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A Human Dignity Perspective: Exploring The Implementation Of Corporate Social Responsibility

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Abstract

God has created man in His own image. Every man has the sublime dignity so they become the centre point in business activities. This research aimed to explore the implementation of Corporate Social Responsibility (CSR) in human dignity perspective. This research used qualitative method. Human dignity principle, from social doctrine of the church, as an analysis instrument. In human dignity perspective, respect becomes the CSR basic value. CSR is an attitude of respect from a company to all stakeholders, both inside and outside the company. Annual report becomes the communication instrument between the company and their stakeholders which brings respect values.

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1. Introduction

In 1970, Friedman argued that if the company had social responsibility, then it was only to maximize profit. According to Friedman, economic aspect becomes the only one aspect that company must consider in doing business. On the other side, Carroll (1991) stated that Corporate Social Responsibility (CSR) was not only an economic responsibility. From Carroll's pyramid of social responsibilities, after doing economic and legal responsibilities, company must take ethical and philanthropic responsibilities. In Christian perspective, love underlies CSR (Rumambi et al, 2014). CSR becomes company's love activities to respect human dignity, to prioritize common good, to express

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solidarity, and to uphold social justice. As a company activity, CSR can not be separated from human being.

Human being as a company stakeholder, is the centre point of CSR. Company can not exist without its stakeholders. Every stakeholders have their own role to support company existence. As the humane community, a company is responsible for the lives and welfare of stakeholders (Rumambi, 2015). This responsibility comes from human existence in his dignity as God's image. To carry out this responsibility, stakeholders become the implementer and the goal of CSR. CSR is the company's activity to bring welfare to their stakeholders, as Rumambi et al. (2014) called love activities. In accordance with Rumambi et al. (2014) and Rumambi (2015), the deep understanding of CSR is related to human dignity.

This research aimed to explore the implementation of CSR in human dignity perspective at PT. Indofood CBP Sukses Makmur Tbk, Branch of Manado. Exploring means to explore more knowledge or activities about CSR, something different or new in CSR implementation. This research is different from the previous research (Rumambi et al., 2014; Rumambi, 2015). The previous research was conducted to define CSR concept. This research provides practical contribution to the company in CSR implementation.

2. Literature review

2.1. Social doctrine of the church

Social doctrine of the church as a synthesis of the understanding about orders of the society in the light of Christian salvation. This synthesis serves as a norm for social life. Social doctrine of the church is related to interpersonal relationships and human behavior in general. This social doctrine comes from the combination of faith and reason which is based on the law of love (Rumambi et al., 2014). In Mater et Magistra encyclical, Pope John XXIII asserted that Social doctrine of the church contains theoretical teaching and moral teaching principles. As a theoretical teaching, this social doctrine gives a variety of solutions to the problems that are happening. As a moral teaching principle, which is derived from human nature (faith, reason, and love), this social doctrine becomes a moral guideline for social life practices. From human nature, human dignity principle is the first and foremost of the social doctrine of the church (Rumambi et al., 2014).

2.2. The principle of human dignity

Human life is sacred because he was created in God's image (Compendium of Social Doctrine of The Church 112). As created in God's image, every human has sublime dignity. In his dignity, human becomes the centre point of social interactions and social activities. All the views, teachings, and attitude of the Church are about to respect the human dignity. There are three aspects to respect it (Rumambi et al., 2014). First, the similarity of dignity, degree, and rights for every human being. All human beings have equal rights. They are entitled to equal treatment, namely the right to live humanly. To live humanly means to live as human beings with the needs of the body and the demands of life in spiritual, moral and intellectual fields (Gaudium et Spes 64). Second, in every dimension of life, every human must be treated as a subject. Human becomes the subject, not the object, and the goal, not the means. The human person is the highest creation of God. In Laborem Exercens 6, man as the image of God is a person. That is the subject which is capable of acting in a planned and rational way, able to make decisions about themselves, and able to develop toward self-realization. Third, the social dimension of human person. Humans live together as social beings who respect and support one another. Through this coexistence, human can develop his personal and others personal in an interdependent relationship with the others (mutual relationship). This shows the interdependence between the development of human society with personal growth. Humans develop their talent and respond to his calling through the interaction and dialogue with others in social life (Gaudium et Spes 25). In this social dimension, human takes his social responsibility to others life and development.

3. Research method

This research uses qualitative method. The field research was conducted at PT. Indofood CBP Sukses Makmur Tbk, Branch of Manado (ICBP). This company is engaged in production of instant noodles and is located in Bitung,

North Sulawesi. Research is divided into two stages, the phase of data collection and the phase of data analysis and interpretation. Data collection is through interview, observation, and study of document. The informants consist of branch manager, personnel officer, purchasing officer, production development and quality control officer, production workers, and staff of ICBP.

Analysis and interpretation of data use human dignity principle as an analysis instrument. This analysis is intended to read, assess, and present the implementation of CSR. There are 3 stages in the process of data analysis and interpretation. First, data reduction. The researchers performed the selection process, focusing, and simplification of data from field notes. This process continues throughout the implementation of the research until the end of the study report is completed. Second, researchers conducted an assessment of data. In the assessment of data, the researchers began by determining the aspects of human dignity principle. By using these aspects, the researchers read and assessed the company's data that have been compiled based on themes. Third, the result of data assessment constitute the researchers' interpretation about the concrete manifestation (implementation) of ICBP's social responsibility in human dignity perspective.

4. Discussion CSR of ICBP in the context of human dignity

4.1. ICBP as a humane community

ICBP in carrying out their business activities can not be separated from the role and involvement of various parties, such as capital owners (shareholders), board of commissioners and directors, workers, consumers, suppliers, government, and society (ICBP Annual Report, 2012). All the parties are ICBP's stakeholders although their roles and interests are different. According to Keraf (1998) company is as a legal entity and an artificial personal. Mele (2012) said that the firm is a community of persons. "Community is understood as a unified body of individuals, people with common interests or living" (Mele, 2012, 92). Basically, company is a human organization whose activities are planned, decided and executed by humans. That's why Pope John Paul II stated in *Centesimus Annus* 43, business organization is a union of persons whose role depend on their own manner and responsibility.

4.2. Social interactions in ICBP business activity

When human becomes the focus in business activity, understanding ICBP as a business company can not be separated from their stakeholders involvement. All the activities of ICBP are based on internal stakeholders and can not be separated from the external stakeholders including nature. Nature as the environment which forms the humane community. This means the existence and the life of ICBP depend on their stakeholders interaction with one another. Human has the social dimension, as well as ICBP. Company social dimension is rooted in human existence (Rumambi, 2015). Human can not live alone and neither can ICBP. ICBP and their stakeholders have interdependence with one another. Their relationship of interdependence describes social interaction in ICBP business activity. To regulate the relationship or interaction between ICBP and their stakeholders, ICBP develop vision, mission, core values, code of ethics and good corporate governance (ICBP Annual Report, 2012).

Social interactions which was developed between ICBP and their stakeholders show that all stakeholders become the centre, goal, and subject in ICBP business activity. *Gaudium et Spes* 63 stated that humans become creators, centre, and the purpose of the whole social and economic activities. As the stakeholders become the subject of ICBP business activity thus this activity should be developed and sourced from human person dignity. Recognition of human dignity similarity appears in ICBP core values. ICBP core values emphasize to respect all stakeholders. Together with all stakeholders, ICBP build unity to achieve excellence (ICBP Annual Report, 2012, 3).

4.3. Respect as the core values in ICBP business activity

With respect as ICBP core values, they do their CSR as a company commitment to contribute for society welfare and environment sustainability as well as to increase stakeholder value sustainability (ICBP Annual Report, 2012, 3). Their CSR activities are the form of social activity (social care) and environmental activity (environmental care).

ICBP social responsibility refers to the five pillars among others are development of human resources (scholarships for disadvantaged families), active participation in community activity (participation in mass circumcision, christmas safari and other programs to the outside community), increase the economic value (give the initial capital for merchants of boiled noodles), preserve the environment, and human solidarity (help victims of natural disasters and conduct blood donation). Five pillars above show that CSR is implemented to the community who are outside ICBP and nature.

From company social dimension, ICBP business activity has directedness to all stakeholders not only for certain stakeholder (outside community). Directedness to all stakeholders must be understood existentially. The essence of CSR comes from human social dimension (Rumambi, 2015). ICBP social responsibility develops from their social interaction. ICBP in their development shares responsibility for the development of their personal workers and the welfare of all stakeholders, inside and outside of ICBP. Although ICBP does their CSR only for outside community and nature, ICBP treats their workers respectful. To respect workers means ICBP takes responsibility for workers' lives and their family welfare. Their treatment to workers shows that in concept, ICBP social responsibility partially understands outside community of ICBP, but with respect value as core values, they treat their workers beyond the law. According to Veeger (1986), individuals form the community and at the same time, community form the individuals. This means that the workers form ICBP and ICBP also form the workers. From this understanding, the workers become the closest community of ICBP. Basically, worker is the starting point for the implementation of ICBP social responsibility. As Rumambi et al (2014) argue that workers are in the primary circle of CSR activities and the implementation of CSR is described as a spiral which starts from the primary circle.

According to ICBP, worker is the biggest asset in running company activities. On the other hand, workers and their family lives depends on ICBP presence. By becoming the foundation of workers and their family lives, ICBP are responsible for the lives of workers and their families. In Social Doctrine of The Church, the responsibility for workers' lives is more deeply understood. Workers are seen as the weak and oppression. Therefore, worker rights must always be defended and protected. Pope John Paul II in *Centesimus Annus* 11, emphasizes or puts option for the poor in carrying out social and economic life. In *Rerum Novarum* 1, Pope Leo XIII identifies the poor of the workers as the weaker party that do not only have the material poverty but also poverty itself, such as in the field education and religion. Thus, respect for the workers personal dignity means providing opportunities for workers to work for the fulfillment of their own life and their family. It means, through their work, workers can develop and express their individual talents and abilities (*Gaudium et Spes* 67). By their work they can meet their physical and spiritual needs. Therefore, company's duty is to help workers meet their basic personal rights. When the workers meet their basic personal rights, it proves that a company treat their workers as subject, as human beings. Workers are appreciated as subjects because all that ICBP do is to prioritize the progress, kindness, and well-being of workers and their families.

4.3.1. Provide a decent life and welfare for workers and their families

To provide a decent life for workers and their families, ICBP always give wages beyond the provincial minimum wage. According to a production worker, she can provide education for her children because of her wage and health care benefit. It can be interpreted that ICBP help workers to live decently by the salary and health care benefit. One aspect to live decently is the fulfillment of children rights in education. To mark the religious holiday, ICBP provide religious festivity allowance ("THR") more than the minimal amount determined by government on its regulations (Minister of Manpower Regulation number PER-04/MEN/1994). If they have worked more than two years, they get "THR" twice from their salary.

For workers and their families welfare, ICBP provide various forms of social assurance. ICBP participate in the family planning program by providing clinic facilities and educational activities according to the mission of family planning program. ICBP also organize workers health insurance program. This program is based on the internal policy of ICBP that is beyond Indonesian Labor Act number 13 of 2003. Personnel officer asserted that ICBP are very difficult to be abandoned because of their health care. ICBP are very concerned about workers' health. That's why the workers work for a long period. In addition, ICBP provide support for the process of both normal and caesarean birth by covering all the operating cost. Next, ICBP provide scholarships for workers' children. During the year 2012, there were 31 children who received scholarships. ICBP also gives twelve plus three days for leave if workers have worked

for six years. The additional days for leave included ICBP internal policy in which the total days is more than what is said in article 79 of Indonesian Labor Act number 13 of 2003.

What ICBP does for the lives and welfare of its workers and their families is that every worker has the right for wages according to the criteria of justice. They also have the right to obtain a decent standard of living based on their dignity as a human person for themselves and their family. In *Pacem in Terris* 11, "Man has the right to live, right on the integrity of the body and the efforts required for the development of a reasonable life." When the primary needs of workers are fulfilled, the development of life has been done.

4.3.2. Develop moral values and workers empowerment

In addition to meet the physical needs of workers, ICBP also give awards to their workers. ICBP give incentive or bonus as an award to worker's job performance. This incentive is intended to motivate workers to improve their performance. ICBP also give award for workers working period. In case of complaints from workers on the specific circumstances, ICBP give freedom in the search of truth and to convey their opinion. Complaints should be resolved together by upholding and respecting the values of harmonious industrial relations. This is applied to avoid strike action and lockouts (ICBP Collective Labor Agreement, 2011-2013, paragraph 60 and 61). For workers personal development, ICBP organize skills development through training. The training includes basic training, soft skills training, and technical skills training. The training is given to improve their knowledge and skills in carrying out their daily work and improve their capabilities and competitive advantage.

Respect for the personal workers is derived from human nature. According to *Pacem in Terris* 12, "From nature, human beings are entitled to be respected." The awards foster the growth of workers moral values. The process of moral values development is also related to workers personal development that is manifested in the form of basic, soft skills and technical training. This means that workers can carry out their duties and responsibilities in accordance with their natural talents and skills (*Pacem in Terris* 13). The development of workers moral values and empowerment can not be separated from the provision for workers to carry out his religious life. ICBP provide a place for worship or prayer room and a particular time to worship. ICBP give the opportunity to their workers to participate in religious activities with wider community. The forms of participation also include donation, deacon or alms. Participation in religious activities as well as providing the opportunity to celebrate religious day is the right of every human according to their faith and belief to worship God. With their free will, human being has the right to worship God according to his conscience (*Pacem in Terris* 14).

4.3.3. Create convenient and secure working conditions for workers

Working conditions are created for workers safety and health. ICBP provide work clothes, work equipment, and personal protective equipments to conform to their field of work. ICBP implement system and procedure for health and safety to create a conducive working conditions (ICBP Annual Report, 2012). ICBP also run a health check program periodically for workers and provide an additional food for night shift workers. ICBP realize that environmental quality factors influence workers working comfort and ICBP tranquility in the business. Therefore, ICBP make some efforts to improve environment quality. ICBP implement 5S work culture (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) and performs processing of industrial waste. The secure and convenient working condition is a consequence of human labor that has the rights to receive the opportunity to work. Company can not let the working condition debilitate physical or moral condition (*Pacem in Terris* 19).

4.3.4. Provide opportunities for workers to participate actively in public life

The involvement of workers in a variety of company internal activities also can not be separated from that with people outside the company. ICBP always involves their workers actively in carrying out various social activities. ICBP workers make improvement to the house of the poor. Workers are also involved actively and together with the community in religious activities such as Ramadhan safari, Christmas safari as well as other social activities such as cleaning the beach and planting mangrove seedlings. Workers as dignified human persons have the right to actively

participate in public life and bring their own contribution to the general welfare. According to Pius XII, "Man as man is not a target or as the passive element in the society, but the actor, basic, and purpose" (Pacem in Terris 26).

4.3.5. Give freedom for workers to organize and associate

ICBP gives freedom for workers to organize and associate. Organizations and unions that exist in ICBP, are a cooperative, Institute for Health Fund, ecumenical prayer communion, Takmin Mosque Board, Federation of All Indonesian Workers Union, and Indofood Bike Community. Freedom to organize and associate is sourced from the fact that human beings are social creatures. As social beings, workers have the rights to organize and associate. Workers will have their own initiative and act on their own responsibility within the organization or activities to achieve goods result (Pacem in Terris 23). In Centesimus Annus 15, the union is a mean to express the personality of each worker in the workplace without violating his conscience and dignity. Union becomes a place for workers to develop themselves. In addition, the union makes contract with the company to protect workers' rights and help workers to feel truly human life in their workplace.

4.3.6. Provide welfare for other stakeholders

Relational activities and responsibilities built by ICBP are not only focused on workers, but also on consumers, suppliers, government, shareholders, and nature. Respect to nature is realized in ICBP business activity by preserving nature. Nature is needed for the survival and welfare of human life. God created the universe and everything in it to complete the human life. God created humans as stewards over all other creatures. Mater et Magistra 197, John XXIII stated, "Nature was to be devoted to human life." Therefore, being more humane in business activities means a company also preserves the nature. In social dimension, company business activities are not only related to human beings, but also to nature.

Through their vision, ICBP believes that the level of acceptability and popularity of a product are inseparable from public confidence (ICBP Annual Report, 2012). Consumer confidence will be determined from the acceptance or non-acceptance of a product. ICBP strives to produce quality products and meet sustainable principles so that products can be accepted and trusted by consumers. Therefore, ICBP are committed to provide quality products that focus on safety and customer satisfaction. To support this commitment, ICBP conducts consumer education by factory visit, market audits, customer satisfaction surveys, and even providing excellent service quality to respond to consumer complaints within 24 hours.

ICBP has performed various attempts starting from the procurement of raw materials up to the products in outlets. This indicates that ICBP always give priority to the safety and satisfaction of the consumers. In addition to establishing a good relationship with suppliers, ICBP seeks to foster communicative relationships, transparent tender, and make payment on time. ICBP also establishes a good relationship with the government through their compliance to government regulations such as obey to pay tax. ICBP increases their sales in order to provide returns to shareholders. What ICBP have done show their respectful attitude to their stakeholders. In their business activities, ICBP do not only focus on specific stakeholder welfare but also on all of stakeholders welfare. All stakeholders are equally considered important because each stakeholder role forms ICBP as a whole. With this respectful attitude, ICBP stakeholders' are not treated as a means to achieve their objectives. ICBP business activity is a joint working of all stakeholders.

4.3.7. Provide a communication of ICBP business activities to stakeholders

Due to many parties being involved in business activities, ICBP communicate all their activities to stakeholders through annual report. Annual report becomes an effective means of communication to their stakeholders. In annual report, ICBP social responsibility activities are communicated as part of corporate governance (ICBP Annual Report, 2012). These activities are social and community activity as well as environmental sustainability. By conveying the complete, correct, fair, and transparent information through annual report, ICBP can enhance the appreciation and trust of stakeholders. Communicating information in the annual report is an effort to realize the truth in establishing social relations.

Human has a special obligation to always move towards the truth, to respect it, and to take responsibility for realizing the truth (Compendium of Social Doctrine of The Church 198). When the co-existence of man in a society is founded on the truth, then it is a concrete form to the recognition of human dignity as a person. Therefore, in personal and social activities such as ICBP business activities are required transparency and honesty. In *Pacem in Terris* 12, "People are entitled to accurate information about public events." The submission of such information indicates an appreciation of human nature. The freedom to seek the truth is an essential characteristics of human. Every human being has the right to get information about the companies where they are concerned. "Indeed, a person denying access to the truth is a person without freedom because he or she can not understand and make conscious choices" (Vaccaro & Mele, 2010).

5. Conclusion and implication

Respect for people and nature is the value that underlies the implementation of CSR in human dignity. Respect value in CSR is sourced from three aspects. First, human dignity as the image of God. As the image of God, human nature has mind and free will. Human also has physical needs and spiritual, moral, as well as intellectual demands. By this understanding, a company will treat all their stakeholders as human beings who have the same dignity. To have the same dignity means all the business activities are aimed to the progress, kindness, and welfare of all stakeholders. Recognition of human dignity similarity is manifested in the fulfillment of the fundamental rights of stakeholders. It also has impact on the natural environment. The welfare of the company and all stakeholders will be achieved if the company also seeks and preserves the nature. Company and nature are a unity. Company is a part of the natural environment and lives by the nature. Second, company as a humane community. This understanding lays the foundation that human being is the centre point of company activities. Company activity is derived from human existence, carried out by human and intended for human. Therefore, company and their activities is understood as human activity. Thus company business activities are a 'joint working' with all stakeholders. Third, human social dimension. In carrying out their business activities, company needs their stakeholders to live and develop. Conversely stakeholders life also depends on company business activities. Their mutual relations create company responsibility for stakeholder welfare.

Thus, CSR is not only understood as company commitment to contribute to society and the environment in the narrow sense (external stakeholder). Society is understood as the community as a whole with the respective roles to company existence and their survival. Workers are company nearest community. They are company internal stakeholders. Implementation of social responsibility starts from internal company then moves outside of the company in sustainable way. In the perspective of human dignity, CSR is an attitude of respect towards the company stakeholders, such as providing a decent lives and welfare for workers and their families, developing moral values and workers empowerment, creating convenient and secure working conditions for workers, providing opportunities for workers to participate actively in public life, providing freedom for workers to organize and associate, providing welfare for other stakeholders, and providing a communication of ICBP business activities to stakeholders.

This study provides an opportunity for future research using different perspectives. Future research can also be done in human dignity perspective by using different companies to get a diversity of CSR implementation, because every company is a "unique humane community." From this study, the researchers can develop a new form of an annual report.

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