste Monitor Report in 2020, Asia has become the world's largest producer of Electronic Waste (E-Waste) with a total number up to 24.9 Mt. This number represents almost half of the total E-Waste generation worldwide. This means that Asia has a significant role in responding to the expected global generation of E-Waste.

According to recent reports, Indonesia is expected to be the fifth largest economy in the world by 2050, largely driven by the growth of domestic household consumption (PWC, 2017). Currently, Indonesia is already one of the world's

largest consumers of electronics (Statista, 2020). As such, Indonesia's future E-Waste levels significantly contribute to the worldwide waste problem and deserves closer attention.

Figure 1 shows the total E-Waste generation in Indonesia at selected years and their corresponding E-Waste generation per capita. From this data, the E-Waste generation in Indonesia per capita is also growing rapidly. It was estimated that the E-Waste generation reached up to 7.3 kg per inhabitant in 2021 and it increases up to 10 kg per inhabitant in 2040.

Meanwhile, figure 2 show Estimated E-Waste generation in Indonesia for all types of E-Waste category in 2021.

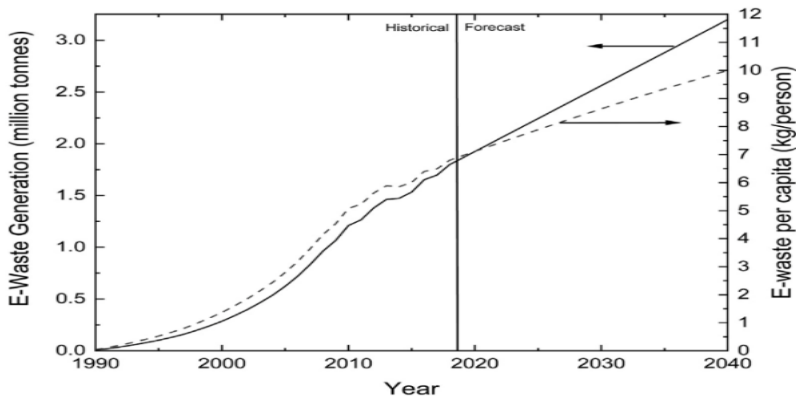


Figure 1

Total E-waste generation

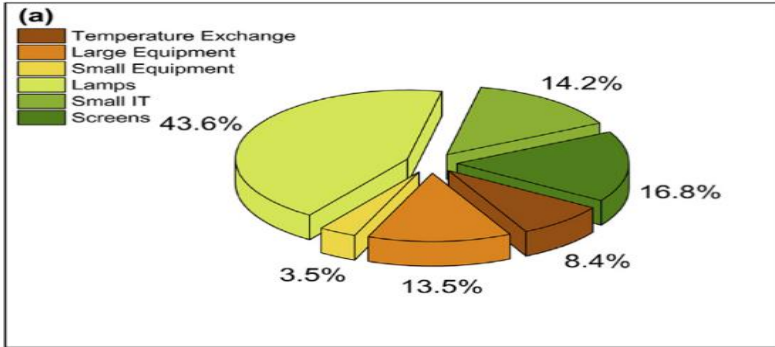


Figure 2

Estimated E-Waste generation

Figure 3. shows the estimated distribution of E-Waste (all types) based on weight percentage across the major islands in Indonesian in 2020. Approximately 56% of the e-waste generation is predicted to come from Java island. This directly reflect the population density in the Java island (56% of population of Indonesia reside in Java).

Figure 4. shows the distribution map of E-Waste generation across the 34 different provinces in Indonesia in 2020. It can be seen from the figure that while there are high number of E-Wastes generated in Indonesia, they are not equally distributed. Many provinces in Java Island were found to be the larger producer of E-Waste, where most of the

areas/provinces in the island are coloured in dark red (ranging from 7000 to 25,000 tonnes in each of the province).

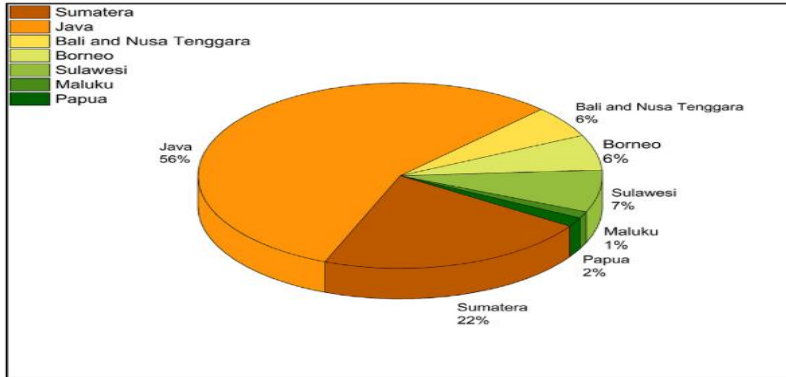


Figure 3

Estimated distribution of E-Waste

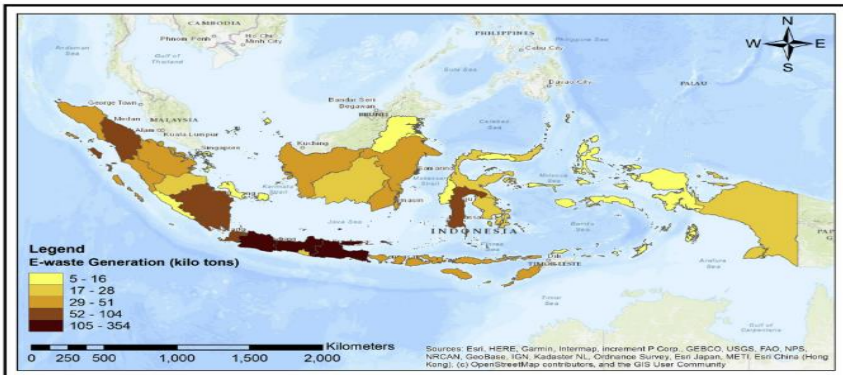


Figure 4

Distribution Map of E-Waste Generation

As a manufacturer of electronic appliances, PMI must consider this problem because this problem involving their product life cycle.

Carbon Emission Management

Another crucial problem that commonly related to manufacturing company is about carbon emission. Actually, the emissions are not only coming from Carbon Dioxide gas, but there are also Methane, Nitrous Oxide, Flourinated Gas, etc. But according to IPCC (2014), 76% of gas emission was contributed by Carbon Dioxide (CO₂). Fossil fuel use is the primary source of CO₂.

CO₂ can also be emitted from direct human-induced impacts on forestry and other land use, such as through deforestation, land clearing for agriculture, and degradation of soils. Likewise, land can also remove CO₂ from the atmosphere through reforestation, improvement of soils, and other activities.

Figure 5 shows the business sectors that contribute to the global gas emissions. Electricity and Heat Production was on the top of the list and followed by Industry and Agriculture, Forestry and Other Land Use.

From the figure 5, we can conclude that the gas emissions are mostly caused by manufacturing activities and deforestation.

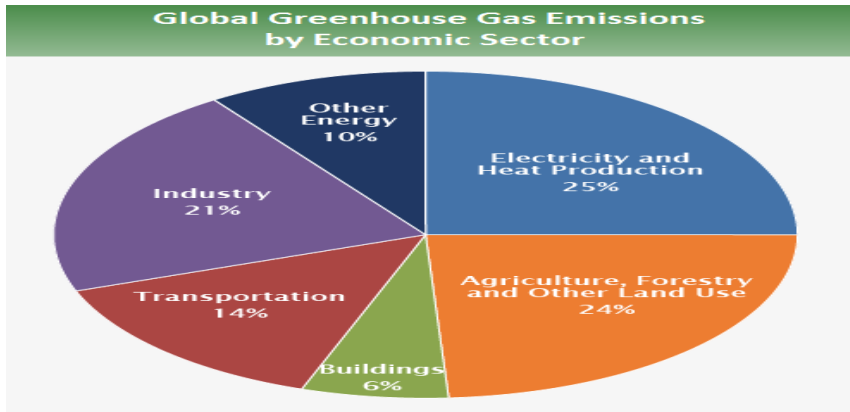


Figure 5

Global Gas Emission by Economic Sector (IPCC, 2014)

As can be seen on figure 6 (next page), global carbon emissions from fossil fuels have significantly increased since 1900. Since 1970, CO₂ emissions have increased by about 90%, with emissions from fossil fuel combustion and industrial processes contributing about 78% of the total greenhouse gas emissions increase from 1970 to 2011 (IPCC, 2014).

Through the figure we can see that Agriculture, deforestation, and other land-use changes have been the second-largest contributors.

The third contributor as seen in the figure is coming from the industry which is about twenty-one percents.

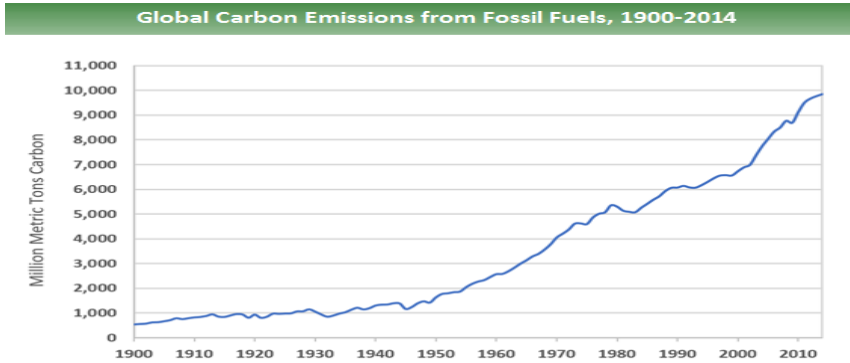


Figure 6

Trend of Global Carbon Emission from Fossil Fuel, 1900-2014
(Boden, 2017)

Problem Definition

As a manufacturing company, PMI realize the urge to implement CSV in their business model. Therefore, finding the suitable CSV program to develop is so crucial. After analyzing some factors, we conclude that PMI should focus on the environmental aspect.

PMI already had programs that focus on environmental aspect. However, based on our analysis, there are some key programs that could be improved into CSV. The key programs are: Reducing CO2 Emission, Recycling Resources, and Use & Control of Information. We focus on these key programs because as a manufacturing company, emission and waste are the main issues that keep coming on top of the list being discussed. We specifically address the Electronic Waste

Management and Carbon Emission in this paper. While the Use & Control of Information program means that we hope to solve the problem with the use of information and digital transformation.

Problem Solution

Solution that will be provided is the CSV program proposal that is related to the main problem. Therefore, we come up with two CSV program proposal:

1. Panasonic Indonesia Integrated App (PIA)
2. Carbon Trading

METHODS

This chapter describes and discusses how the researcher will gather the necessary data and information that will be used in the assignment. Methods that will be applied in this research are:

1. Analyzing the company vision, mission, and business model.

In order to determine suitable CSV program for a company, we need to understand their vision, mission and business model.

2. Analyzing company's CSR program

We need to find the room for improvement in their CSR programs. Therefore, we analyze their CSR program by CSR Matrix. CSR Matrix was a method to map the CSR program and how the program is impacting the company and society overall.

		assessment criteria Programme CID
		Overcoming impact
		Benefits for Society
		Benefits for the Company
		Support government programs
		Benefits for other stakeholders
		Score

Figure 7

CSR program matrix (Daniri, 2011)

Using the matrix, we list all CSR Program owned by the company and giving them a score on each category based on how impactful the program is. The scoring is from 1-5, following this weighting criteria:

1: Donation only

2: Solve the problem with small portion

3: Better

4: Win-Win Solution

5: Sustainable and Complete

We determine the scoring by discussing within the group. This method might be subjective, but we try to minimize the subjectiveness by giving out the reason why we give a certain score for each program.

3. Data Collection

For doing the research, we use secondary data that will be gathered from PT Panasonic Manufacturing Indonesia website, manual, reports, libraries, and other media.

4. Feasibility Analysis

In doing the Feasibility analysis we implement a Cost Benefit Analysis.

RESULT AND DISCUSSION

PMI's Vision and Mission in Environmental Aspect

As a manufacturing company, PMI know that they own a huge responsibility toward environmental problem. They have their own Vision related to environment.

"To achieve a "better life" and a "sustainable global environment," Panasonic works to create and use more efficient energy that goes beyond the amount of energy used, aimed at a society with cleaner energy and a more comfortable lifestyle."

PMI is committed with the concept "energy created must be more than energy used" through their business process. This company vision then generate company mission in some CSR program.

PMI has a total of 15 (fifteen) CSR program. Five of them is related to the environmental problem. The rest of it are related to the consumers, product quality, human resources, information control, supply chain management, etc.

CSR Program Analysis

After going through discussion, we come up with matrix of PMI's CSR Program that have some room of improvement.

The Table 1 on page 89, CSR Program Matrix, is done by analyzing each type of the CSR program through the classification as mentioned previously. The ranking is as follows:

- 1: Donation only
- 2: Solve the problem with small portion
- 3: Better
- 4: Win-Win Solution
- 5: Sustainable and Complete

The higher the number is showing the higher the value of the programs in term of its strategic approach for the company.

Assessment Criteria	Overcoming Impact	Benefits for Society	Benefits for The Company	Support Government Programs	Benefits for Other Stakeholder	Score	Activities	Point of View
Reducing the CO2 Emission	5	5	5	5	4	24	<p>Panasonic works comprehensively to reduce CO2 emissions with four concepts namely "reducing the use of energy", "creating energy", "saving energy", and "managing energy". Developing ECONAVI as their energy-saving technology that is applied in their product.</p> <p>Applying Green Factory program in their factories.</p>	<p>This program actually has applied the CSV value aspects because it gives benefit for Planet, People and also Profit. By implying energy saving in all products they produce, the consumer as the stakeholder would also feel satisfied while the company can also gain benefit and support the government program in reducing the emission of factories.</p>
Recycling the Resources	5	3	5	5	2	20	<p>"Product for Product" concept.</p> <p>Reducing the waste by using the waste for another raw material in another manufacturing process</p>	<p>Product for Product concept, Panasonic has a good purpose for recycling the product to become raw material for another product. This gives benefit for Planet in terms of environment because it reduces waste. Also, for Profit, because the waste can be the raw material to make another product. But for People, it still needs to be improved so that this program may result more benefits.</p>
Use and Control of Information	4	4	4	4	4	20	<p>- Training on Information Security</p> <p>Panasonic conducts necessary information security training every year to raise the awareness and knowledge of each employee</p>	<p>Panasonic has many mobile applications with different purposes of use (AC, TV, Image, Audio, etc). These different applications will make it easier for product users if integrated into 1, and will make it easier for companies to process customer data, so that they can help companies to develop strategic plans based on the consumer data (optimization of collected data).</p>
Responsible Publicity and Advertising	5	4	5	4	5	23	<p>If manufacturers can make good products, they have an obligation to communicate that quickly, widely, and correctly to their customers, and that is what advertising does.</p>	<p>The company has not utilized publications through communities concerned with e-waste, so it has not been optimal in providing benefits for society and government programs.</p>

From Table 1, there are four key CSR Programs that are related with the solution for environmental problem. As mentioned previously that PMI has their CSR program in environmental focus. We highlight the Recycling the Resources and Reducing CO2 Emission as the main key program. The activities related to this program already have a good impact but still could be developed more.

The other two key program are Use & Control of Information and Responsible Publicity and Advertising. These programs have a potential to become a platform in realizing the solution for the environmental problem mentioned before.

CSV Program Proposal

1. Panasonic Indonesia Integrated App (PIA)

PIA is a mobile application that is designed to give easiness for both consumer and company through an integrated system. This program will be an interface for Electronic Waste Collection Program. Electronic Waste Collection Program will involve consumer to send off their electronic waste product of Panasonic through some distribution channel. This app will help Panasonic to gather data about consumer and also will help consumer to know the procedure to participate in this program and get benefits. In doing this E-Waste

Management Program, PMI will collaborate with distributors and some established local communities in e-waste management.

Coming back to the app, PIA consists of several features, such as consumer database, E-Waste Collection Interface, Buy and Sell Interface, Panasonic Product Information, Product's Interface, and Costumer Care. The diagram of the Integrated App would be as follows:

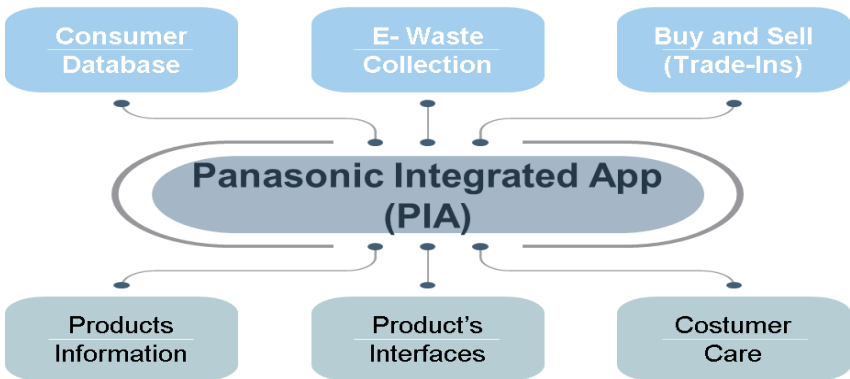


Figure 8

Panasonic Indonesia Integrated App

Regarding the E-Waste Management Program, we will focus on the three first features. PIA will provide information and interface for the consumers to easily send off their Electronic Waste. We also will add special features in the app

to make consumer interested to participate in E-Waste Collection Program. First, is by providing enough and easy access of information related to E-Waste through the app. Second, is by adding a trade-in program, where consumer can trade their old product into the new product facilitated by the app. Third, is by giving consumer a reward point if they participate in this program. The points will be accumulated and could be redeemed into free service or other discount deals.

Panasonic E-Waste Management Framework

Figure 9. summarize the framework of Panasonic E-Waste Collection Framework. We assume that there are two conditions of consumers. First is the consumer that doesn't get registered in Panasonic Integrated App. For this type of consumer, the distributors will manually give information regarding the E-Waste Collection Program. In the future, if they want to send off their electronic waste, they would have to contact the distributor where they buy the product. Then, local communities will help to pick up the E-Waste.

For the consumer that get registered in the PIA, they will receive the information about E-Waste Collection through the app. They also can choose if they only want to send off their E-Waste or to buy the new product through Trade-In program. If they only want to send off the waste, local communities or Panasonic Agent will pick up the E-Waste.

But, if they want to do trade-in program, they could select the new product and complete the transaction online through the app. Panasonic Agent will deliver the new product and pick up the electronic waste. The collection framework and distribution framework is as follows:



Figure 9

E-Waste Collection Framework



Figure 10

E-Waste Distribution Framework

Regarding the distribution framework, we split it into two distribution channels, as we can see on Figure 11. Thirty percent of collected E-Waste will be distributed to the local communities and other seventy percent will go to PMI to be recycled and used for another manufacturing process. By giving some portions of electronic waste to local communities, PMI also help to support the development of communities.

Feasibility and Cost Benefit Analysis

In order to conduct a cost benefit analysis, we use a framework that has been translated into a structure diagram as shown in Figure 3.3.

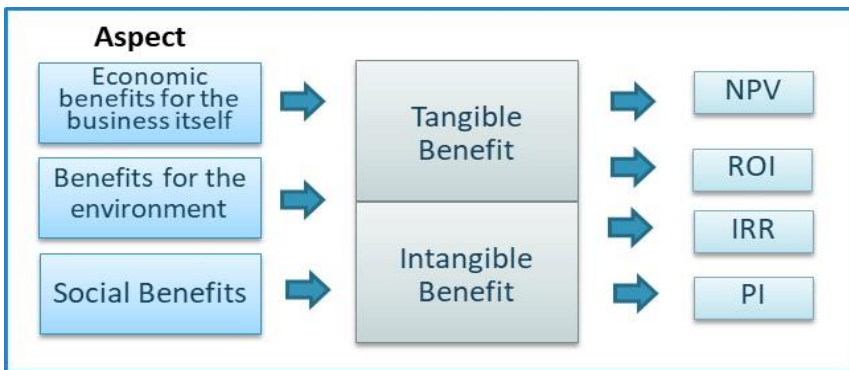


Figure 11

Cost Benefit Analysis Framework

Data collection is done by collecting secondary data regarding the estimated cost of developing Information

Technology which is submitted to the management as a material to calculate the benefits, both tangible benefits and intangible benefits as a case study material in this research.

The next step is calculating the benefits obtained from developing Information Technology, both tangible and intangible, using the Cost Benefit Analysis (CBA) method which converts the benefits of the project into rupiah.

Table 2

Estimated Data for CBA

Cost	Amount
Investment Cost	Rp422.565.000
Operating Cost/year	Rp313.280.000
Benefit/year	Rp37.587.500.000

After getting the number of rupiah converted from the benefits, both tangible and intangible benefits, the results from the conversion can be used as a proposed recommendation.

The feasibility of the proposed Information Technology project can be seen by looking at the greatest benefits. Both tangible benefits and intangible benefits are converted into rupiah.

Table 3

Output of CBA

Source: Internal Calculation

ANALYSIS					
	0	1	2	3	4
Operating Cost	422,565,000	313,280,000	325,811,200	338,843,648	352,397,394
Benefits	-	37,581,500,000	39,084,760,000	40,648,150,400	42,274,076,416
PV	(422,565,000)	37,268,220,000	38,758,948,800	40,309,306,752	41,921,679,022
	(422,565,000)	35,834,826,923	35,834,826,923	35,834,826,923	35,834,826,923
NPV	142,916,742,000	OK			
PI	374.52	OK			
IRR	882.4%	OK			
ROI	98.90%	OK			

There are four outputs in this Cost Benefit Analysis:

a. Net Present Value (NPV)

This method is done by comparing all expenses with all receipts at a certain interest rate. Investments made using 10% interest, then the calculation results are Rp142.916.742.000,00, shows that making the application is feasible.

b. Return on Investment (ROI)

In this method, the return on investment is used to measure the percentage of benefits generated by a project compared to the costs incurred. The result of the calculation of ROI is 98,90% this value is quite large, then the project is feasible to run.

c. Internal Rate of Return (IRR)

The result of the IRR calculation is 8824% greater than the required rate of return of 10%, then the project is feasible to run.

d. Profitability Index (PI)

The result of the PI calculation is 374.52 greater than and equal to 1, then the project is feasible to run.

Project Realization Timeline

The importance of time estimation in CSV is widely essential in the proposal. The timeline of CSV proposal might be used for the assessment of its actual vs. predicted results at the final stages in the project life cycle.

This will provide a lot of valuable information for future decision making. The following table is the Estimated Timeline for CSV project.

Table 4.
Estimated TimeLine

NO	TASK	ACTION PLAN
I	PLANNING & DESIGN	
	Recruit research team	Week 1 - 8
	Train researchers	Week 2 - 8
	Select sites	Week 1 - 8
	Develop/test surveys & interviews	Week 5 - 8
	IRB approval	Week 1 - 8
	Application development	Week 9 - 16
II	DATA COLLECTION	
	Facility surveys	Week 5 - 8
	Trade-ins surveys	Week 5 - 8
	Consumer data	Week 6 - 8
	Additional benefits	Week 6 - 8
III	DATA ANALYSIS	
	Cost benefit analysis	Week 7 - 9
	Quantitative analysis	Week 9 - 11
	Qualitative analysis	Week 9 - 11
IV	MONITORING	
	Application check	Week 9 - 40
V	IMPLEMENTATION	
	Policy briefs	Week 16 – 17
	Policy workshops	Week 18 – 19
	Community meetings	Week 16 – 19
	Targeted media for advertising	Week 16 – 17
	App train to team and distributor/outlet	Week 18 – 19
	Customer service training	Week 18 - 19
VI	INTRODUCTION TO APP	
	DKI Jakarta	Week 20
	Banten	Week 21
	West Java	Week 22 – 25
	Central Java	Week 25 – 28
	D.I. Yogyakarta	Week 27
	East Java	Week 25 – 28
	Sumatra	Week 29 – 32
	Kalimantan	Week 32 – 35
	Sulawesi	Week 32 – 35
	Lesser Sunda Islands	Week 36 - 38
	Maluku Islands	Week 38 - 40
	Western New Guinea	Week 38 - 40

There are six stages shown in Table 4 as follows:

1. Planning & Design

This is an early phase of the project where a project's key features, structure, criteria for success, and major deliverables are all planned out. The aim is to develop one or more aspects that can be used to achieve the desired project goals.

2. Data Collection

This stage is defined as the procedure of collecting, measuring, and analyzing accurate insights for research using standard validated techniques.

3. Data Analysis

Refers to the process of collecting and analyzing data to extract insights that support decision-making. These are largely based on two core areas: quantitative methods and qualitative methods.

4. Monitoring

Monitoring is checking progress against plans. This stage is conducted after the application has begun and continues throughout the implementation period. The data acquired through monitoring is used for evaluation.

5. Implementation

Implementation is the action that must follow any preliminary thinking for the action to actually happen. In order for this process to be successful, many tasks between different departments need to be accomplished in sequence.

6. Introduction to the Apps

Interactive experience that takes the user through the steps they need to take in order to complete key tasks within the product. Throughout the stage, we plan to give a product walkthrough nationally.

Benefits

After formulating this program, we determine the benefit that could be gained by Panasonic related to the E-Waste Management and developing Panasonic Integrated App, which is as follows:

- a. Optimizing the **Reduce-Reuse-Recycle concept** in PMI's product cycle.
- b. Since the electronic waste can be used again as a raw material, it would reduce the cost of production. and give **Benefit**.
- c. **Brand Reputation** of Panasonic will be boosted because of this E-Waste Collection Campaign

- d. Help Local Communities
- e. Reduce Electronic Waste
- f. Provide more knowledge and easiness for consumer regarding the e-waste collection.
- g. **Consumer Database** could be used for many things
- h. **User's Experience:** more benefits in one application for consumer
- i. Marketing and Advertising of Panasonic Product

2. Carbon Trading

We also propose a solution for the emission gas problem that could be implemented by PMI. The second CSV program is related to Carbon Trading. Carbon Trading is a mechanism designed to provide economic incentive to limit greenhouse gas emission. This program is actually controlled by the government.

Government set the allowance rate of carbon emission production for all manufacturing company, or we call it carbon credit. Having the limited standard, company will innovate and improve their technology to reduce their emission below the standard.

The same situation is happening to PMI. But with these new CSV ideas, PMI would be able to take advantage of their low emission policy. It is possible once this

regulation applies in Indonesia. In the following pictorial graphic, it could be seen how an efficient company would benefit by selling their excess carbon credit to other companies who could not follow the limit.

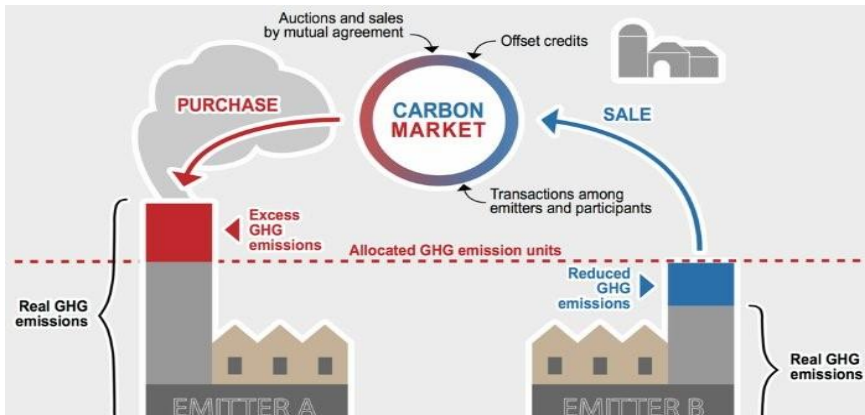


Figure 12
Carbon Trading Scheme

Figure 13 explains how the carbon trading mechanism work. Companies that succeed in producing lower emission (Emitter B) can sell their excess carbon credit to the company that still pass the limit (Emitter A) and that could create profit for the company.

Indonesia has not applied this regulation yet, unlike Japan, US, Europe Countries, China, etc. But, as a country, Indonesia definitely has a huge potential since Indonesia is one of the largest world’s lung that contribute 75%-80% of

the world’s carbon credit (ICDX, 2021). In Indonesia, Carbon Trading is organized by Indonesia Commodity and Derivative Exchange (ICDX). Through ICDX, they build some project plan to successfully utilize the Indonesian Carbon Trading Business opportunity.

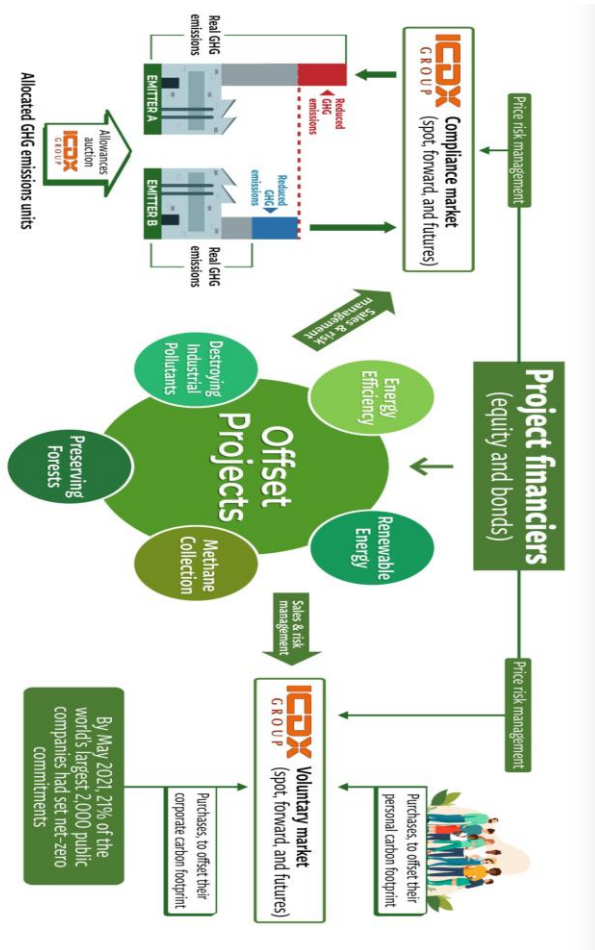


Figure 13

Indonesia Carbon Trading Project Plan

Panasonic as a manufacturing company surely could take part in this project plan. First, they need to focus to become a company that produce emission lower than other companies. In the Offset Project that could be seen in Figure 3.5., some project actually can be implemented in the internal of PMI. The energy efficiency, renewable energy and destroying pollutants project are already in one of PMI CSR program and activity, which is the Green Factory.

PMI already have a vision to optimize their manufacturing process to be more efficient and environmentally friendly. Another Offset Project that could be implemented for PMI is regarding the forest preservation. We suggest that PMI can start their own program by compensating their carbon emission into growing a certain amount of trees. For instance, for every tonnage of gas emission produced, PMI should plant a hectare of trees.

Benefits

For this program, PMI will gain benefit such as:

1. Innovative and Competitive

This program will force PMI to improve their technology to achieve more environmentally friendly factories.

2. Reduce overall carbon emission.

3. Gain profit from Carbon Credit Selling

4. Preserve Forest

5. Support Government Program

6. Brand Reputation

CONCLUSION AND RECOMMENDATION

Based on our analysis, we give recommendation to PMI to develop their CSV activities focusing on environmental aspect. There are two recommendation that we propose:

- a. **Panasonic Indonesia Integrated App (PIA)** that is concerned with the Electronic Waste Management and Consumer Relation and at the same time is a promising profit center.
- b. **Participating in Carbon Trading Project** to reduce emission and to support government program and be eligible for some carbon credits.

REFERENCE

Aulia Qisthi Mairizal ^a, Agung Yoga Sembada ^b, Kwong Ming Tse ^a, Muhammad Akbar Rhamdhani ^{a, *}. (2021), Electronic waste generation, economic values, distribution map, and possible recycling system in Indonesia. *Journal of Cleaner Production*.

<https://www.panasonic.com/id/corporate/sustainability.html>

Mas Achmad Daniri. (2021). *Lead by CSV, Creating Share Value, Paradigma Baru Penerapan CSR*, Jakarta : Pustaka Kaji.

Wójcik, P. (2016). How Creating Shared Value Differs From Corporate Social Responsibility. *Journal of Management and Business Administration. Central Europe*, 24(2), 32–55. <https://doi.org/10.7206/jmba.ce.2450-7814.168>

IPCC (2014). *Climate Change 2014: Mitigation of Climate Change*. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Edenhofer, O., R. Pichs-Madruga, Y. Sokona, E. Farahani, S. Kadner, K. Seyboth, A. Adler, I. Baum, S. Brunner, P. Eickemeier, B. Kriemann, J.

Savolainen, S. Schlömer, C. von Stechow, T. Zwickel and J.C. Minx (eds.]). Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA

Porter ME, Kramer MR. (2011). *The Big Idea: Creating Shared Value How to Reinvent Capitalism and Unleash A Wave of Innovation and Growth*. Harvard Business Review. January-February.



CHAPTER FOUR

**CREATING SHARED VALUES: A CASE
STUDY OF PANASONIC GOBEL
INDONESIA**

*Fadhillah Indra Budi, Giovanni Alexander Panudju,
Muhammad Naufal, Mely Primayanti*

Sekolah Tinggi Manajemen IPMI

Abstract

Creating Shared Value (CSV) is a development of a strategic corporate social responsibility (CSR). It is a strategic approach to ensure synergistic business continuity with stakeholders. Panasonic Gobel Indonesia (PGI), with its CSR Technician Development Program initiated in 2020, was canceled due to the incoming COVID-19 pandemic situation. The underlying challenges of expenses, applicants' entrepreneurial skills, and commitment, have become obstacles to be solved. This study aims to solve these challenges through innovative solutions that elevate the current CSR into a

sustainable CSV program. The proposed CSV Doraemon Technician Program is a solution designed to answer these challenges. It is divided into four execution phases. Total commitment to the program is expected to benefit significantly for PGI and the Indonesian nation as well as support the United Nations Sustainable Development Goals.

Keywords: *Creating Shared Value, Innovative, Solution, Sustainable*

Introduction

Situation Analysis

Corporate Social Responsibility (CSR) has emerged as a key concept for understanding the impact of social factors on the operation of companies. CSR has evolved from a buzzword to a necessary component of both corporate reputation and strategy development. Effectively designed and executed CSR activities can improve a company's overall reputation, which, in turn, can lead to higher levels of purchase intentions, improved product evaluations, increased company profitability, and increased stakeholder's value.

CSR is a form of corporate social responsibility towards society and the environment. Many large companies have communicated their CSR activities both through electronic and print media. The World Business Council for Sustainable Development (WBCSD), which is an international

institution, defines Corporate Social Responsibility as a business commitment to contribute to sustainable economic development, working with employees, families, and local communities (WBSCD, 2001).

In CSR development, John Elkington (1997) suggested a famous breakthrough, namely 'The Triple Bottom Line'. The concept recognizes that companies must pay attention to 3P (Profit, people, and planet) in maintaining the 'life' of their business. Not only concerned with profit but also must make a positive contribution to society and actively participate in preserving the environment. The three basic concepts of CSR emphasize that companies should be profit-oriented. The company's continuity also affects the life around it, both the life of the community and the life of the environment.

The company realizes that CSR is not only about maintaining the company's reputation, but also creating economic sustainability by involving the community or stakeholders in its business activities. The concept of CSR began to be modified with a more profitable concept, both for the company and the community. The development of the CSR concept is through Creating Shared Value (CSV). CSV is a strategic approach to ensure synergistic business continuity with stakeholders (Daniri, 2021).

CSV can be a corporate strategy that is beyond the rules and regulations, in line with the company's vision, mission, values, and strategy. By integrating the CSV program

with business strategy, companies can sustainably contribute to the business. According to *Lead by CSV* book by Achmad Daniri, the characteristic of CSV programs are:

1. CSV emphasizes the importance of including social problems and needs in the design of business strategies. In short, CSV can support CSR programs with more value-added.
2. CSV is providing a view on how do businesses provide multiple benefits. Such as benefits for the company and society, as well as benefits for stakeholders by embracing and involving them in order to flourish together.
3. There is an opportunity to build a competitive advantage by considering social needs in designing a business strategy.
4. Building a business with innovation that creates efficiency in various aspects.
5. The strategy implemented is in line with the company's business strategy to increase shared value.

Panasonic Gobel Indonesia

Panasonic is a well-known global brand that has continued to invest in the society. Panasonic corporation headquartered in Osaka, Japan, is a world-class manufacturer in the field of electronic products, especially for the needs of

ordinary consumers and businesses, with the brand slogan “A Better Life, A Better World” aiming to realize a better life for all its customer and is promoting environmental initiatives as an essential element in achieving that goal.

In Indonesia, Panasonic Gobel Indonesia or PGI has a very long history. It had started with the presence of the radio “Tjawang” by the founder Drs. H. Thayeb Moh Gobel in 1954. PGI is also a pioneer in driving local companies to supply the spare parts and components. Until now, Panasonic in Indonesia remains a leading electronics brand that provides innovative for home appliances (AC, Smart TV, Refrigerator, etc) among B2C, and a system solution among B2B that is oriented to the local market to answer the needs of the Indonesian people.

A synergy of two Panasonic core values is based on Gobel’s Banana Tree Philosophy and Matsushita’s Tap Water Philosophy. Gobel regarded the banana tree as an excellent symbol for the company’s role in the community. No part of a banana tree goes to waste, the fruit provides nourishment as food, while the leaves and other parts of the plant provide a community for a variety of usage. Growing everywhere, it is available to all and it is in batches, and nurturing the next generation plant before the life ends. Meanwhile, Matsushita’s Tap Water Philosophy explains water is a crucial necessity for maintaining human life. Yet, it is available to all from the tap for next to nothing because it is present in such an abundance.

An entrepreneur's mission is to provide a lot of number of useful products in life like Tap Water. A highly needed product if provided in such abundance and properly priced will enhance and improve everyone's life.

Increasing the value of a company also means increasing the value of people. Panasonic adopted Japanese words the principle of Hitozukuri for Monozukuri or Make People before product, which means Creating Humans before creating goods. Hitozukuri or creating humans is done by forming a mindset and changing behavior, building work capacity, and building commitment to the required standards. Konosuka Matsushita kept saying, "we produce people, and we also produce electrical goods". He always believed that the measure of a company was the people who worked for it, that no enterprise could succeed if its employees did not grow as human beings.

CSR philosophy is a basic tenet of its management philosophy and must be seen in the same context as a part of its overall strategy. Panasonic sustainability is based on the company's management philosophy and provides a clear statement regarding what the company must do to fulfill its CSR and make a contribution to today's society. PGI has a well-doing CSR, because for Panasonic, CSR is an investment. PGI believes that all forms of CSR activities will affect brand awareness and brand image. PGI has carried out many CSR activities that are divided into 3 phases:

1. Corporate Citizenship activities

CSR programs activities such as Panasonic scholarship and Panasonic Gobel Awards.

2. Coexistence with local communities

Activities from this program include Golf competition, Zakat & Qurban, Pray at PMI & PGI mosque: Friday, Idul Fitri, Idul Adha, natural disaster donation, and Covid-19 Donation.

3. Donation, sponsorship, and support for a public service organization.

Activities from this program such as social service in 1000 worship place, CSR Gorontalo, and support JFW 2021.

The government of Indonesia announced that one of the development priorities is the development of superior human resources, known as "SDM Unggul, Indonesia Maju".

As a form of support for the Indonesian government's plan and contribution to empowering the society, Panasonic Gobel Indonesia held a technician development training program throughout Indonesia. This program Initiated in 2020 during 60 years of partnership between Panasonic Global and Panasonic Gobel Indonesia and the target SMK & refrigeration engineering graduates and public.

Problem Identification

Due to the Covid-19 pandemic situation in early 2020, one of the CSR programs which is “The technician development program” must be canceled because it was challenging to run the program virtually. The technician’s nature requires adequate hard skills and practice, and online classes would not provide these desired results. In addition, the challenges of this program are:

1. High costs include the costs of trainers, equipment & supplies, transportation costs, and recruitment efforts & costs.
2. Marketing and branding skills, these skills are required for program graduates to get orders consistently
3. Applicant's Commitment, It is about commitment to continue the program. According to Hitozukuri principles: Mentality, Behavior, and Capacity.

CSR programs are an investment of companies for company growth and sustainability. They are not only seen as a means of seeking profit (profit center) for PGI but as a means of achieving profit (profit center). The CSR program is a company's commitment to supporting the creation of sustainable development.

The question is How to upgrade this CSR (Cost Center) program to CSV (Blended business with Good values which at the same time could function as the profit center).

Problem Solution

The solution that will be given is a proposed CSV program related to the main problem, which we will name it as the Doraemon Technician Program.

METHODS

The researchers were conducting 3 (three) kinds of methods to collect the data and information to develop the Creating Shared Value (CSV) program for Panasonic Gobel Indonesia (PGI). The methods are as follows:

- a. Data Collection and developing hypothesis
- b. Concept implementation Testing
- c. Discussion and Data Analysis

This project uses a concept test method to understand people's willingness to use certified technicians. Researchers use quantitative methods to get data using questionnaires and get the research results through descriptive analysis. Researchers use convenience sampling of around 30 people to get preliminary insight from respondents when collecting the

data. Because sample sizes equal to or greater than 30 are often considered sufficient to hold.

The phase that the researcher used to create CSV is as follows:

a. Data Collection and designing hypothesis

The researchers start with interviewing the Panasonic Gobel Indonesia (PGI) team Viya Arsawireja, Nanda Primia, Vinaz Adithya and Dika Abhimantra to identify the business process, understanding the differentiation with Panasonic Manufacture Indonesia (PMI), current corporate social responsibility, and current problem. During the interview, we found that Panasonic Gobel Indonesia (PGI) wants to expand or develop AC certified technicians because it is in line with the strategic direction to focus on air and water.

From the initial problem, the researchers create hypothesis questions, find secondary data from the internet, and list some possible solutions that we want to prove through preliminary research.

b. Concept Test implementation

We create a google form with respondent profiles and concept test questions such as “ you want to use certified technician from trusted brands like Samsung, LG, or Panasonic? We deploy the questionnaire to respondents from

different backgrounds, from the home & apartment user, to the age, and economic status.

c. Discussing and Data Analysis

The result of the concept test is very helpful for our team. We found some facts to sharpen our marketing strategy. Although, it is a small sample. It helps to ease the decision making process.

This concept test will help Panasonic Gobel Indonesia (PGI) convert corporate social responsibility to create shared values. Since Panasonic Gobel Indonesia (PGI) uses its money to fund the CSR project, It is not sustainable for business in the future. The researchers will create a plan to improve recruitment technicians, marketing programs, and how to monetize the project. Moreover, the plan will help Panasonic Gobel Indonesia (PGI) to find another angle to make it sustainable.

RESULTS AND DISCUSSIONS

Based on the discussions and findings, the researchers recommend PGI to elevate the current CSR (Corporate Social Responsibility) Technician Development Program to become the CSV (Created Shared Value) program.

The proposed program is taken from the well-known Cartoon icon named Doraemon. Hence the name became Doraemon Technician Program. The survey was distributed to

the customer and prospective customers of Electrical appliance technicians.

The following graphic is based on the ownership of electronic appliance in the households.

Electronics product in your Home/Apartment
Base preliminary insight: n=30

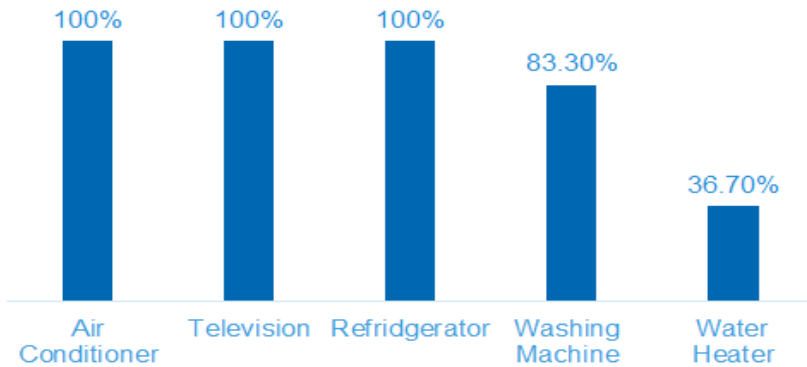


Figure 1

Owned Electronics

Source: Survey conducted by authors

Have you ever called an Air Conditioner technician?

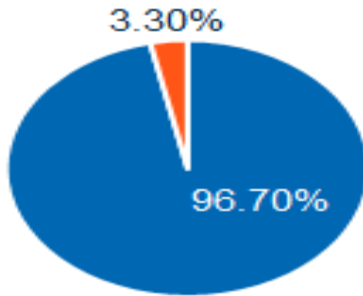


Figure 2

Call an Air Conditioner Technician

Source: Suvey conducted by authors

Have you ever called a Washing Machine technician?

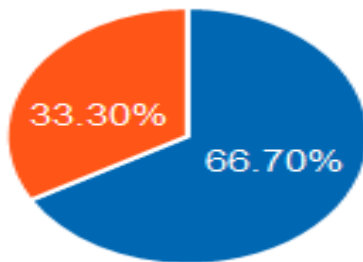


Figure 3

Call a Washing Machine Technician

Source: Suvey conducted by authors

The researchers are targeting that this Doraemon will create values not only to society but also to the company or create new revenue streams. Like the Japanese cartoon character Doraemon who is trusted and reliable to provide necessary support and help society by using his future tools out of his pocket, the researchers also hope that this program will also bring society the same benefits and happiness.

The survey is conducted to get a rough idea on the number of prospective customers for this platform. The following survey is to represent the target customer for the platform.

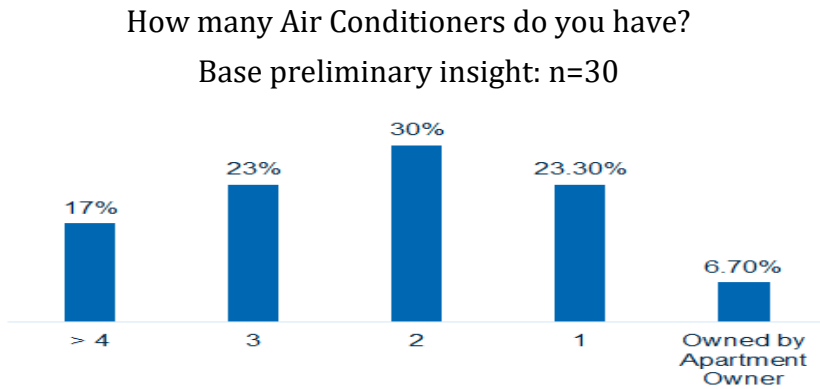


Figure 4

Number of Owned Air Conditioners

Source: Survey conducted by authors

How many times do you call an Air Conditioner technician?

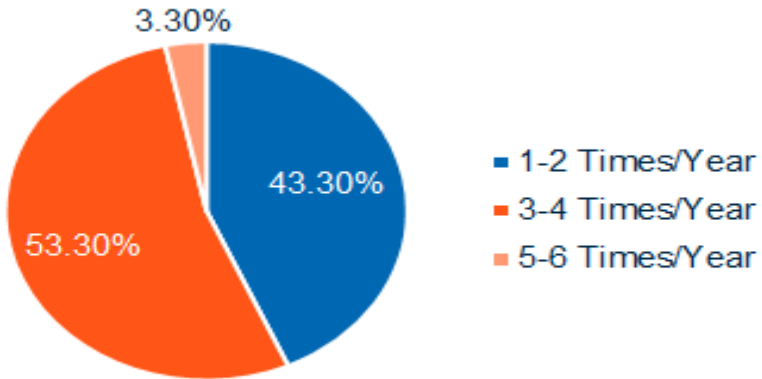


Figure 5

How many times calling an AC technician

Source: Survey conducted by authors

There are 4 phases to establish the Doraemon Technician Program:

1. Certification
2. Branding
3. Marketing
4. Knowledge retain management

(as seen in the figure 6)

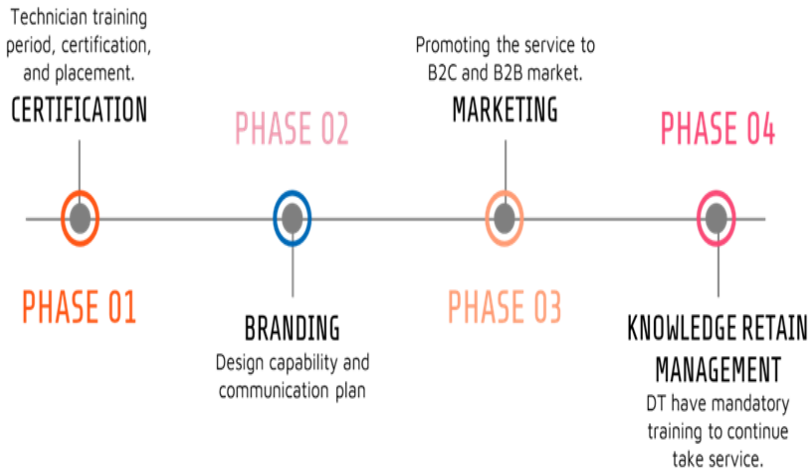


Figure 6

4 Phases in Doraemon Technician Program

Phase 01. Certification Process

This phase will explain the ways how PGI could recruit their Doraemon Technician Program.

First from Existing Tech. The preliminary researchers' insight found out that in several areas, there will be people who are already being technicians in several areas. Still, they have unstable income and low life quality, so PGI could hire them, train them, and certify them, so they increase their knowledge, their current customers are more trusting with them, and PGI can help them get more jobs to do. By touching

this point, PGI could reduce the time to run the training, which will reduce the cost.

The second is from SMK / Vocation institution, which PGI should collaborate with certain educational institutions and develop the curriculum together. The institution will bear the cost, and PGI can support several practical costs, which will reduce the normal training cost. The third is from the public with no technician experience at all. This one, PGI could cooperate with the Ministry of Labour, and join through the Prakerja program, or with the Local Government. PGI could distribute the recruitment information through these platforms. By cooperating with these Government institutions, PGI will be recorded as the company supporting the government. The training cost could be higher than the previous two, and longer duration for the training period.

Are you interested in a certified technician from the AC brand? Base preliminary insight: n=30.

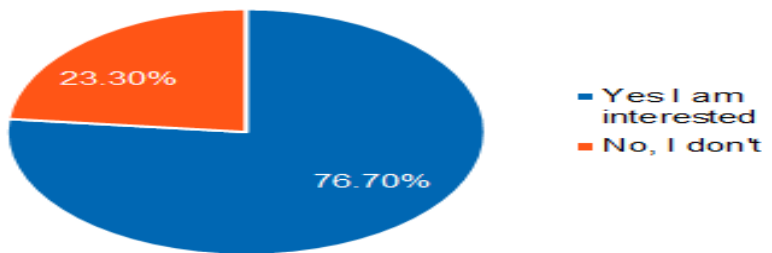


Figure 7

Certified Technician Opportunity

Are you willing to pay higher to use certified technicians?
(10-50K Rupiah)

Based on preliminary insight: n=30

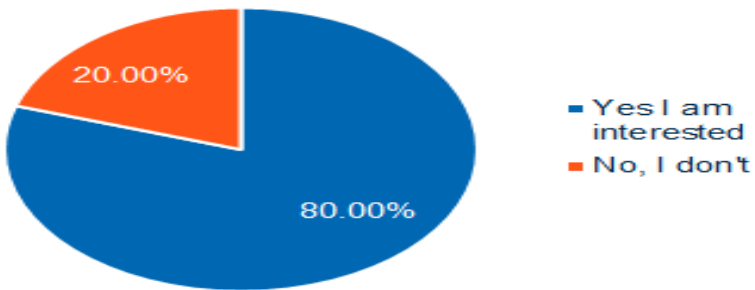


Figure 8

Willingness to pay

Source: Survey conducted by authors

The above survey is conveying that for the customers and prospective customers, quality is much more important than just the price. The customer / prospective customers are willing to pay a higher price for a higher quality.

The survey is also trying to catch the voice of the customer. This is important to develop the branding of the

program, and how to finetune the strategic approach to the customers.

Phase 02. Branding The Program

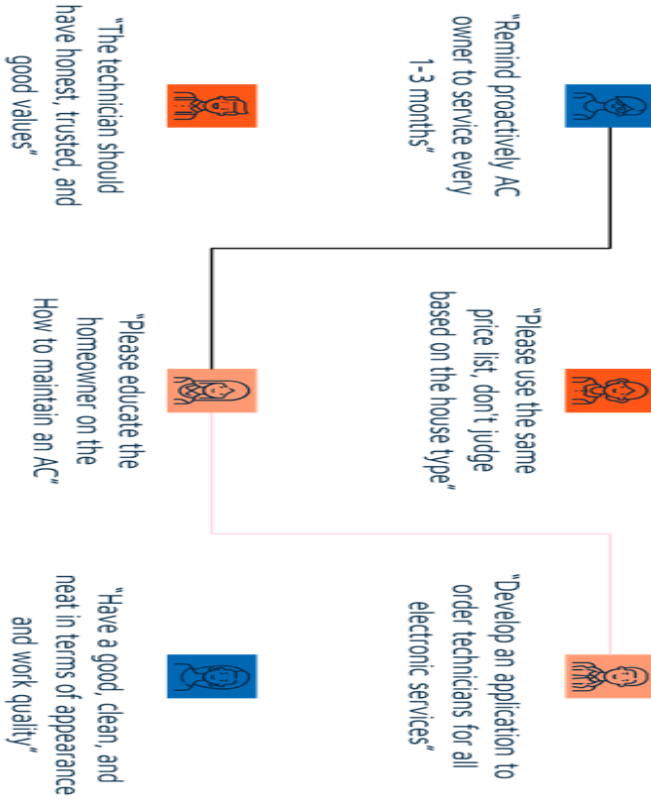


Figure 9

Voice of Customer

Source: Survey conducted by authors

What Apps do you have on your phone?

Base preliminary insight: n=30

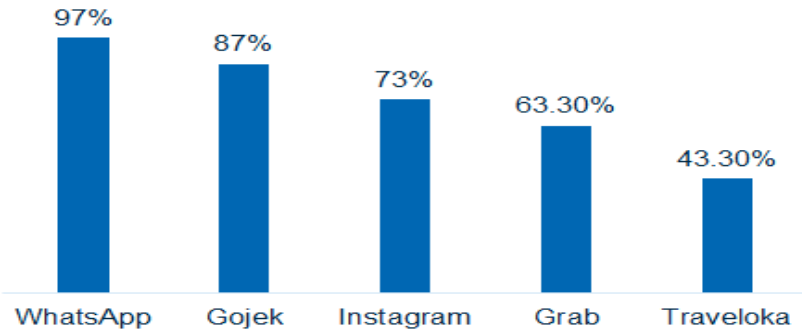


Figure 10

Use of Application

Source: Survey conducted by authors

The application should be simple, yet informative and easy to use by the customers.

The Figure 11 in the next page, is showing how the application would look like in a very simple way.

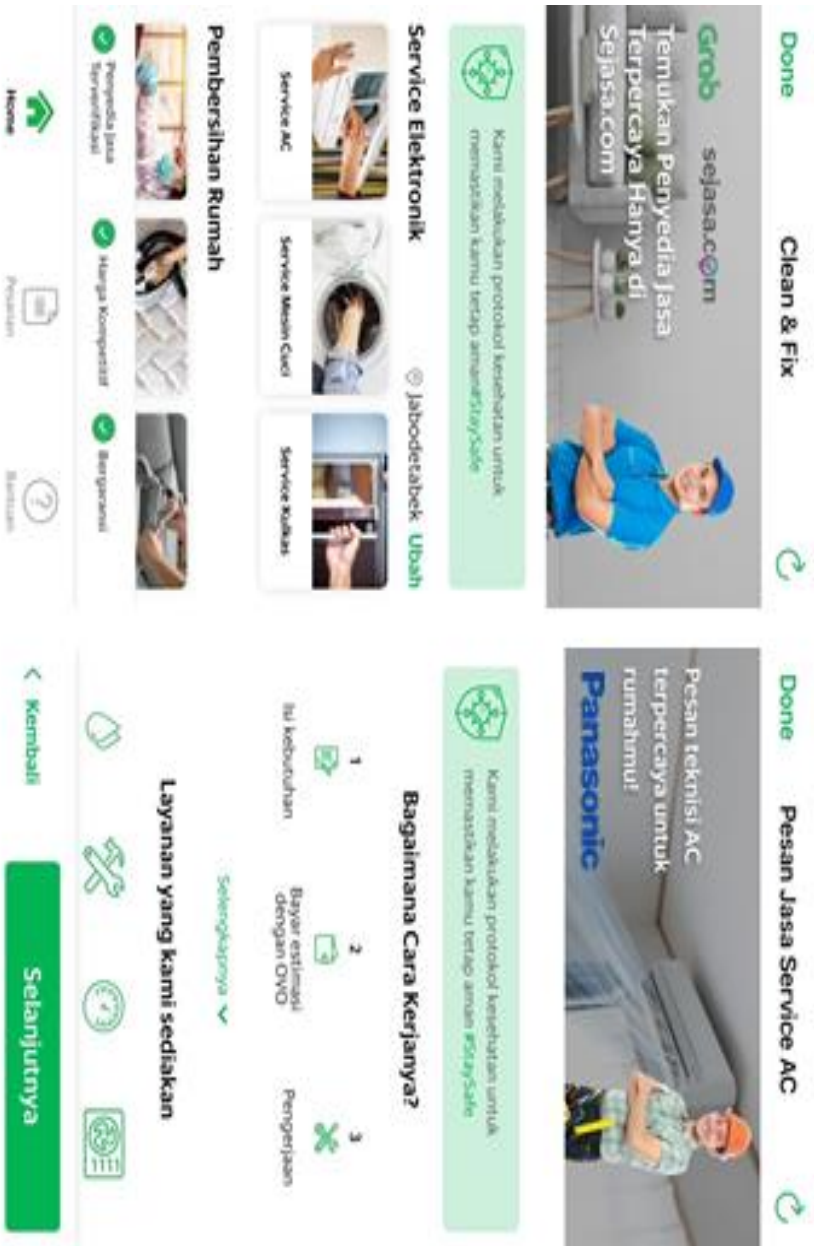


Figure 11
Program Illustration

What factors are the most important aspects when you call the technician?

Base preliminary insight: n=30

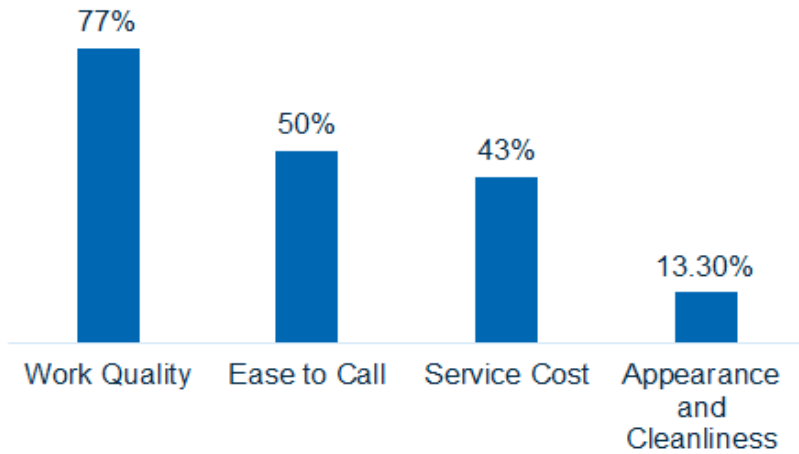


Figure 12

Factor to call the technician

Source: Survey conducted by authors

Through this question, it is more obvious, that work quality becomes number one consideration. Seventy Seven percent of the respondents choose The Work Quality as the most important factor. The above output from the respondents are similar to the SERVQUAL research output where reliability, accessibility and quality is the most important thing while the tangible aspect such as appearance and cleanliness is showing low percentage (Parasuraman, Berry and Zeithaml, 2002).



Figure 13

Proposed Program

Source: Survey conducted by authors

In order to create effective and efficient branding, researchers identified customer expectations from the questionnaire results, as follows:

- 77% of respondents need a trusted and reliable technician.
- 55% of respondents need ease to access the services.
- 43% of respondents need a transparent and stable price of the services.

- 13.3% of respondents need a technician with a good and clean appearance.

Based on the above insights, researchers provided several recommendations before continuing to rebrand the program. The certification processes already explained in the previous sub-topic would cover the needs of trusted and reliable technicians.

The second challenge is about ease of access to the services, but the apps should be trusted and reliable. So, the researchers recommend PGI to collaborate with one of the famous super Apps in Indonesia: Gojek. With high confidence, the researchers believe that the current users of Gojek also need trusted and reliable technician services. From several super Apps in Indonesia, researchers choose Gojek due, to 87% of respondents confirming that they have Gojek App on their phone.

So, how should PGI build the brand of the program? By joining a program with Gojek, PGI will have a clear target audience, the current users of Gojek. The branding should be strong and clear. Current users of Gojek could use the PGI Doraemon Technician Program, which promises high assurance on the work quality and competitive price of the services in the market. Through Gojek App, PGI will allow these technicians' profiles to be seen by the users and let the users evaluate the work results by themselves.

Together with Gojek, a trusted and reliable partner of The Doraemon Technician Program certified by Panasonic Gobel Indonesia, will be able to provide the AC (air conditioning) and other electronics services, such as installing, maintaining, and repairing, with transparent and competitive price, this whole package will be the best option and a suitable branding for this program.

Phase 03. Marketing Plan of The Program

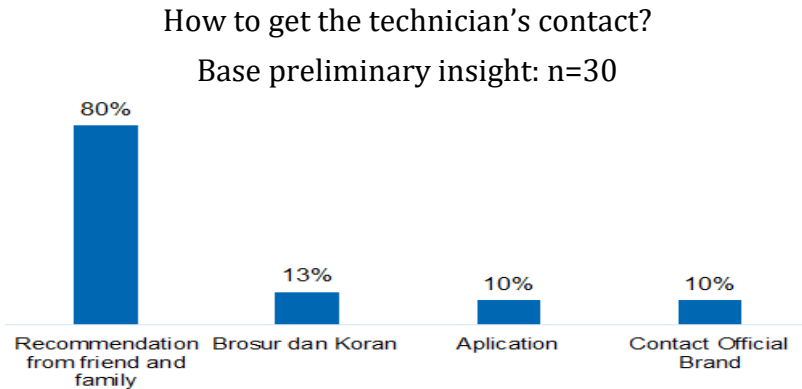


Figure 14

How to get contact

Source: Survey conducted by authors

Do you have a technician who usually helps you regularly?

Base preliminary insight: n=30

(see the survey output in the next page)

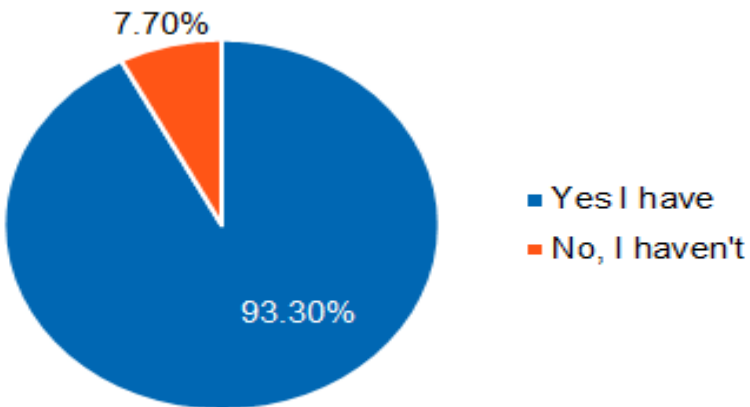


Figure 15.

Customer Loyalty

Source: Survey conducted by authors

In this research report, the researchers will only provide a basic 4P (Price, Product, Promotion, Place) marketing plan and emphasize on the promotion section, which the questionnaire results will support.

In the Price section, the respondents reveal a valuable insight, that they were not choosing services of the technician by the price, but more on the work quality-based recommendation from their relatives and friends. They have high consideration about the price, even they said it would be just fine if they had to pay a higher price Rp 10,000 to Rp 50,000 compared to the market price for a high qualified work result.

In the Product section, as the preliminary insight indicated that Panasonic products had robust design and long life of product usage, the researchers recommended PGI to not only limit the Doraemon Technician services on the Panasonic products, but also to other electronics brands. The Product to be offered would be installed, maintained, and repaired.

In the Place section, as explained previously, this program will be run by collaboration with super App Gojek. Basically, Gojek provides a new service for their current App users: Electronics services, powered by Panasonic.

In the Promotion section, based on respondents' feedback, 80% would use the technician recommended by their relatives and friends, while others search through the websites and social media. So, researchers recommend PGI to provide 3 (three) main promotion activities:

- Referral Program. PGI should provide an exciting incentive for the customer who refers this service to his or her friends. Exciting schemes such as referring to 10 friends and getting 1 time free of service or calculating their referral action into points, would be a good step to do.
- Loyalty Program. PGI could provide an exciting point scheme rather than direct cashback or price discount. Through this strategy the customers of the Doraemon Technician will use its services more and more, in order to collect the points that are redeemable to get other services for free.
This loyalty scheme will also be provided for the Doraemon Technicians, where they will receive exciting incentives for each job they take from the application. They will also receive well-life support materials for each month they are serving through the application. This kind of activity will maintain the loyalty of the technicians.
- B2B Program. PGI should approach small medium enterprises and propose the after-sales service needs and requirements.

In the other hand, PGI could approach the house and apartment developers. It is preferable to have a cooperation so the strategy is not only by offering the product, but also offering the lifetime warranty and other forms of after sales service.

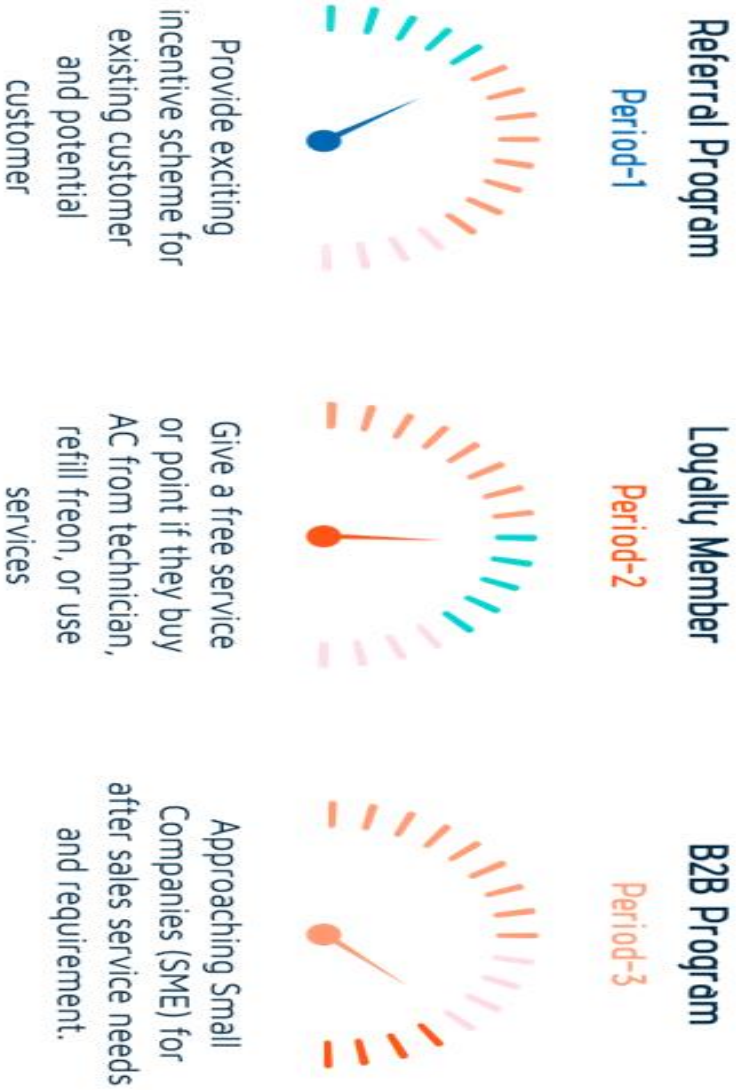


Figure 16

Marketing Activation

Phase 04. Retain Management

This last phase is built to answer the challenge from PGI itself, where they doubt the commitment of the technician, which will ruin the image of Panasonic as the global electronic brand.

In order to create high attachment and assure the technician will always conduct the correct and suitable procedures, the researchers recommend PGI to provide a retain management package, such as:

- **Advanced Module Obligation.**
Where PGI should force the Doraemon Technicians to always follow the training session of the advanced modules. If they are not taking that session, they will not be able to take other jobs in the app.
- **Train the Trainers.**

This activity will be a good offering to the Doraemon Technicians with consistent 5-star rating and great customer feedback. This will retain the best player in the team, by training them to become the next trainer and build their own area team to build the business in that area, fully supported by PGI.



Figure 17

Proposed Retention Program

CONCLUSION AND RECOMMENDATION

Conclusion

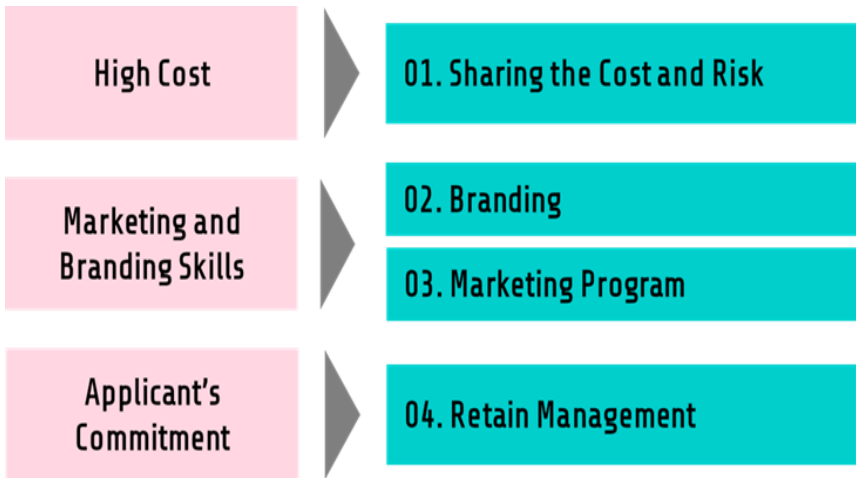


Figure 18

Conclusion

The Technician Development Program initiated by PGI in 2020 has been postponed since the pandemic is hitting the high numbers. High costs accompanied by new challenges that arose caused the CSR program to be extremely difficult to maintain. To overcome this, researchers have come up with a solution deriving from preliminary research and the PGI situation, namely the Doraemon Technician Program. In accordance with the initial objective, the program that the researcher have designed was aimed to elevate the current technician development program, which previously served as a cost center, into a more sustainable profit center in the form of CSV.

This Doraemon Technician Program answers the three main challenges of the technician program. First, the challenge of the high costs incurred by PGI is overcome by transforming the financing structure, which elevates technician services that previously served as a cost center to become a profit center. Next, the marketing and branding efforts that the technicians themselves previously carried out were completely transformed with a new provided branding and marketing system for technicians to utilize. Lastly, to ensure the lack of commitment from technicians, the proposed programs in the retail management are expected to improve technicians' engagement and loyalty.

To measure the sustainability of the proposed CSV program, researchers used Elkington (1997) Triple Bottom

Line for the benefit for the profit, people, and planet in the long run. For profit, the program would act as a profit center and open up new business opportunities. For people, the program would develop entrepreneurial skills and leadership of the technicians. For the planet, the program would gradually reduce electronic and emission wastes by providing quality of maintenance service for longer product lifetime.

CSV is the ideal business model to support the realization of the United Nations' (UN) Sustainable Development Goals (SDGs) 2015.



Figure 19

UN's Sustainable Development Goals 2015

Full commitment to executing the proposed CSV program from every stakeholder would support UN SDGs number: 1, 4, 8, 9, 11, 12, and 17 in the long run. Researchers believe that the CSV program would be a significant

contribution to the Indonesian nation as well as supporting the world sustainability.

Recommendation

To justify the benefits generated by the Doraemon Technician Program, researchers used the Daniri (2021) CSV matrix and value weighting justification as a benchmark.

The matrix is as follows:

Program	Overcoming impact	Benefits for Society	Benefits for the Company	Support government programs	Benefits for other stakeholders	Score
Current CSR: Technician Development Program	2	3	2	3	3	13
Purpose Solution: Doraemon Technician Program	5	4	4	4	5	22

Value weighting criteria:
 1: Donation only
 2: Help solve the problem, but the portion is small
 3: Better
 4: win-win
 5: Sustainable and complete

Figure 20

CSV Matrix Doraemon Technician Program

As seen from the table above, the proposed CSV program would provide sustainable and complete solutions for overcoming impact and benefits for other stakeholders. The negative impact mentioned refers to electronic and emission wastes, while other stakeholders are the Doraemon technicians.

The proposed program also provides a win-win solution for society, PGI itself, and in line with the government's programs. For society, the program would potentially reduce unemployment and improve selected regions' economic situation. For PGI, the program would act as a new revenue stream and improve Panasonic branding.

Lastly, the program would undoubtedly support the government's "SDM Unggul, Indonesia Maju" plan. This will be a good CSV program for PGI and create a good reputation and develop a long lasting branding of a company who supports the Sustainable Development Goals of the United Nations.

REFERENCE

Daniri, Achmad. (2021). LEAD BY CSV: Paradigma Baru Penerapan CSV. DKI Jakarta: Pustaka Kaji.

Daniri Achmad (2021). LEAD BY GCG. DKI Jakarta: Gagasan bisnis

Elkington, J. (1997). Cannibals with forks – Triple bottom line of 21st century business. Stoney Creek, CT: New Society Publishers.

UNDP. Sustainable Development Goals: United Nations Development Programme. Retrieved November 14, 2021, from <https://www.undp.org/sustainable-development-goals>.

Matsushita Gobel Foundation, from <https://mgf.or.id/core-value/>

Panasonic.com:

<https://www.panasonic.com/id/corporate/profile/overview.html>

Parasuraman, A., Berry, L., & Zeithaml, V. (2002). Refinement and reassessment of the SERVQUAL scale. *Journal of retailing*, 67(4), 114.



A JOURNEY TOWARD CREATING SHARED VALUES

Sixteen MBA students from IPMI International Business School reached out to the corporate world to propose the CSV (Creating Shared Values) strategies. Four highly reputable companies accept the opportunities. Panasonic Gobel Indonesia, Panasonic Manufacturing Indonesia, Chubb General Insurance, and Bursa Efek Indonesia are the four company heroes showcased in this book. Why heroes? Because by accepting the collaboration, the companies are showing their commitment to support the Shared Values concept. The CSV approach is a proven technique to align the business with ESG (Environment, Social, and Governance), CSR (Corporate Social Responsibility), and GRC (Governance, Risk, and Compliance) in a profitable manner. In addition, the CSV approach also helps to align the company's strategy to the Global Goals, by supporting at least one of the Sustainable Development Goals of the United Nations. More companies are needed in the future to join this Heroic collaborative effort. We can prove that a company will flourish by applying shared values strategies.