# The Implementation of Creating Shared Value and Legal Governance in Supporting Business Sustainability: A Case Study of PT XYZ Group

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THESIS

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We hereby declare that this Thesis is from student's own work, has been read and presented to Institute IPMI Board of Examiners, and has been accepted as part of the requirements needed to obtain a Master of Business Administration Degree and has been found to be satisfactory.

**Jakarta, 10 August 2026**

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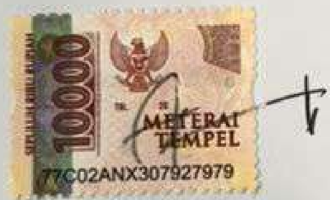
## NON-PLAGIARISM DECLARATION FORM

This Thesis is a presentation of our original research work. Wherever contribution of others is involved, every effort is made to indicate this clearly, with due reference to the literature, and acknowledgement of collaborative research and discussions.

Also, this work is being submitted in partial fulfilment of the requirements for the Master of Business Administration degree and has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Jakarta, 10 August 2026

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## Abstract

Creating Shared Value (CSV) links social value creation with business activity. This study examines three initiatives within PT XYZ Group the MSME Empowerment, Farmer Empowerment, and Cage-Free Egg programs to determine how they are integrated into core business activities, what documented outcomes and perceived contributions they have in relation to business sustainability, how legal governance supports implementation, and the extent to which they have been institutionalized.

The research adopts a qualitative embedded single-case study, with PT XYZ Group as the case and the three programs as embedded units of analysis. Evidence was drawn from semi-structured interviews with six informants covering the three embedded program units, the 2024 Annual Report, internal governance materials made available for the study, and relevant literature and standards. The data were coded thematically, compared through pattern matching, and triangulated by source and method. Institutionalization was assessed using a three-level rubric (ad hoc, developing, and embedded) across strategic integration, recurring implementation, governance formalization, monitoring, and performance measurement.

The findings show documented commercial relevance for the MSME program and documented cost savings for the Farmer program. Other claimed benefits including loyalty, reputation, supply continuity, and quality are principally perceived contributions reported by informants unless corroborated by documentary indicators. Legal governance functions mainly as a supporting mechanism through contracts, compliance, risk management, and accountability rather than as the operational owner. MSME Empowerment and Farmer Empowerment are assessed as developing, whereas Cage-Free remains ad hoc at the pilot stage. None of the programs is assessed as embedded because formal program-specific metrics and consistently documented governance mechanisms remain incomplete.

Keywords: Creating Shared Value, Legal Governance, Business Sustainability, Institutionalization, Holding Company

# Chapter 1: Introduction

## 1.1 Research Background

Corporate social responsibility (CSR) has increasingly shifted from peripheral philanthropic activity toward strategic approaches that connect social and environmental concerns with core business decisions. Creating shared value (CSV) represents one such approach. It proposes that firms can address societal needs while strengthening their competitive position through product and market development, value-chain productivity, and local cluster development (Porter & Kramer, 2011). Nevertheless, CSV has also been criticized for understating tensions between corporate objectives, stakeholder interests, and structural inequalities (Crane et al., 2014). These limitations make governance and empirical verification essential when evaluating claims of shared value.

This study examines three community-development programs implemented by PT XYZ, an Indonesian food and hospitality company: MSME empowerment, farmer partnership, and cage-free egg sourcing. The programs are treated as embedded units within a single organizational case because they operate under the governance of the same company while engaging different stakeholder groups and value-chain activities. Company documents identify the programs as commercially relevant; however, the available evidence does not establish a direct causal effect on company performance. Accordingly, the analysis distinguishes documented outputs from stakeholder perceptions and refers to perceived contributions when objective performance indicators are unavailable.

The research focuses on how CSV principles are incorporated into program design and implementation, how legal and governance mechanisms support that process, how stakeholders perceive the programs' contribution to business sustainability, and the extent to which each program has become institutionalized. This focus addresses a gap in the Indonesian literature, where CSR and sustainability studies have often examined corporate initiatives broadly but have paid less attention to the governance arrangements through which community programs become integrated into routine value-chain management.

The central proposition is that community programs are more likely to generate durable value when social objectives are connected to operational needs and supported by clear responsibilities, documented procedures, monitoring, and accountability. The study therefore evaluates not only program activities but also the organizational mechanisms that may sustain them over time.

### 1.2 Problem Statement

PT XYZ operates through supply relationships that involve MSMEs, farmers, and animal-welfare-oriented producers. The company has developed programs for these groups, but the available evidence does not yet show consistently how CSV principles are translated into program objectives, operating practices, and measurable outcomes. It is also unclear whether legal and governance mechanisms are sufficiently developed to maintain program continuity, manage risk, and align stakeholder expectations.

A further problem concerns institutionalization. The three programs differ in maturity, documentation, monitoring, and integration with business processes, but their relative positions require a consistent assessment basis. This study therefore compares the programs using three levels—ad hoc, developing, and embedded—and evaluates them against evidence concerning formalization, governance, operational integration, measurement, and continuity.

### 1.3 Research Problem

Based on the problem statement above, the main research problem of this study is:
"How are CSV initiatives strategically integrated and institutionally supported through legal governance mechanisms, and what documented or perceived contributions do they make to long-term business sustainability at PT XYZ Group?"
This research problem reflects the relationship between CSV implementation, governance mechanisms, and long-term business sustainability within a holding company structure, as discussed in the literature on shared value, sustainability, and corporate governance (Porter & Kramer, 2011; Eccles et al., 2014; Daniri, 2015).

### 1.4 Research Questions

To address the research problem and examine the relationship between CSV implementation, governance mechanisms, and business sustainability, this study formulates the following research questions based on previous literature on shared value and corporate governance (Porter & Kramer, 2011; Daniri, 2015):

1. **How are CSV initiatives developed and integrated into the core business activities of PT XYZ Group?**
2. **What documented and perceived contributions do CSV initiatives make to business sustainability, particularly in relation to value-chain optimization and long-term operational continuity?**
3. **How do legal governance mechanisms support, regulate, and oversee the implementation of CSV initiatives at PT XYZ Group?**
4. **To what extent has CSV been institutionalized within the governance structure of PT XYZ Group?**

### 1.5 Research Objectives

This study aims to:

1. **Analyze how Creating Shared Value (CSV) initiatives are developed and integrated into the core business activities of PT XYZ Group.**
2. **Evaluate the documented and perceived contributions of CSV initiatives to business sustainability, particularly in relation to value-chain optimization and long-term operational continuity.**
3. **Examine how legal governance mechanisms support, regulate, and oversee the implementation of CSV initiatives at PT XYZ Group.**
4. **Assess the extent to which CSV has been institutionalized within the governance structure of PT XYZ Group.**

### 1.6 Research Benefit

Theoretically, the study extends discussion of CSV by integrating legal governance and institutionalization into the analysis of community-development programs. It also clarifies the evidentiary boundary between documented outcomes and stakeholders' perceived contributions to business sustainability.

Practically, the study provides PT XYZ with a comparative assessment of the three programs and identifies governance and measurement gaps that may limit their long-term integration. The proposed minimum measurement framework can support clearer accountability, periodic review, and evidence-based program improvement.

For policymakers and practitioners, the findings illustrate how community initiatives in an Indonesian value-chain context may be supported through formal responsibilities, stakeholder agreements, compliance controls, and proportionate performance indicators.

### 1.7 Description of Research Method

This research adopts a qualitative embedded single-case study design. PT XYZ constitutes the single organizational case, while the MSME empowerment, farmer partnership, and cage-free egg programs constitute three embedded units of analysis. This design supports comparison across programs without treating them as independent organizational cases.

Data were obtained from semi-structured interviews and relevant company documents. Informants represented internal management and external program participants. Interview evidence was coded thematically and compared across sources and programs. Documentary evidence was used to corroborate program design, governance arrangements, reported outputs, and implementation practices.

The analysis combined within-program analysis, cross-program comparison, and pattern matching against the conceptual framework. RQ4 was assessed using an institutionalization rubric with three levels: ad hoc, developing, and embedded. The assessment considered formalization, governance, operational integration, measurement, and continuity. Ethical safeguards included informed consent, voluntary participation, anonymization, restricted data access, permission to use internal documents, and disclosure and mitigation of the researcher’s potential conflict of interest. The study followed the applicable academic research procedures of Institut IPMI.

### 1.8 Structure of Thesis

This thesis is organized into five chapters:

#### Chapter 1: Introduction

Presents the background, research problems, questions, objectives, benefits, methodology, and thesis structure.

**Chapter 2: Literature Review**

Presents the theoretical foundation that underpins the research. This chapter discusses the concepts of sustainability and corporate social responsibility, the development and critique of CSR, and the concept of CSV as a strategic paradigm. It outlines the main approaches to CSV and the paradigm shift from CSR to CSV as the conceptual foundation of the research.

**Chapter 3: Research Methodology**

Explains research design, case study approach, data collection methods, data analysis techniques, and research limitations.

**Chapter 4: Findings, Analysis, and Discussion**

Presents findings from interviews and documents, discusses CSV implementation at PT XYZ Group, and evaluates the role of legal aspects.

**Chapter 5: Conclusion and Recommendations**

Provides conclusions based on research results and offers practical recommendations for PT XYZ and future research directions.

### 1.9 Scope and Limitation of Study

The study is limited to three community-development programs administered within PT XYZ and does not evaluate all of the company's CSR or sustainability activities. Its purpose is analytical rather than statistical; therefore, the findings are transferable through contextual comparison but are not intended to represent all Indonesian companies.

The evidence consists primarily of qualitative interviews and selected internal documents. Where audited performance data or longitudinal indicators were unavailable, the study does not infer causal business effects. Statements concerning loyalty, supply continuity, quality, reputation, or commercial benefit are presented as stakeholder perceptions unless corroborated by documentary or quantitative evidence.

The researcher's access to internal information may create proximity and interpretation risks. These risks were managed through source triangulation, explicit separation of perception from documentary evidence, anonymization, maintenance of an audit trail, and disclosure of the study's evidentiary limitations.

# Chapter 2: Literature Review

## 2.1 Introduction (Concept of CSV)

This chapter develops the conceptual basis for examining PT XYZ's community-development programs. It reviews CSR and CSV, business sustainability, legal governance, sustainable value-chain management, stakeholder theory, institutional theory, and the institutionalization of CSV. The review culminates in an analytical framework used to compare the three embedded program units.

The literature is organized around a central distinction: program activity alone does not demonstrate shared value or business sustainability. A credible assessment must consider strategic alignment, stakeholder outcomes, governance arrangements, operational integration, measurement, and continuity.

## 2.2 Creating Shared Value

### 2.2.1 Definition and Evolution of the CSV Concept

CSR concerns the responsibilities of firms toward economic, legal, ethical, and philanthropic expectations (Carroll, 1991). Contemporary CSR scholarship increasingly treats these responsibilities as part of corporate strategy and governance rather than as discretionary activity separate from the business.

Strategic CSR may improve stakeholder relationships and legitimacy, but social benefits and commercial benefits do not automatically coincide. CSR claims therefore require attention to accountability, stakeholder voice, implementation constraints, and the quality of supporting evidence (Crane et al., 2014).

In this study, CSR provides the broader responsibility context within which PT XYZ's programs operate, while CSV provides a more specific lens for assessing whether social objectives are connected to value-chain and competitive considerations.

### 2.2.2 Foundations for Developing Shared Value

CSV refers to policies and operating practices intended to enhance a firm's competitiveness while improving economic and social conditions in the communities in which it operates (Porter & Kramer, 2011). Its three principal pathways are reconceiving products and markets, redefining productivity in the value chain, and enabling local cluster development. The concept is relevant to programs involving suppliers and producers because capability building, quality improvement, responsible sourcing, and local economic development may address social needs while supporting operational priorities. However, the presence of these activities does not by itself prove commercial value. Evidence is required to distinguish intended value, perceived value, documented outputs, and verified outcomes. CSV is therefore used in this thesis as an analytical lens rather than as a presumption that each program produces mutual benefit. The analysis evaluates the degree of strategic alignment and the mechanisms through which value is expected to arise.

## 2.3 CSV and Business Sustainability

Business sustainability concerns an organization's capacity to create economic value while maintaining the social and environmental conditions on which its long-term operations depend. It extends beyond short-term financial performance and requires the integration of economic, social, and environmental considerations into decision-making (Elkington, 1997; World Commission on Environment and Development, 1987).

For this study, business sustainability is examined through stakeholder perceptions and available documentary indicators relating to supply continuity, product quality, stakeholder relationships, risk management, reputation, and organizational learning. These dimensions indicate possible pathways of contribution, but they are not treated as proof of causal impact unless supported by objective evidence.

The temporal dimension is also important. Sustainable initiatives require governance arrangements and organizational routines that can persist beyond individual projects or managers (Bansal & DesJardine, 2014; Dyllick & Hockerts, 2002). This requirement connects business sustainability to institutionalization.

## 2.4 Management System Standards as Sustainability Evaluation Criteria

CSR and sustainability initiatives in Indonesia operate within a combination of statutory requirements, sector-specific regulation, contractual obligations, and voluntary standards. The applicable legal context shapes corporate duties, risk allocation, reporting, and the treatment of stakeholders. Legal compliance is therefore a baseline condition rather than a complete measure of program quality.

Voluntary standards, including ISO 26000 guidance on social responsibility and relevant management-system standards, can support consistent procedures and accountability. Their relevance depends on how principles are translated into responsibilities, controls, documentation, and review processes; citation of a standard alone does not establish conformity or certification.

In the present case, legal analysis focuses on the governance function of rules and agreements: clarifying roles, setting minimum requirements, protecting participants, managing compliance risks, and supporting continuity. The assessment does not assume that formalization is always extensive; rather, it evaluates whether the level of formalization is proportionate to program risks and objectives.

### 2.5 Creating Shared Value in the Food and Beverage Industry

Sustainable value-chain management integrates economic, social, and environmental considerations into the coordination of suppliers, producers, and downstream activities (Seuring & Müller, 2008). It is particularly relevant where a company depends on small producers whose capabilities, resources, and bargaining positions differ from those of the lead firm.

The MSME and farmer programs may affect value-chain participation through training, market access, quality requirements, and relationship development. The cage-free program adds animal-welfare and sourcing considerations. Across all three programs, the analytical issue is whether stakeholder support is connected to operational requirements without transferring disproportionate costs or risks to participants. A value-chain perspective also directs attention to coordination mechanisms. Selection criteria, technical assistance, purchasing arrangements, quality controls, feedback channels, and performance information can influence whether benefits are reciprocal and durable.

### 2.6 Legal Governance and Corporate Sustainability

Legal governance refers to the structures and processes through which an organization allocates authority, establishes obligations, manages compliance, documents decisions, and holds actors accountable. It encompasses contracts, policies, standard operating procedures, approval arrangements, monitoring, reporting, and escalation mechanisms.

These mechanisms can support corporate sustainability by reducing ambiguity and enabling consistent implementation. Clear responsibilities and review processes may also reduce dependence on individual managers, thereby improving program continuity and organizational learning.

Governance quality cannot be inferred from the existence of documents alone. The analysis must consider whether the relevant mechanisms are understood, applied, monitored, and revised. Informal coordination may be appropriate during early experimentation, but persistent reliance on undocumented practices can create continuity, accountability, and compliance risks.

In this thesis, legal governance is assessed as an enabling condition. It may support the integration of social objectives with business processes, but it does not independently demonstrate sustainability outcomes.

### 2.7 Legal Governance and CSV

Institutionalization occurs when a program becomes embedded in recurring organizational structures, routines, and decision processes rather than remaining dependent on temporary initiatives or individual discretion. Legal governance can facilitate this process by translating program objectives into recognized responsibilities and repeatable procedures.

Formal agreements can clarify the roles of the company and external participants, while internal policies and procedures can define approvals, controls, monitoring, and reporting. Governance forums may provide coordination and escalation, and documented indicators may enable periodic evaluation. Together, these mechanisms create an organizational record that supports continuity and accountability.

Formalization must nevertheless be interpreted in context. An excessive administrative burden may exclude smaller participants or reduce program flexibility. Effective institutionalization therefore requires proportionate governance that protects stakeholders and manages risk without undermining accessibility or adaptation.

The degree of institutionalization is evaluated through evidence of formalization, governance ownership, operational integration, measurement, and continuity. These dimensions form the basis of the rubric applied in Chapters 4 and 5.

### 2.8 Relationship with Previous Research

Institutional theory explains how organizational practices acquire stability and legitimacy through rules, norms, routines, and shared understandings. Organizations may adopt practices in response to regulatory pressures, professional expectations, stakeholder demands, and internal learning.

Applied to CSV, the theory shifts attention from the launch of a program to its organizational durability. A program is more institutionalized when it has defined ownership, recognized procedures, integration with relevant business processes, routine monitoring, and resources that are not solely dependent on a single champion.

The framework also allows for uneven institutionalization. Programs within the same company may occupy different levels because they have different histories, risks, stakeholder relationships, and operational relevance. This insight supports the embedded single-case comparison used in the study.

### 2.9 Concluding Remarks and Theoretical Positioning

The study combines four complementary perspectives. CSV identifies the proposed connection between social benefit and competitive relevance. Stakeholder theory examines whose interests and experiences are represented. Legal governance explains the mechanisms of responsibility, control, and accountability. Institutional theory assesses whether the programs have become embedded in organizational routines.

No single perspective is treated as sufficient. Strategic alignment without stakeholder benefit would not constitute shared value; favorable perceptions without governance may not be durable; and formal procedures without implementation would not demonstrate institutionalization. The integrated framework therefore requires triangulation across interview and documentary evidence.

## 2.10 Conceptual Research Model

The conceptual framework links program design and implementation to four analytical domains: CSV alignment, legal governance, perceived contribution to business sustainability, and institutionalization. Evidence is examined separately for the MSME empowerment, farmer partnership, and cage-free egg programs before cross-program comparison.

The framework does not assume a linear causal relationship. Instead, it identifies plausible mechanisms and specifies the evidence required to assess them. Documentary indicators are distinguished from interview-based perceptions, and the institutionalization rubric provides a structured basis for evaluating program maturity.

(1) legal risk management;
(2) partnership agreements, contractual arrangements, and standards;
(3) internal monitoring and management mechanisms; and
(4) compliance with applicable rules and regulations.

The model combines CSV with legal-governance mechanisms to assess the three programs. CSV provides criteria for examining the connection between stakeholder benefit and operational relevance (Porter & Kramer, 2011), while legal governance addresses responsibility, formalization, risk control, monitoring, and accountability (Daniri, 2015).

The framework is particularly relevant to PT XYZ Group because the programs involve multiple business units and external partners. Consistency may be supported through proportionate agreements, standards, cross-functional coordination, and periodic review. The analysis nevertheless treats these mechanisms as enabling conditions rather than evidence that social or commercial outcomes have occurred.

The framework therefore requires separate reporting of documented indicators, stakeholder perceptions, divergent accounts, and evidentiary gaps. This distinction limits causal inference and provides a transparent basis for assessing program institutionalization.

Figure 2.10 Conceptual Research Model

**Conceptual Model of CSV Implementation and Legal Governance for Business Sustainability**

| Strategic Foundation | Governance Mechanisms | Organizational Integration | Sustainability Outcome |
|---|---|---|---|
| CSV | Legal Governance Mechanisms | Institutionalization of CSV | Business Sustainability |
| Shared value initiatives | Regulatory compliance | Governance integration | Long-term operational sustainability |
| Stakeholder engagement | Contractual arrangements | Internal policy alignment | Value chain optimization |
| Partnership-based programs | Risk Management | Coordination mechanisms | Stakeholder sustainability |
| Social and economic value creation | Governance oversight | Organizational support systems | Organizational resilience |

### 2.10.1 Explanation of the Conceptual Model

The conceptual model links CSV, legal-governance mechanisms, institutionalization, and business sustainability within PT XYZ Group. It draws on shared-value, stakeholder, and sustainability literature (Porter & Kramer, 2011; Freeman, 1984; Eccles et al., 2014).

The model proposes that compliance processes, contractual arrangements, risk management, and governance oversight may support accountability and operational consistency. Institutionalization is assessed through governance integration, policy alignment, coordination, measurement, and continuity; it is not inferred solely from the existence of a program or policy.

The empirical analysis examines whether available documents and stakeholder accounts indicate contributions to operational continuity, value-chain optimization, stakeholder relationships, and organizational resilience. Where objective indicators are unavailable, the findings are explicitly classified as perceived contributions.

# Chapter 3: Research Methodology

## 3.1 Research Design

This research adopts a qualitative embedded single-case study design. PT XYZ Group constitutes the bounded case, while the MSME Empowerment, Farmer Empowerment, and Cage-Free Egg programs constitute three embedded units of analysis. The design enables within-unit analysis and systematic cross-unit comparison while preserving the organizational context of the Group (Yin, 2018). The study is interpretive and does not test causal effects. Accordingly, business benefits are reported as documented indicators when corroborated by company records and as perceived contributions when supported only by interview testimony.

## 3.2 Research Approach

This study uses a qualitative approach to examine how CSV and legal governance are understood and implemented within PT XYZ Group's community-development programs. A qualitative design is appropriate because the research questions concern organizational processes, stakeholder interpretations, governance arrangements, and the context in which program practices have developed.

The approach supports detailed examination of convergent and divergent accounts while preserving the distinction between perceptions and documented evidence. It is not intended to estimate causal effects or produce statistical generalization.

## 3.3 Research Focus

An embedded single-case study design was adopted. PT XYZ Group is the bounded organizational case, and the MSME empowerment, farmer partnership, and cage-free egg programs are the embedded units of analysis. This classification reflects the fact that the programs share corporate governance, organizational context, and strategic direction.

The design enables within-program analysis and systematic comparison across the three units. Analytical generalization is made to the conceptual framework rather than to a statistical population. Contextual detail, source triangulation, and a transparent chain of evidence are used to support the credibility and transferability of the findings.

## 3.4 Data Collection Method

This study combines primary and secondary data to support analytical depth, triangulation, and the credibility of the findings.

### 3.4.1 Primary Data: In-Depth Interviews

Primary data were obtained through in-depth semi-structured interviews with six key informants directly involved in the development, implementation, governance, or evaluation of the three CSV programs at PT XYZ Group. Their accounts covered the three embedded program units according to their respective organizational roles and involvement. The informants represented corporate management, Corporate Legal, Risk Management or Compliance, operations, partnership-program implementation, and external stakeholders.

Semi-structured interviews were conducted to provide flexibility in collecting in-depth information while maintaining alignment with the research questions. The interview guide was designed based on the four research questions formulated in Chapter 1, thus maintaining methodological consistency between the research objectives and the data collection process.

The interviews aimed to explore the following issues:

- How the CSV program is developed and strategically positioned
- How the legal function is involved in policy development and partnership contracts
- How oversight and risk mitigation mechanisms are implemented
- Institutional challenges in integrating CSV into the governance framework

Interviews were recorded (with informant consent) and transcribed for the purpose of thematic analysis.

### 3.4.2 Secondary Data

Secondary data were obtained from official company documents made available for the study, including the 2024 Annual Report, governance materials, organizational information, and accessible partnership documents. These materials were used to identify formal governance mechanisms, corroborate or qualify interview accounts, and examine consistency between documented procedures and reported practices. The combination of interview and documentary evidence supported source and method triangulation. The semi-structured interview guide was aligned with the four research questions and allowed the researcher to explore participants' experiences while examining relevant issues that emerged during data collection (Creswell & Poth, 2018; Yin, 2018).

### 3.4.3 Semi-Structured Interview Guide

**Table 3.4.3 Semi-Structured Interview Guide**

| Research Question | Guiding Questions |
|---|---|
| RQ1. How are CSV initiatives developed and integrated into the core business activities of PT XYZ Group? | How are CSV initiatives identified and developed? How are they integrated into business operations and value chain activities? Which stakeholders are involved in the process? |
| RQ2. What documented and perceived contributions do CSV initiatives make to business sustainability? | What documentary indicators and stakeholder perceptions relate the initiatives to operational continuity and value-chain performance? How are the relevant economic, social, and environmental outcomes monitored and evaluated? |
| RQ3. How do legal governance mechanisms support CSV implementation? | What legal, regulatory, and governance mechanisms are applied? How are risks, contracts, and compliance issues managed? |
| RQ4. To what extent has CSV been institutionalized within the governance structure? | How is CSV embedded in internal policies, governance systems, and organizational practices? How are |

| Research Question | Guiding Questions |
|---|---|
| | monitoring and continuous improvement conducted? |

### 3.5 Data Analysis Method

Data analysis was carried out using a structured, interpretive qualitative approach in several stages.

The first stage involved transcription and open coding of the interview results. Data were categorized based on themes derived from the conceptual framework in Chapter 2, including CSV dimensions and legal governance elements.

The second stage involved thematic analysis to identify patterns of relationships between CSV strategies and governance mechanisms. This analysis assessed whether CSV had been integrated into the:

- Decision-making structure
- Reporting mechanism
- Oversight system
- Legal risk management

The third stage comprised data analysis. Interview transcripts and documents were coded using categories derived from the research questions and conceptual framework, while allowing additional themes to emerge from the evidence. The analysis proceeded from within-program coding to cross-program comparison and pattern matching. Divergent views and unsupported claims were retained and reported rather than forced into a single interpretation.

#### 3.5.1 Analytical Framework and Pattern Matching

This study employs an analytical framework derived from the theoretical foundations discussed in Chapter 2. The framework is designed to ensure that each research question is analyzed using relevant theoretical and formal evaluation criteria.

For RQ1, the analysis focuses on how CSV initiatives are developed and integrated into the core business activities of PT XYZ Group. The evaluation criteria are based on Porter and Kramer’s CSV framework, particularly shared value creation, core business integration, value chain linkage, and stakeholder-based partnership.

For RQ2, the analysis distinguishes documented indicators from perceived contributions to business sustainability, including value-chain optimization and operational continuity. Relevant management-system standards provide analytical criteria: ISO 9001:2015 for quality management and continual improvement; ISO 14001:2015 for environmental management; ISO 20400:2017 for sustainable procurement and supplier development; and ISO 26000:2010 for social responsibility, stakeholder engagement, community involvement, and organizational governance. These standards are analytical references rather than certification criteria.

For RQ3, the analysis examines how legal governance mechanisms support, regulate, and oversee CSV implementation. The evaluation criteria include regulatory compliance, contractual arrangements, risk management, monitoring mechanisms, accountability, and corporate governance principles.

For RQ4, the analysis assesses the extent to which CSV has been institutionalized within the governance structure of PT XYZ Group. The evaluation criteria are based on governance integration, internal policy alignment, leadership commitment, coordination mechanisms, reporting and monitoring systems, and continual improvement. ISO 9001:2015 and ISO 26000:2010 are also used as supporting references to assess whether CSV has been embedded into organizational governance practices.

Pattern matching was used to compare interview and documentary evidence with the theoretical and evaluative criteria. The comparison identified areas of alignment, partial alignment, divergence, and insufficient evidence. It did not treat alignment with a framework as proof of sustainability outcomes. Institutionalization was assessed separately through the rubric presented in Section 3.12.

### 3.5.2 Research Flow and Evaluation Stages

The research flow is designed to provide a step-by-step analytical process in answering the four research questions. Each stage is linked to specific evaluation criteria to ensure that the findings are assessed systematically.

**Figure 3.5.2 Research Flow and Evaluation Stages**

**Step 1: Data Collection**

Semi-structured interviews and document analysis are conducted to collect empirical data from management representatives, legal/governance functions, business units, operational documents, internal policies, company reports, and relevant regulations.

↓

**Step 2: Identification of CSV Initiatives**

Related to RQ1: The study identifies how CSV initiatives are developed and integrated into the core business activities of PT XYZ Group. Evaluation Criteria: Porter and Kramer's CSV framework, including shared value creation, core business integration, value chain linkage, and stakeholder partnership.

↓

**Step 3: Sustainability Evaluation of CSV Initiatives**

Related to RQ2: The study evaluates documented indicators and perceived contributions relating to business sustainability, value-chain optimization, and operational continuity. Evaluation criteria: ISO 9001:2015, ISO 14001:2015, ISO 20400:2017, and ISO 26000:2010.

↓

**Step 4: Assessment of Legal Governance Mechanisms**

Related to RQ3: The study examines how legal governance mechanisms support, regulate, and oversee CSV implementation. Evaluation Criteria: regulatory compliance, contractual arrangements, risk management, accountability, monitoring, and corporate governance principles.

↓

**Step 5: Assessment of CSV Institutionalization**

Related to RQ4: The study assesses the extent to which CSV has been embedded within the governance structure of PT XYZ Group. Evaluation Criteria: leadership commitment, governance integration, internal policy alignment, coordination mechanisms, reporting systems, continual improvement, ISO 9001:2015, and ISO 26000:2010.

↓

**Step 6: Gap Analysis and Conclusion**

The study compares empirical findings with the evaluation criteria to identify alignment, partial alignment, or gaps. The results were used to formulate conclusions and recommendations for strengthening CSV implementation, the measurement of sustainability-related outcomes, legal governance, and institutionalization within PT XYZ Group.

### 3.6 Trustworthiness and Research Rigor

Trustworthiness was supported through source triangulation, method triangulation, transparent evidence classification, and the retention of divergent accounts. Interview evidence was compared across informant roles and against the 2024 Annual Report and other company materials made available for the study. Interpretations supported only by interview testimony were classified as perceived, whereas claims corroborated by documentary records or quantified indicators were classified as documented. Claims unsupported by either source were classified as not established. A coding matrix maintained the connection between each interpretive statement, the relevant research question, the program unit, the informant code, and any supporting document. These procedures strengthened credibility and confirmability without implying statistical reliability or causal verification (Creswell & Poth, 2018; Yin, 2018).

### 3.7 Interview Protocol and Research Instrument

To ensure consistency between the research questions and the data collection process, this study used a semi-structured interview protocol designed based on the research objectives and conceptual framework in Chapter 2.

#### 3.7.1 Selection of Informants

Informants were selected through purposive sampling based on their direct involvement in the design, implementation, or evaluation of CSV initiatives.

**The informants consisted of:**

- Management involved in formulating the CSV strategy
- Partnership program implementation team (farmers, MSMEs, or related supply chain partners)

- Representatives of business units implementing the CSV program at the operational level

Informants were selected to obtain contextual evidence from individuals with direct experience in CSV implementation.

### 3.7.2 Structure of Interviews

Interviews lasted approximately 45–90 minutes and followed a semi-structured guide organized around four analytical themes: the strategic positioning of CSV; program design and operational integration; perceived and documented sustainability-related outcomes; and legal governance and institutionalization. The questions examined how each initiative was connected to business activities, how responsibilities and risks were managed, what outcomes were reported or documented, and the extent to which the initiative had become embedded in recurring governance and operational processes.

Open-ended questions were used to elicit detailed accounts. With each informant's permission, interviews were recorded, transcribed, and prepared for thematic analysis. Coding categories reflected the research questions and conceptual framework, enabling systematic identification of similarities, differences, and divergent views across the three programs (Yin, 2018).

## 3.8 Research Matrix

To ensure alignment between research questions, data sources, and analysis techniques, this study uses the following research matrix:

**Table 3.8 Research Matrix**

| Research Question | Research Objective | Data Source | Data Collection | Analytical Focus | Evaluation Criteria |
|---|---|---|---|---|---|
| RQ1. How are CSV initiatives developed and integrated into the core business activities of PT XYZ Group? | RO1. To analyze how Creating Shared Value (CSV) initiatives are | Management representatives, business unit representatives, internal | Semi-structured interviews, document analysis | CSV development process, integration into core business activities, linkage with value | Porter & Kramer's CSV framework: shared value creation, core business integration, |

| Research Question | Research Objective | Data Source | Data Collection | Analytical Focus | Evaluation Criteria |
|---|---|---|---|---|---|
| | developed and integrated into the core business activities of PT XYZ Group. | policies, company reports | | chain and business strategy | value chain linkage |
| RQ2. What documented and perceived contributions do CSV initiatives make to business sustainability, particularly in relation to value-chain optimization and long-term operational continuity? | RO2. To evaluate the documented and perceived contributions of CSV initiatives to business sustainability, particularly in relation to value-chain optimization and long-term operational continuity. | Management representatives, operational documents, sustainability/CSR reports, procurement or supply chain documents | Semi-structured interviews, document analysis | Documented indicators, perceived contributions, value-chain optimization, operational continuity, and social and environmental outcomes. | ISO 9001:2015, ISO 14001:2015, ISO 20400:2017, ISO 26000:2010 |
| RQ3. How do legal governance mechanisms support, regulate, and oversee the implementation of CSV initiatives at PT XYZ Group? | RO3. To examine how legal governance mechanisms support, regulate, and oversee the implementation of CSV initiatives at PT XYZ Group | Legal department, compliance/risk management function, governance documents, contracts, internal policies | Semi-structured interviews, document analysis | Legal compliance, contractual governance, risk management, accountability, monitoring and oversight | Corporate governance principles, stakeholder theory, compliance and risk |
| RQ4. To what extent has CSV been | RO4. To assess the extent to | Management representat | Semi-structured interviews, | Institutionalization of CSV, | Institutionalization rubric in |

| Research Question | Research Objective | Data Source | Data Collection | Analytical Focus | Evaluation Criteria |
|---|---|---|---|---|---|
| institutionalized within the governance structure of PT XYZ Group? | which CSV has been institutionalized within the governance structure of PT XYZ Group. | ives, legal/governance documents, internal policies, organizational procedures, meeting or reporting documents | document analysis | leadership commitment, policy embedding, governance structure, performance monitoring, continuous improvement | Section 3.12, supported by ISO 9001:2015 and ISO 26000:2010 |

### 3.9 Semi-Structured Interview Questions

To support the data collection process, this study employs semi-structured interview questions developed based on the research questions and research objectives of the study. Semi-structured interviews are considered appropriate because they provide flexibility for the researcher to explore participants' experiences, perceptions, and organizational practices in greater depth while maintaining consistency with the focus of the research (Creswell & Poth, 2018).

This approach also allows the researcher to ask follow-up questions and examine emerging issues related to CSV implementation, legal governance mechanisms, stakeholder relationships, and the institutionalization of governance practices within PT XYZ Group. Semi-structured interviews are particularly suitable for qualitative embedded single-case study research that seeks contextual understanding of organizational phenomena within real-life settings (Yin, 2018).

The interview questions were aligned with the four research questions to maintain consistency among data collection, thematic analysis, and the research objectives.

**Table 3.9 Semi-Structured Interview Questions**

| No. | Interview Theme | Semi-Structured Interview Questions | Related Research Question |
|---|---|---|---|
| 1 | Understanding of CSV | How does the company understand and define the concept of Creating Shared Value (CSV) within its business strategy? | RQ1 |
| 2 | Strategic Integration | How are CSV initiatives developed and integrated into the company's core business activities and strategic decision-making processes? | RQ1 |
| 3 | Operational Implementation | How are CSV initiatives implemented in operational activities, including partnership programs involving farmers, MSMEs, and supply chain stakeholders? | RQ1, RQ2 |
| 4 | Stakeholder Involvement | What roles do external stakeholders such as farmers, MSMEs, and business partners play in supporting CSV implementation? | RQ2 |
| 5 | Business Sustainability | In your view, what effects, if any, do CSV initiatives have on business sustainability, operational continuity, and value-chain performance, and what evidence supports your assessment? | RQ2 |
| 6 | Legal Governance Mechanism | How do legal governance mechanisms support, regulate, and oversee the implementation of CSV initiatives within PT XYZ Group? | RQ3 |
| 7 | Corporate Policy and Institutionalization | Are there formal corporate policies, governance systems, or organizational mechanisms that institutionalize CSV implementation within the company? | RQ3, RQ4 |

| No. | Interview Theme | Semi-Structured Interview Questions | Related Research Question |
|---|---|---|---|
| 8 | Governance Coordination | How is coordination between the holding company and subsidiaries conducted in implementing and supervising CSV-related initiatives? | RQ3, RQ4 |
| 9 | Monitoring & Risk Management | How does the company monitor, evaluate, and manage risks related to CSV implementation and partnership programs? | RQ3 |
| 10 | Challenges & Improvement | What challenges are faced in implementing and sustaining CSV initiatives, and how can governance mechanisms improve their effectiveness? | RQ2, RQ3, RQ4 |

### 3.10 Profile of Interview Informants

The interview informants in this study were selected using purposive sampling based on their relevance, experience, and involvement in the implementation of Creating Shared Value (CSV) initiatives and governance processes within PT XYZ Group. Purposive sampling is appropriate for qualitative research because it enables the researcher to obtain in-depth information from individuals who possess relevant knowledge and practical experience related to the research topic (Creswell & Poth, 2018).

Informants were selected from different organizational functions and stakeholder groups to support triangulation and capture varied perspectives on CSV implementation, governance mechanisms, operational practices, and business sustainability within PT XYZ Group.

**Table 3.10 Profile of Interview Informants**

| No | Informant Code | Position | Years of Service & Level | Educational Background | Age Range | Relevance to the Research Questions |
|---|---|---|---|---|---|---|
| 1 | INF-1 | Corporate Management Representative | 18 years - Top Management | Bachelor's/Master's Degree | 60 | Provides strategic perspectives regarding CSV integration into business strategy and corporate sustainability (RQ1, RQ2, RQ4) |
| 2 | INF-2 | Corporate Legal Representative | 5-16 years - Managerial Level | Bachelor's/Master's Degree in Law | 45-50 | Explains internal governance practices, contractual arrangements, compliance processes, and legal support related to CSV initiatives (RQ3, RQ4) |
| 3 | INF-3 | Risk Management or Compliance Representative | 10 -14 years - Managerial Level | Bachelor's/Master's Degree | 35-45 | Explains monitoring mechanisms, compliance oversight, sustainability risks, and governance controls related to CSV implementation (RQ3, RQ4) |
| 4 | INF-4 | Operational | 3-7 years - Middle | Bachelor's Degree | 35-50 | Describes operational implementation of CSV initiatives and |

| No | Informant Code | Position | Years of Service & Level | Educational Background | Age Range | Relevance to the Research Questions |
|---|---|---|---|---|---|---|
| | | Representative | Management | | | value chain integration within company activities (RQ1, RQ2) |
| 5 | INF-5 | Partnership Program Representative | 5-10 years - Operational Level | Bachelor's Degree | 30-50 | Explains implementation of partnership-based CSV initiatives involving farmers and MSMEs (RQ1, RQ2) |
| 6 | INF-6 | External Stakeholder Representative | 5-10 years - External Partner | Various Educational Backgrounds | 30-55 | Provides external perspectives regarding the effectiveness, sustainability, and practical impact of CSV initiatives (RQ2, RQ4) |

To maintain confidentiality and comply with research ethics considerations, the study uses informant codes and role-based descriptions instead of disclosing personal identities or specific confidential organizational information.

### 3.11 Coding and Evidence Classification

Interview transcripts were coded in two stages. First-cycle coding assigned excerpts to the four research questions and to program-specific categories: business integration, sustainability relevance, legal governance, and institutionalization. Second-cycle coding consolidated recurrent codes into cross-program themes. A coding matrix linked each interpretive statement to an informant code and, where available, to documentary evidence. Divergent accounts were retained rather than forced into a consensus. Evidence was classified as (a) documented, when supported by a company record or quantified indicator; (b) perceived, when based on informant testimony without documentary corroboration; or (c) not established, when the available material did not support the claim. This classification governs the wording used in Chapters 4 and 5.

### 3.12 Institutionalization Assessment Rubric

RQ4 was assessed through five dimensions. A program was classified as ad hoc when implementation remained isolated, irregular, or pilot-based and most dimensions lacked formal evidence; developing when recurring implementation and operational integration were evident but formal governance or measurement remained incomplete; and embedded only when all five dimensions were supported by recurring, formal, and documented mechanisms. The overall rating reflects the preponderance of evidence and cannot exceed developing when program-specific monitoring and performance measurement are absent.

**Table 3.12 Institutionalization Assessment Rubric**

| Dimension | Ad hoc | Developing | Embedded |
|---|---|---|---|
| Strategic integration | Isolated from core business | Linked to a core process or annual plan | Formally incorporated into strategy and targets |
| Recurring implementation | One-off or pilot activity | Repeated implementation with identifiable owners | Standardized routine across the relevant unit |
| Governance formalization | Informal roles; limited documentation | Some contracts, role allocation, or cross-functional support | Approved policy, clear accountability, and escalation mechanisms |
| Monitoring and accountability | Irregular or person-dependent | Operational monitoring exists but is not fully standardized | Scheduled review, audit trail, and management reporting |
| Performance measurement | No program-specific indicators | Some outputs or commercial indicators documented | Defined baselines, targets, outcome KPIs, and recurring evaluation |

### 3.13 Research Ethics and Confidentiality

Before participation, informants were informed of the study purpose, the voluntary nature of participation, the intended use of their responses, and their right to decline to answer or withdraw. Interviews were recorded only with consent. The company and informants were anonymized using PT XYZ Group and role-based codes (INF-1 to INF-6); identifying details not required for analysis were excluded. Internal documents were used only for the academic purpose authorized by the relevant company representative and were not reproduced beyond what was necessary to support the analysis. Digital files were stored in access-controlled folders available only to the researcher and retained only for the period required by the institution, after which they are to be securely deleted. Because the researcher is an employee within the corporate group, a potential conflict of interest exists. This was mitigated through voluntary participation, role-based anonymization, separation of interview evidence from documentary evidence, explicit reporting of divergent views, and avoidance of causal claims. The study followed the applicable academic research procedures of Institut IPMI.

# Chapter 4: Findings, Analysis, and Discussion

## 4.1 Analytical Approach

Documentary evidence from the Annual Report is treated as company-reported evidence rather than as independently verified outcome evidence. Accordingly, the analysis uses such evidence to establish documented program scale, commercial relevance, cost relevance, or implementation status, but not to infer causal impact unless supported by additional objective indicators.

## 4.2 MSME Empowerment Program

### 4.2.1 Evidence-Based Findings

The MSME program is integrated into customer and sales development rather than operated as a stand-alone philanthropic activity. A management informant described it as “a main sales strategy” (INF-1, MSME), and an operational informant stated that empowerment activities form part of daily operations because they support flour sales (INF-4, MSME). The 2024 Annual Report corroborates commercial relevance (PT XYZ Group, 2024): 3,597 assisted MSMEs, 109 associations, 28 legally established cooperatives, 1,121,668 sacks attributed to MSME sales, and approximately IDR 227 billion or 30% of territorial sales. These figures document scale and sales relevance; they do not by themselves establish that the program caused loyalty, business continuity, or improved performance.

Perceived benefits were nevertheless consistent across several roles. Operational and partnership informants associated regular assistance with customer loyalty, while external stakeholders reported better organization, more stable products, and improved knowledge after joining the program. A divergent governance view is important: Corporate Legal stated that “Legal has not played a major role; Marketing has played the larger role” (INF-2, MSME) and recommended clearer policy, role allocation, monitoring, evaluation, and documentation. Thus, legal governance is a potential and supporting mechanism rather than the operational owner.

**Table 4.2.1 Evidence-Based Summary of the MSME Empowerment Program**

| Issue | Interview evidence | Documentary evidence | Interpretation |
|---|---|---|---|
| Core-business integration | Sales/customer-development strategy; recurring assistance (INF-1, INF-4) | Annual Report: 3,597 MSMEs and 30% of territorial sales | Documented operational and commercial relevance |
| Business sustainability | Loyalty, relationship continuity, capability improvement (INF-3 to INF-6) | Sales volume/value documented; no loyalty or longitudinal outcome metric | Sales relevance documented; broader benefits remain perceived |
| Legal governance | Legal role currently limited; clearer policy and monitoring recommended (INF-2) | No program-specific legal-governance document supplied | Supporting mechanism remains incomplete |
| Institutionalization | Annual planning and recurring implementation reported | Long-running program and recurring annual outputs | Developing: routine and integration exist, but formal metrics/governance are incomplete |

**4.2.2 Pattern Matching Discussion**

The MSME case is consistent with CSV through the integration of stakeholder capability development with an existing customer and sales relationship (Porter & Kramer, 2011). This differs from conventional CSR when social activity remains separate from core commercial activity. The evidence also shows that shared value does not automatically imply measurable business impact: commercial relevance is documented, whereas loyalty, relationship continuity, reputation, and partner-level outcomes are primarily perceptions. Legal governance supports the initiative through prospective compliance, documentation, and accountability mechanisms but does not own implementation. Under the rubric, the program is developing rather than embedded.

## 4.3 Cage-Free Egg Program

### 4.3.1 Evidence-Based Findings

The Cage-Free Egg Program is linked to responsible sourcing and animal-welfare objectives. Informants described supplier selection, quality standards, cross-functional involvement, and intended monitoring. However, the 2024 Annual Report establishes a narrower implementation status: the initiative began in 2024, remained a trial in Yogyakarta, and supplied outputs only to nearby outlets (PT XYZ Group, 2024). Therefore, statements that the program ensures Group-wide supply continuity, improves reputation, or is fully integrated are treated as perceived or intended benefits rather than demonstrated outcomes.

The most consequential divergent view concerns maturity. Management and risk informants characterized the initiative as a long-term sustainability strategy, whereas Corporate Legal stated that integration "can still be improved" through a more formal policy, measurable KPIs, periodic supplier audits, and sustainability reporting (INF-2, Cage-Free). The documentary description of a pilot supports the more cautious interpretation.

**Table 4.3.1 Evidence-Based Summary of the Cage-Free Egg Program**

| Issue | Interview evidence | Documentary evidence | Interpretation |
|---|---|---|---|
| Core-business integration | Linked to procurement and restaurant inputs (INF-1, INF-4) | Annual Report: pilot output used in outlets around Yogyakarta | Operational link exists, but scope is limited |
| Business sustainability | Perceived reputation, quality, and supply benefits | No performance, cost, quality, or continuity indicator supplied | Benefits are perceived, not measured |
| Legal governance | Contracts, verification, standards, and cross-functional support described | No approved policy, KPI set, or audit record supplied | Governance architecture is emerging |
| Institutionalization | Management commitment reported | Started in 2024 and described as a trial | Ad hoc/pilot-stage; not yet developing at organizational scale |

### 4.3.2 Pattern Matching Discussion

The initiative is conceptually consistent with CSV through responsible procurement and supplier capability development. Nevertheless, pattern matching is only partial because the theoretical expectation of routinized integration is not supported by program-wide documentary evidence. Legal governance is relevant to contracting, standards, verification, and claims management, but the absence of formal metrics and recurring audit evidence prevents an embedded classification. The evidence supports an ad hoc, pilot-stage rating. Its inclusion in the cross-program comparison remains analytically appropriate because the embedded single-case design is intended to examine differences in program maturity within the same organizational context. The pilot status is therefore treated as an empirical finding rather than as a basis for assuming equivalence with the two more established programs.

## 4.4 Farmer Empowerment Program

### 4.4.1 Evidence-Based Findings

The Farmer Empowerment Program is integrated into agricultural procurement and supply-chain development. Informants described agreed quality specifications, purchase arrangements, market and price certainty for farmers, and legal controls over contracts and land status. The 2024 Annual Report documents 150 farmers in 11 groups and reports annual savings of up to IDR 2.1 billion (PT XYZ Group, 2024). These indicators support the program's operational scale and documented cost relevance. Statements concerning guaranteed quality, stable supply, and improved welfare remain company-reported or perceived outcomes because the materials supplied do not include baseline-and-follow-up quality, continuity, or household-income data.

Governance evidence is stronger than in the MSME program: Corporate Legal described partnership agreements, expenditure reports with supporting receipts, and land legal due diligence (INF-2, Farmer). Nevertheless, the same informant recommended clearer contractual language, staged dispute resolution, stronger cross-functional monitoring, and better harvest reporting. The evidence therefore indicates functioning controls with remaining formalization and measurement gaps.

**Table 4.4.1 Evidence-Based Summary of the Farmer Empowerment Program**

| Issue | Interview evidence | Documentary evidence | Interpretation |
|---|---|---|---|
| Core-business integration | Farm output supplies company operations; specifications are agreed | Annual Report: 150 farmers in 11 groups | Documented operational integration |
| Business sustainability | Perceived supply stability, quality, and farmer benefits | Annual Report: savings up to IDR | Cost relevance documented; other outcomes remain perceived/company-reported |

| Issue | Interview evidence | Documentary evidence | Interpretation |
|---|---|---|---|
| | | 2.1 billion annually | |
| Legal governance | Contracts, expenditure evidence, and land due diligence (INF-2) | No monitoring dashboard or audit record supplied | Controls exist but monitoring is incomplete |
| Institutionalization | Recurring partnership and defined operational roles | Program scale and recurring savings reported | Developing: integrated and recurrent, but outcome metrics and standardized oversight are incomplete |

**4.4.2 Pattern Matching Discussion**

The Farmer program aligns most strongly with the value-chain productivity and local-cluster dimensions of CSV. The documented savings distinguish it from benefits supported only by perception, although the report does not establish causal attribution or independently verify welfare and quality outcomes. Legal governance functions as an enabling control through contracting, documentation, and land-risk review. The program is classified as developing because recurring operational integration is evident while standardized monitoring and outcome measurement remain incomplete.

**Table 4.4.2 Cross-Program Institutionalization Assessment**

| Program | Strategic integration | Recurring implementation | Governance formalization | Monitoring | Measurement | Overall |
|---|---|---|---|---|---|---|
| MSME | Developing | Embedded | Ad hoc | Developing | Developing (outputs/sales only) | Developing |
| Cage-Free | Developing | Ad hoc | Developing | Ad hoc | Ad hoc | Ad hoc / pilot |
| Farmer | Developing | Developing | Developing | Developing | Developing (cost only) | Developing |

The overall classification was determined by the preponderance of evidence across the five dimensions and was capped at developing when program-specific monitoring or performance measurement was absent, consistent with the decision rule established in Section 3.12.

### 4.5 Cross-Program Comparison and RQ4 Assessment

The comparison shows that institutionalization is program-specific rather than Group-wide. MSME has the strongest continuity and documented commercial scale, Farmer has the clearest contractual controls and documented cost indicator, and Cage-Free has the earliest implementation stage. None meets the embedded threshold because formal program-specific outcome KPIs, baselines, targets, and recurring governance reporting are not consistently evidenced.

# Chapter 5: Conclusion and Recommendations

## 5.1 Conclusions by Research Question

### 5.1.1 Research Question 1: Development and Integration

The three initiatives are developed through business-unit-specific operating needs. MSME Empowerment is integrated with customer and sales development; Farmer Empowerment with agricultural procurement and supplier partnership; and Cage-Free with responsible sourcing. The first two show recurring integration, whereas Cage-Free remains a geographically limited pilot. Accordingly, CSV integration exists within relevant business units but is neither standardized nor equally mature across the Group.

### 5.1.2 Research Question 2: Business Sustainability

The evidence supports different degrees of business relevance rather than a causal conclusion that the programs produced business sustainability. MSME has documented sales relevance of approximately IDR 227 billion and 30% of territorial sales. Farmer has reported annual savings of up to IDR 2.1 billion. For Cage-Free, no quantified business-performance indicator was supplied. Loyalty, reputation, supply continuity, quality, and stakeholder-relationship benefits across the programs are therefore reported as perceived contributions unless specifically corroborated. The comparison indicates the strongest documented commercial evidence for MSME, the clearest documented cost evidence for Farmer, and only prospective or perceived business relevance for Cage-Free.

### 5.1.3 Research Question 3: Legal Governance

Legal governance is a supporting mechanism, not the operational owner of CSV. Its role is most visible in Farmer Empowerment through partnership agreements, expenditure documentation, and land due diligence; it is emerging in Cage-Free through proposed contractual standards, verification, and claims controls; and it is limited in MSME, where Marketing leads implementation and no program-specific legal-governance document was supplied. Across all programs, Legal and Risk functions enable compliance, accountability, contracting, and risk treatment while business units retain operational responsibility.

### 5.1.4 Research Question 4: Extent of Institutionalization

Using the five-dimension rubric, MSME Empowerment and Farmer Empowerment are classified as developing, while Cage-Free is classified as ad hoc/pilot-stage. MSME is recurring and commercially integrated but lacks sufficiently formalized program-specific governance and outcome measurement. Farmer is recurring and supported by contracts and operational controls but lacks standardized outcome monitoring. Cage-Free began in 2024 as a limited pilot and lacks evidence of recurring organization-wide implementation and established KPIs. None is embedded. The Group-level conclusion is therefore developing but uneven institutionalization, not full institutionalization.

## 5.2 Theoretical and Practical Implications

The findings refine the application of CSV in a holding-company context in three respects. First, integration may occur through different business mechanisms across embedded units rather than through one corporate template. Second, operational alignment should not be equated with measured business impact: shared-value relevance can be documented without establishing causal sustainability outcomes. Third, legal governance operates as an enabling layer whose intensity depends on contractual and operational risk. Practically, the Group should preserve business-unit ownership while introducing minimum common standards for evidence, accountability, and review.

## 5.3 Research Limitations

This qualitative embedded single-case study is context-specific and does not permit statistical generalization or causal attribution. Interview evidence may reflect informant perception, role interests, recall limitations, and social-desirability bias. The researcher's employment within the Group may also influence access and interpretation despite the mitigation measures described in Section 3.13. Documentary evidence was uneven across the three programs: the Annual Report provided selected output, sales, cost, and program-status indicators, but no common longitudinal dataset, baseline, counterfactual, or independently verified outcome measures. Consequently, claims concerning loyalty, reputation, quality, supply continuity, welfare, and long-term business performance remain perceived or company-reported where corroborating indicators were unavailable.

## 5.4 Operational Recommendations

**Table 5.4 Operational Recommendations for PT XYZ Group**

The recommendations below directly address the principal gap identified in the study: the absence of a minimum, comparable measurement and governance system across the three programs.

| Action | Owner | Governance mechanism / output | Timing | Priority |
|---|---|---|---|---|
| 1. Approve minimum CSV charter | Group Management with Legal and Risk | Approved charter defining program owner, RACI, evidence standard, escalation, and annual review | Within 3 months | Immediate |
| 2. Establish program baselines and targets | Each Business Unit Program Owner; validated by Finance/Risk | Baseline, annual target, data owner, source document, and calculation method for every KPI | Within 3 months; annual reset | Immediate |
| 3. Implement quarterly dashboard | Program Owner; consolidated by Risk/Compliance | Quarterly results, variance, risks, corrective actions, and evidence links | Quarterly | High |
| 4. Conduct governance review | Legal, Risk/Compliance, Procurement/Operations | Contract coverage, regulatory compliance, complaints, incidents, and overdue actions | Semi-annually | High |
| 5. Reassess institutionalization | Group Management/Internal Audit or independent reviewer | Rubric score with evidence and remediation plan | Annually | Medium |

### 5.4.1 Minimum Measurement Framework

**Table 5.4.1 Minimum Measurement Framework**

| Program | Minimum KPIs | Data source | Frequency |
|---|---|---|---|
| MSME | Active assisted MSMEs; training completion; repeat-purchase rate; MSME-attributed volume/value; arrears/default rate; sampled partner capability score | Program database, sales system, distributor records, annual partner survey | Monthly commercial; quarterly program; annual outcome |
| Farmer | Active farmers/groups; contracted vs delivered volume; rejection rate; on-time delivery; verified savings; farmer income proxy; land/contract compliance | Procurement, QA, Finance, contracts, farmer records | Monthly operations; quarterly governance; annual outcome |
| Cage-Free | Pilot farms/outlets; cage-free egg volume and share; supply interruptions; quality incidents; cost premium; audit compliance; animal-welfare nonconformities | Procurement, QA, audit reports, Finance, outlet records | Monthly during pilot; quarterly management review |

Every KPI should have a written definition, baseline, target, responsible owner, evidence source, reporting cut-off, and corrective-action threshold. Perception-based indicators may be retained, but they should be labeled as survey or interview measures and not presented as objective business outcomes.

## 5.5 Recommendations for Future Research

Future research should test the proposed framework using longitudinal data, verified operational indicators, and partner-level outcomes. Comparative or mixed-method studies could examine whether documented changes in sales, costs, quality, supply reliability, welfare, and partner capability persist over time and whether differences are attributable to the initiatives rather than to market conditions or other organizational interventions.