

Type of Information Resources and Feedback Facilities for Corporate Social Responsibility Related Issues on Corporate Websites in Indonesia

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Abstract

Companies in Indonesia have made use of the official website as a medium to convey important information, including corporate social responsibility (CSR) programs to stakeholders. This study was conducted to look at the type of resources and means of feedback available on the company's website in Indonesia in terms of disclosure of CSR issues. Survey conducted on forty five (45) companies' included in the LQ45 index period 2013. A content analysis methodology was used and applied to the corporate websites of the 45 companies studied. Two type of analysis established: the content category served to identify the issues included in CSR and the information resources and feedback resources. Ten values corresponding to issues related to CSR were identified. Results showed that more companies are using information expositive form of text, images and graphics. Expositive sources rarely used form is video, while the interactive resources are used only for specific information by some companies. Means of public feedback on the web is a general email to all types of information. Other mean of feedback are telephone and facsimile.

1 Introduction

Currently the company is not only required to implement CSR programs in earnest but also must be able to communicate it to all stakeholders. Developments in information technology and computers, including the Internet and the World Wide Web facility (WWW), has provided a variety of media options to companies to disclose CSR programs and enhance its relationships with stakeholders. It is also because the stakeholders affected by the company, directly or indirectly, including the general public is entitled to know the aspects that come into contact with their lives. There is now also heightened demand for better corporate citizenship and greater transparency in many developing countries. However, little is known or understood about the concept and practice of CSR in these emerging markets.

Research on the public company in Indonesia shows that mining companies included in the index *Bisnis-27/Sri-Kehati/LQ45* have had official website (Ati, 2011). While previous research on companies operating in basic industries and chemicals revealed that on its official website, the company has demonstrated attention to the importance of CSR information to the public, by putting CSR on the high hierarchy menu. On the other hand, the use of which expositif resources such as text, images, pictures, and graphics just shows that the web is still a one -way (unidirectional) and have shown a low interactivity with just providing feedback means limited (Ati, 2009).

Premised on the importance of CSR communication and the critical role of the Internet in contemporary corporate communication, this study examines the extent and characteristics of Web-based CSR communication undertaken by the companies in Indonesia. This study was conducted to provide a wider picture of the use of the official website as a means of communication of CSR by companies operating in Indonesia. The study focuses on the type of resources and sources of feedback available on the company's website in Indonesia in terms of disclosure of CSR issues. Information resources and feedback resources to show how important the company saw its stakeholders and how companies dialogue with them.

2 Background

There are several definitions regarding CSR, the following ones are examples of established meanings. The World Business Council stated that "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (Holme/Watts, 2000). The European Commission defines it in their 'Grünbuch' as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission, 2010). The second definition clearly states that social and environmental issues are key components of CSR. When expanding these by incorporating the economic scope, the three dimensions of CSR can be defined.

CSR communication via the corporate Web has been a direct offshoot of the digital revolution. Esrock and Leichty (1999) noted that corporate Websites allow companies to engage in multi-stakeholder dialogue, a practical challenge of CSR communication. The Web also offers organizations the opportunity to design

messages that do not have to follow the dictates of gatekeepers as with print and electronic media. Hence, Web pages are available option for corporations to set and present an agenda on CSR.

Whether corporations are doing a good job of fully exploiting the Internet's potential for their CSR communication is debatable. One of the earliest related studies (Esrock & Leichty, 1998) found that even though 90% of Fortune 500 companies had Web pages (of which 82% addressed at least one CSR issue), corporate Web sites were still not being used to their full potential as a medium for communicating socially responsible activities.

According to a 2004 CSR Online Survey of Financial Times Stock Exchange companies, although many companies included CSR information on their Web site, "all too often, CSR material is hidden in hard-to-reach places, or presented as huge PDF downloads" (Coope, 2004). The study of CSR communication on the Internet has started to receive attention in the Asian context (e.g., Fukukawa & Moon, 2004; Thompson & Zakaria, 2004; Welford, 2004).

Indonesia has become the first nation in the world to introduce mandatory legal requirements for corporations to implement corporate social responsibility (CSR) reporting based on Law No 40 in 2007 regarding Limited Liability Companies (Rosser and Edwin, 2010). According to this law, all corporations that operate in Indonesia's natural resources sector or that have business activities related to natural resources must implement CSR, especially in relation to environmental responsibility, called corporate social and environmental responsibility (CSER). The CSER includes reporting activities as well as the funding to cost the activities taken from the companies' budget.

The motivation of corporations to invest on CSR in Indonesia varies, but almost all are claiming the same type of problem, namely internal and external ones. The internal problems come within the corporations, for example internal management of the firms that are related to the inherent values underlying the business activities. Other problems are the lack of CSR expertise in the firms, unsupportive local and management structure and attitude, and the difficulties in adopting operational standards. The external ones driven from outside the corporations, such as the external environment which are not reachable by the firms, government related issues, customer and community behavior in general, as well as the influence of civil society organizations (Koestoer, 2007).

3 Methodology

Object of this study are the official web public companies operating in Indonesia. Criteria for selecting companies for this research is a company listed on the Indonesia Stock Exchange (IDX) and included in the LQ45 the period February - July 2013 (Register issued on January 25, 2013, <http://www.idx.co.id>). LQ45 Index is a stock price index issued by the Indonesia Stock Exchange which contains 45 stocks that meet the criteria of fundamental and technical or transactions liquidity.

CSR Issues	Definition
Company Profile	Explanation of the enterprise's views, values, and corporate strategy. Presentation of the company's property, structure, and legal form; divisions, subsidiaries and countries with which the enterprise operates. Explanation of results
Goods and Services	Explanation of the enterprise's products, services, and brands from a corporate perspective and not from a commercial one (type of products, raw materials, manufacture systems, etc.)
Employees and HR	Declarations and explanations of its systems of contract, promotion, evaluation, and dismissal. Declarations and explanations about human rights in the enterprise (children labour, discrimination...)
Economic Action	Declarations and actions related to the economic impact of the enterprise in its local, regional, national, and supranational environment
Social Action	Declarations and actions related to the enterprise's involvement in social issues
Environmental Action	Declarations and actions related to the enterprise's involvement in environmental issues
Corporate Governance	Declarations and explanations of the enterprise's transparency, compromises in the governance of the company. Explanation of the structure of power, remunerations, responsibilities, government departments, etc.
Corporate Ethics	Declarations and explanations about the enterprise's ethical compromises in relation with the business and its groups of public
External criteria	Declarations and explanations about the interests, importance, and linking of the groups of public with the enterprise

Table 1. Issues of CSR. Source: Capriotti and Moreno (2007)

A content analysis methodology was used and applied to the corporate websites of the 45 companies studied. Two type of analysis established: the content category served to identify the issues included in CSR and the information resources and feedback resources. Ten values corresponding to issues related to CSR (Table 1) were identified.

The information resources category allows the identification of the different resources used to present the information on CSR. Two types of resources were recognized. (1) Expositive resources are those that allow the dissemination of information, with the visitor eminently passive and receptive. These types of resources are differentiated as graphic (written text and fixed images, photos, and graphics) or audiovisual (audio and video). (2) Interactive resources are those that permit information to be obtained through active interaction, with a mainly active and participative visitor. These include hypertexts, interactive graphics, charts, and similar resources. The feedback resources category facilitates the identification of the systems available on corporate websites for visitors to ask questions, give opinions, or assess the CSR issues. Three types of possible forms of feedback were laid out: (1) general email to the company; (2) specific email linked to CSR issues; (3) other forms of feedback (questionnaires, chats, forums, blogs, etc.) that allow an assessment of or opinions on any of the issues on CSR. The latter type implies an active incentive resource to generate opinions and assessments from visitors.

4 Findings

Table 2 shows a list of names and addresses of companies. Of the 45 companies studied, all (100 %) has a web-accessible by Internet users.

Name	Web Address	Name	Web Address	Name	Web Address
AALI	www.astra-agro.co.id	BSDE	www.bsdcity.com	JSMR	www.jasamarga.com
ADRO	www.adaro.com	BUMI	www.bumiresources.com	KLBF	www.kalbe.co.id
AKRA	www.akt.co.id	BWPT	www.bwplantation.com	LPKR	www.lippokarawaci.co.id
ANTM	www.antam.com	CPIN	www.cp.co.id	LSIP	www.londonsumatra.com
ASII	www.astra.co.id	EXCL	www.xl.co.id	MAIN	www.malindofeedmill.com
ASRI	www.alam-sutera.com	GGRM	www.gudanggararantbk.com	MAPI	www.map-indonesia.com
BBCA	www.bca.co.id	GIAA	www.garuda-indonesia.com	MNCN	www.mnc.co.id
BBNI	www.bni.co.id	HRUM	www.harumenergy.com	PGAS	www.pgn.co.id
BBRI	www.bri.co.id	ICBP	www.indofoodcbp.com	PTBA	www.ptba.co.id
BBTN	www.btn.co.id	IMAS	www.indomobil.com	SMCB	www.holcim.co.id
BDMN	www.danamon.co.id	INCO	www.valeindonesia.co.id	SMGR	www.semengresik.com
BHIT	www.bhakti-investama.com	INDF	www.indofood.com	SSIA	www.suryainternusa.com
BKSL	www.sentulcity.co.id	INDY	www.indikaenergy.com	TLKM	www.telkom-indonesia.com
BMRI	www.bankmandiri.co.id	INTP	www.indocement.co.id	UNTR	www.unitedtractors.com
BMTR	www.mediacom.co.id	ITMG	www.itmg.co.id	UNVR	www.unilever.co.id

Table 2. Website of the Companies

4.1 Issues of CSR

The Internet has become an essential space through which to diffuse information about corporate responsibility. All of the companies the LQ45 present information about CSR on their webpages. Specific CSR menu also have an important presence on the corporate Web pages of the LQ45companies. Of these, 66.7% have a specific menu, and 33.3% do not. Of the enterprises with a specific menu, the majority call it "Corporate Social Responsibility" or "CSR" (42.2%), followed by "Social Responsibility" (8.9%). Three companies use "Sustainable Development" (6.7 %) and only one enterprise calls the menu "Sustainability" (2.2%).

Type of Information Resources	Total	Percentage
Menu	24	53%
Submenu	9	20%
Sub Submenu	1	2%
Subdomain	1	2%
Not Available	10	22%

Table 3. Website of the Companies

CSR related issues on their websites are 53% available on specific menu, 20% in submenu, 2% in sub submenu, 2% in subdomain and 22% did not provide in specific menu, nor submenu, sub submenu and subdomain (Table 3).

The 10 CSR issues presented on the corporate websites are not homogeneous (Table 4). The most present and relevant issues are those linked to the presentation of the general characteristics of the company (corporate profile) and of its products and services. This reinforces the idea of the self-presentation function of corporate websites. These issues have an eminently descriptive and informative approach and are more commercial in perspective, rather than allowing an ethical valuation or an appraisal of the company's compromises in its production and marketing activities.

It must also be remarked that the issue of economic action does not have the prominence given to corporate profile and products and services. However, issue with a high presence is employee and human resources, and social action. Finally, a remarkable fact is that the issue of corporate ethics does not get special attention on the corporate websites.

Issues of CSR	Presence (in %)
Company Profile	100
Goods and Services	100
Employees and HR	82.2
Economic Action	48.9
Social Action	62.2
Environmental Action	53.3
Corporate Governance	53.3
Corporate Ethics	37.8
Public Relations	53.3
External Criteria	48.9

Table 4. Presence of CSR Issues on Corporate Website

4.2 Resources used to present the information on CSR

As for the resources used to present the information on CSR, the results show a clear predominance of the so-called "expositive" resources over the "interactive" resources (Figure 1).

Graphic resources are the main resources that are used to transmit information on the CSR issues (used by 96% of the companies). The use of audiovisual resources can also be considered highly significant (used by 11% of the companies), because the use of these resources on the Internet is troublesome (it slows website surfing). Interactive resources are used by 9% of the companies. These resources are typical of and inherent in the Internet, and are what make it different from other media. Hence, we can declare that there is little significant presence of interactive resources for CSR issues on the websites studied.

As can be observed in Table 5, the only areas for which a suitable combination of the communication resources available (graphic, audiovisual and interactive) is used are corporate profile (a presentation of the company in general terms) and products and services, which clearly shows the importance and relevance of these sections within the websites, as compared with other CSR issues.

No	Issues	Information resources (in %)		
		Expositive		Interactive
		Graphic	Audiovisual	
1	Company Profile	96	11	9
2	Products and Services	93	2	4
3	Employees and HR	82	0	2
4	Economic Action	49	0	2
5	Social Action	62	2	2
6	Environmental Action	53	0	2
7	Corporate Governance	53	0	2
8	Corporate Ethics	38	0	4
9	Public Relations	53	0	2
10	External Criteria	49	0	0

Table 5. Resources of Information

4.3 Feedback resources used with CSR information

With regard to the resources available to facilitate feedback (Figure 1), 82.2% of the companies in the LQ45 provided an email address whereas 91.1% had "traditional" feedback instrument for general information from website.

With regard to email, only 48.8% of the companies have a specific email address for some of the concrete CSR issues in the corresponding sections while all companies that had email given a general email address, which is for the common use of all sections on the website. The high incidence of the use of email addresses

hides two relevant deficiencies. Firstly, there is little stimulus for specific feedback on the concrete CSR issues, as the specific email addresses are a tool almost exclusively offered to shareholders and investors and for economic-financial matters (usually found in the areas devoted to financial, shareholder, or investor information). Secondly, an assessment of the information available on the websites is not favourable, as no evaluation tools (such as interactive opinion polls, opinion forms, etc.) are provided, nor are there interactive feedback tools (such as chat rooms, forums, blogs, etc.) that would allow visitors to interact with the companies or with other people about the CSR topics in real time.

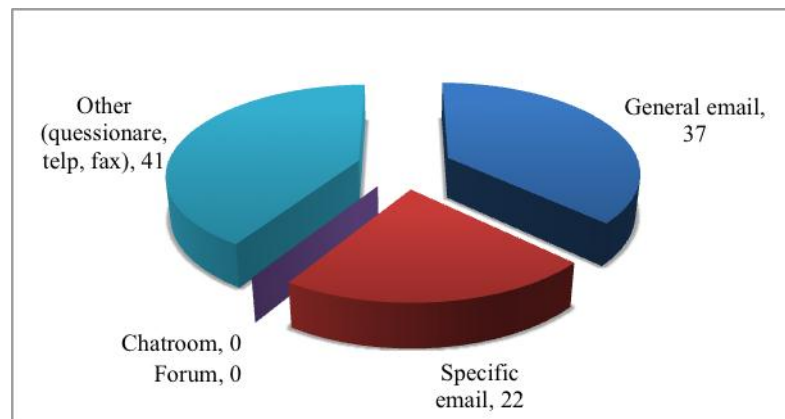


Figure 1. Feedback Resources

5 Conclusion

The study concluded that corporate websites in Indonesia have type of information resources and feedback facilities for CSR related issues. Results showed that more companies are using information expositive form of text, images and graphics. Expositive sources rarely used form is video, while the interactive resources are used only for specific information by some companies. Means of public feedback on the web is a general email to all types of information. Other mean of feedback are telephone and facsimile. The analysis result showed the companies that use specific menu about CSR on their websites (66.7%) and 33.3% do not. Name of the specific menu were “Corporate Social Responsibility” “Social Responsibility”, “Sustainability Development”, “Sustainability”, and other.

With regard to the resources available to facilitate feedback, 82.2% of the companies in the LQ45 provided an email address whereas 91.1% had “traditional” feedback instrument for general information from website. Only 48.8% of the companies have a specific email address for some of the concrete CSR issues in the corresponding sections while all companies that had email given a general email address, which is for the common use of all sections on the website.

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