



## CSR PROGRAMS OF MUNICIPAL WATER UTILITY COMPANIES FOR WETLAND COMMUNITIES OF SOUTH KALIMANTAN

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Submission: 20 November 2020

Revised: 24 December 2020

Accepted: 19 January 2021

*Peer-review under responsibility of 6th Asia International Conference 2020 (Online) Scientific Committee*

<http://connectingasia.org/scientific-committee/>

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## ABSTRACT

Many studies on Corporate Social Responsibility (CSR) analyze the effectiveness and efficiency of private companies' social funds. Only a few studies on CSR programs of municipal utility companies. The municipal utility company is unique because it has a captive market, and the Government regulates the company. These factors impact company's CSR strategy. This study qualitatively analyzed the CSR of municipal water utility companies of Bandarmasih and Intan Banjar. The Bandarmasih, which is located in the city of Banjarmasin, represents urban wetlands. The Intan Banjar, which service area includes Banjarbaru city and Banjar regency, represents rural wetlands. The analysis method was descriptive exploratory through observation, interviews, and focus group discussion. The results showed that the CSR programs had been sufficiently implemented but ineffective to fulfill the wetland community's needs. The CSR programs were sporadic and did not strategically improve the companies' image. The CSR programs were not derived from the companies' vision and mission. There was no formulated social responsibility policy. This current research contributes to designing a 'signature' CSR program under its core business competencies for community welfare. This research is among the first to focus on municipal utility companies' CSR programs concerning communities in wetland areas.

**Keywords:** *Corporate Social Responsibility, Indonesia, Municipal, South Kalimantan, Wetland*

## RESEARCH HIGHLIGHTS

- CSR activities have not been considered a vital part of the municipal companies' operations.
- CSR might improve the company image, reduce complaints from the community affected by company operations' adverse effects, and emotionally tie the company with the surrounding community.
- The development of wetlands' natural resources in South Kalimantan will potentially become the companies' signature CSR program.

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## Research Objectives

This study aims to answer the following questions:

- How was the implementation of the CSR program carried out by the municipal water utility companies?
- How was the effectiveness of the CSR program?
- What kind of CSR program fits the characteristics of the wetland community in South Kalimantan?

## Methodology

The research subjects were two municipal water utility companies of South Kalimantan, namely Bandarmasih (located in Banjarmasin City), representing urban wetlands, and Intan Banjar (located in Banjarbaru) which service area includes Banjarbaru city and Banjar regency, represents rural wetlands.

Research informants by purposive convenient sampling method were:

1. The community members who received CSR benefits.
2. The management of municipal water utility companies.
3. The employees who handle CSR programs.

This study utilized primary and secondary data. Secondary data related to CSR programs were obtained from the companies, including the CSR implementation strategies. Field observations were carried out to analyze the characteristics, natural resources, and human resources of wetlands. Focus Group Discussion (FGD) was conducted to explore the potential, interests, and expertise in the research location in the context of empowerment programs to create community welfare.

The analytical method used in this research was descriptive exploratory analysis. This method provides an overview of the research subjects through data or samples collected just as they are. Salient factors (Said, 2019) were collected based on the company's data, in-depth interviews, and FGDs of urban and rural wetland communities.

## Results

For both companies, there were no explicit vision and mission of their CSR programs. The company's CSR activities are directed by the Mayor as the municipal company shareholder and by the Directors' Decree. According to both companies' management, the continuing program was considered successful when the programs had been routinely implemented. The routine programs had a low level of difficulty, mainly when they were donation programs. Programs were considered sustainable because they were stated in the decree so that they were continuous programs. The decree means that it has the power of law to be implemented. Based on the interviews with both managements, CSR programs' success indicators could merely be seen from the community's enthusiasm. The critical thing to reveal is that there has never been an objective evaluation of the various CSR programs, so that the indicators of success cannot be clearly defined. The two companies' CSR programs have been implemented quite well but are categorized as ineffective based on the failure to fulfill the CSR effectiveness measurement model's indicators.

## Findings

- The design of CSR programs has not been based on the company's vision and mission or the community's characteristics in which the company operates.
- The CSR program's design has not been based on the relationship between its vision and mission and the national program according to the local community's needs based on a preliminary survey.
- The CSR program's determination did not go through an evaluation process between management and shareholders (the local Government), based on the beneficiary community's characteristics and needs.
- Evaluation of CSR programs through community satisfaction surveys perceived corporate image, and financial performance has not been implemented.

## **Acknowledgement**

We thank Universitas Lambung Mangkurat for funding this research. We also thank our colleagues from Bandarmasih and Intan Banjar, who provided insight and expertise that greatly assisted the research.

## **References**

Said, L. R. (2019). *Eliciting Salient Factors in Online Shopping Behavior Research*. 3(2), 8–13.