



CSR and Its Impacts on Society during Pandemic COVID-19: Evidence from Bali as a Tourist Destination

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ABSTRACT

The emerging body of literature has indicated the positive impact of CSR on society and the environment. However, our understanding of how CSR can support society's resilience in facing crises during the COVID-19 pandemic still needs to be improved. This research focused on answering the following questions about corporate social responsibility to what extent does corporate social responsibility contribute to society in Bali, and how does CSR implement in Bali? This research takes a qualitative case study approach. Data were analyzed by content analysis to the official websites of the top 100 companies in Indonesia in 2020. The findings reveal that CSR has a significant contribution to society in Bali. CSR was implemented in various ways and recipients all over Bali island. Some companies distributed the CSR directly to the communities, and some were collected through local government and then distributed based on a government's list of recipients. There has been good collaboration between industry and government in distributing CSR funds in Bali. The majority of CSR was given in the form of giving free groceries and masks for the poor, personal safety equipment for health workers, and sinks for washing hands in public spaces such as markets, temples, and shops.

1. INTRODUCTION

The tourism sector has also been hard hit by the COVID-19 pandemic. Before the pandemic, the Indonesian Ministry of Tourism and Creative Economy had targeted 7 million foreign tourists visiting Indonesia by 2020. However, this target was disrupted by the COVID-19 pandemic situation. With the closure of airports for domestic and international flights, many tourism businesses in Bali and other tourist destinations were forced to do massive layoffs.

A situation like this has had a direct impact on the economy of the Balinese people who are almost 80% dependent on the tourism industry. Tour guides, event organizers, and wedding photographers lost their jobs and switched professions just to survive. The discontinuation of hotels, restaurants, travel, and tourism destination has had a significant impact on Bali's economy. Therefore, this research aimed to explore the role of CSR in supporting the Balinese community in facing economic crises during pandemic COVID-19. As Sheldon & Park (2011) argue that CSR plays an important role in answering social and human rights issues as well as environmental degradation issues.

A considerable amount of literature has been published on the application of CSR to the tourism industry (Carroll, 1991; de Grosbois, 2011; Hawkins & Bohdanowicz, 2012; Henderson, 2007; Kabir, 2011; Kang et al., 2010; McWilliams & Seigel, 2001; Silalahi & Ginting, 2020). Moreover, the range of CSR strategies and their impacts on company performance has been well documented in the tourism literature (Sheldon & Park, 2011; Henderson, 2007; Kabir, 2011; Kang et al., 2010; Silalahi & Ginting, 2020). However, CSR literature is more concerned with environmental responsibility; little research has been undertaken to address social responsibility. According to Dahlsrud (2008), environmental responsibility refers to environmental stewardship and environmental concern on business operation. For example, mangrove conservation, energy saving initiatives, water saving movement, and planting tree in the forest. Whilst social responsibility refers to relationship between business and society. Moreover, social responsibility refers to the integration of social concern in their business operations as well as focusing on social impact for better society. For example, provide basic food packages for the poor during pandemic or to provide blood donor

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during pandemic. This argument is supported by Williams et al. (2007), who mention that the “majority of the analyzed reports heavily focus on the environmental dimension of CSR and provided less detail regarding the social and economic dimensions”.

Therefore, this research will contribute to filling this knowledge gap to further investigate how CSR impact society during the pandemic COVID-19. For this purpose, we selected Bali as a case study, and the research was guided with the following research questions: to what extends corporate social responsibility contribute to society in Bali, and how does CSR implement in Bali?

2. METHODS

This study was conducted in a qualitative research approach. As stated by Jiang et al. (2010), “qualitative researchers are interested in understanding the meaning people have constructed, that is, how people make sense of their world and the experiences they have in the world”. In order to answer the research questions, content analysis is conducted on the official websites of the top 100 companies in Indonesia. Content analysis is a systematic method of coding published information into various groups based on pre-selected criteria (Guthrie, 2004).

Bali is a famous tourist destination in the world. This is a small island with a current population of 3.5 million, international visitation was grown up to five million tourists and domestic visitors up to 10 million in 2019. The majority of the population works in tourism sectors and heavily relies on international visitation. However, during the pandemic COVID-19 the tourism activities collapse and resulting in an economic crisis in Bali. Massive employment layoffs put enormous pressure on Bali’s fragile economic situation. Therefore, this research chooses Bali as a case study to show how CSR play important role in supporting society during economic crises due to the COVID-19 pandemic. it is a crucial case study that could provide insight into other tourist destinations across the world.

This research uses qualitative content analysis. This is a popular method for analyzing written material. Content analysis is a methodology that requires researchers who use it to make a strong case for the trustworthiness of their data (Potter & Levine-Donnerstein, 1999; Sandelowski, 1995). The trustworthiness of content analysis results depends on the availability of rich, appropriate, and well-saturated data. This research focuses on CSR implementation that supports society during the pandemic COVID-19. Data gathered in this research were analyzed with the following process. Firstly, the data of top 100 largest companies in Indonesia were taken from the Indonesia Stock Exchange website. The data is then reduced with the following criteria: The company operates in Bali, The company has a CSR initiative in Bali, and CSR conducted in 2020. From the results of those data reduction, it was found that only 18 large companies operate in Bali.

Furthermore, researchers conducted content analysis through the website and CSR reports of 18 companies to find out what activities were carried out in Bali and their contribution to the Balinese community during the pandemic. In addition, researchers also conduct content analysis of other large companies operating in Bali as supporting data. In total, there were 39 companies that was used as a source of data to support this research.

3. RESULTS AND DISCUSSION

The targeted sample is the top 100 companies in Indonesia in 2020. The top 100 companies were ranked in terms of their annual income. The main characters of the sample are as follows (see Table 1).

Table 1. Characters of Top 100 Companies in Indonesia in 2020

Characters of Sample Companies	Number of Company(-ies)	% of total N
Firm size (Revenue)		
Max	Rp 826,3 trillion	
Minimum	Rp 106,74 trillion	
Ownership		
Foreign company	1	1%
Collective-owned company (COEs)	2	2%
Private-owned company (POEs)	86	86%
State-owned enterprises (SOEs)	11	11%
Industry		
Agriculture	4	4%
Automobile, Iron and Steel	4	4%
Bank	13	13%
Construction	16	16%
Furniture	1	1%
Grocery/Beverage	6	6%

Farmasi	2	2%
Property	13	13%
Transportation	2	2%
Telecommunication	9	9%
Textile	1	1%
Retail	4	4%
Mining and Metallurgy	15	15%
Poultry Manufacture	2	2%
Tobacco	2	2%
Health Industry	2	2%
Household appliances	2	2%
Manufacture	2	2%
TOTAL	100	

As can be seen in Table 1 that the tourism industry is not listed in the biggest companies in Indonesia. The majority of those companies are construction industries with a total of 16 companies. The second-largest sector is Mining and Metallurgy. About 86% are private-owned enterprise (POE) and only 11% are State-owned enterprises (SOEs). Of the 100 companies on the list of the largest companies in Indonesia, only 18 companies operate in Bali and carry out CSR in Bali. Data from 18 companies can be seen in Table 2. In addition, CSR from other companies operating in Bali is also analyzed to support the arguments in this study. The results of data analysis can be seen in the next section

Corporate Social Responsibility Implementation During Pandemic COVID-19

In the economic crisis during the pandemic, people need funding from various stakeholders to survive. The government has made various efforts to recover the economy in Indonesia. Indonesian government has implemented a fiscal policy on state revenues and expenditures to maintain economic growth and economic stability. From the revenue side, the government pay attention to the contribution of revenue from individual tax and Corporate Income Tax. From the expenditure side, the government focuses the attention to the realization of the use of these funds so that they are right on target and prioritize priority activities for the prevention of the COVID-19 pandemic (Silalahi & Ginting, 2020). Moreover, the government provided cash assistance to the groups of people most affected by the COVID-19 pandemic, including the poor, informal workers and online drivers [40].

However, the government cannot fix all of the problems on its own. In this situation, CSR is playing an important role to support society. Fox et al. (2022) suggest government should play four key roles to support CSR practices: (1) mandating role, government has power to mandate corporations to support community through CSR funding; (2) facilitating role, government has important role to enabling legislation and provide incentives for companies who implement CSR; (3) partnering role; government support the collaboration between corporation and community as well as encouraging stakeholder collaboration in implementation of CSR; (4) endorsing role, government provides political support and praise for those who implement best CSR practice for community.

In Indonesia, government has important role in mandating corporation to support CSR practices. In Law No. 25 of 2007, Article 15b states that “every investor is obliged to implement corporate social responsibility”. Also, mentioned in Article 16d is that each investor has the responsibility of preserving the environment. Moreover, in Law No. 40/2007 on the Corporation, Chapter 5 of Article 74 states that companies running businesses in the field and/or related to natural resources are required to implement social and environmental responsibility plans. The institutionalization of CSR in Indonesia played a significant role in strengthening its position as a legal obligation of corporations (Waagstein, 2011).

This research has conducted content analysis of top 100 companies in Indonesia. All have made reports on CSR activities on the company’s website and most of the activities are focused on handling COVID-19. However, this study focuses on CSR activities carried out in Bali. Researchers found that only 18 companies were included in the top 100 companies that carried out CSR activities in Bali. CSR initiatives of those companies can be seen in Table 2.

Table 2. CSR Activities in Bali Funded by Big Companies in Indonesia

No	Name	CSR in Bali
1	Ace Hardware Indonesia Tbk.	1,400 pairs of latex gloves, 400 hazmat suits, 100 temperature gauges, 100 face shields and goggles. This donation is a form of support for medical personnel in preventing the spread of COVID-19 [43]

2	Adhi Karya (Persero) Tbk.	750 packages of basic food items were distributed to people in need. The basic necessities are distributed to homeless people, online drivers, and street vendors [44]
3	Astra International Tbk.	11,000 pcs hand gloves, 1,100 pcs medical masks as well as cloth masks and portable washbasin [45]
4	Bank Central Asia Tbk.	BCA's total donation for handling COVID-19 reached IDR 12 billion. In addition, BCA also fosters Tourism Villages to survive the COVID-19 pandemic [46]
5	Bank Negara Indonesia (Persero) Tbk.	74,768 personal protective equipment (PPE), 465,918 masks, four PCR detection devices, three ambulance units, 3 ventilators and 1 freezer storage unit, 12,317 gloves, thermo gun, and vitamins, and 135,806 food packages for people affected by COVID -19. BNI has distributed more than 10,000 food aid packages to ease the burden on the Balinese people affected by COVID - 19 [47]
6	Bank Rakyat Indonesia (Persero) Tbk.	No information available regarding CSR funds for Bali [48]
7	Bank Tabungan Negara (Persero) Tbk.	BTN installed 710 coral reefs in the St. Regis Beach, Nusa Dua and released 7,100 baby turtles which involving communities who impacted by pandemic COVID-19 [49]
8	Bank Mandiri (Persero) Tbk.	By the end of 2020, Bank Mandiri Regional XI Bali & Nusa Tenggara has issued Rp.4,425 billion CSR funds in the Bali region for communities impacted by pandemic COVID-19 [50]
9	XL Axiata Tbk.	Distributed 1000 packages of basic necessities to fishermen in Bali [51]
11	Garuda Indonesia (Persero) Tbk.	No information available regarding CSR funds for Bali
12	H.M. Sampoerna Tbk.	H.M. Sampoerna spend Rp. 70 billion CSR funds for handling of the COVID-19 pandemic in Indonesia. In Bali, Sampoerna distributed 600 food packages for volunteer COVID-19 [52]
13	Jasa Marga (Persero) Tbk.	The Corporate Social Responsibility (CSR) program that has been implemented by Jasa Marga Bali Tol (JBT) were tree planting, sharing knowledge with students and assistance for communities affected by COVID-19 and repairing public facilities and places of worship [53].
14	Matahari Department Store Tbk.	No information available regarding CSR funds for Bali
15	Unilever Indonesia Tbk.	Unilever made donations worth Rp200 billion in total, including 8.5 million products to members of the public and medical personnel, 40,000 PCR testing kits, 52,000 meals and 60,000 masks for medical staff, 700 portable wash basins for the community and personal protective equipment (PPE) and many other supports distributed all over Indonesia [54].
16	Perusahaan Gas Negara Tbk.	PGN spend Rp.55 billion in total for CSR. In 2020, most of the funding was spend for : basic food packages to those in need, activation of gas for public kitchens at the Wisma Athlete Emergency Hospital for 5 months, provision of portable hand washing facilities in several public facilities, nutritious food packages for health workers, implementation of mass COVID-19 rapid tests, as well as the provision of PPE, medical masks, disinfectant equipment, hand sanitizers to several hospitals in Indonesia, PGN employees, and communities around the Company's operational areas, including Bali [55].
17	Bank CI MB Niaga Tbk.	CIMB has distributed Rp. 225 million for handling COVID pandemic [56].
18	Bank Permata Tbk.	No information available regarding CSR funds for Bali

From Table 2, it can be seen that large companies that have branches in Bali then support the people of Bali with various assistance in the form of their CSR implementation. This finding is supporting Silalahi & Ginting (2020) argument that view CSR as the implicit social contract between the society and the firm for the long-term benefits in response to societal needs and wants. During the pandemic, society's basic needs are groceries, personal protective equipment, and free medical services.

The following quotes from several websites indicate some CSR have been implemented by the Banking and construction industry in Bali.

"BNI company has carried out COVID-19 detection activities by carrying out PCR tests in various cities throughout Indonesia, including Jakarta, Padang, Palembang, Yogyakarta, Solo, Semarang, East Java, Banjarmasin, Bali and provided direct assistance in the form of 135,806 food packages to communities affected by COVID-19".

"Bank Mega spend more on Corporate Social Responsibility (CSR) activities in the midst of a pandemic COVID-19. The assistance provided included 128 slices MSCT scans, digital mobile x-rays,

ventilators and bed monitors, infusion and pumps, electrocardiogram (EKG) and defibrillators, Central Monitor, mobile oxygen, Intensive Care Unit (ICU) and High beds. Care Unit (HCU) which is worth around ninety billion rupiah. Also, assistance in the form of basic groceries to the community in around 379 branch offices throughout Indonesia as many as 16 thousand packages worth Rp. 1.6 billion”[.

“Our CSR provide cash assistance, masks, hand sanitizers, digital thermometers, disinfectant sprays, vitamins, the establishment of portable sinks, Personal Protective Equipment packages for nurse and doctor, and necessities for society affected by the pandemic”.

In addition, the government in Bali plays facilitating roles in facing economic crises during pandemic COVID-19. The Bali government has collected some CSR funding from several companies that operated in Bali. The following data were collected from Bali’s government website on CSR that funded by enterprises that operate in Bali (see Table 3)

Table 3. CSR Activities that Funded by Companies in Bali.

No	Name	Contribution	Amount (Rp)
1	Scholars of Sustenance (SOS)	Food package	1,800,000
2	INTI Bali	Desinfectan, spraying machine, washbasin	60,000,000
3	PT. PELINDO III Bena	spraying machine, Sterilization Chamber, wash basin, food	120,600,000
4	Bank Pembangunan Daerah Bali KC. Renon	Masker, Face Shield, food package, Thermo gun, Protective clothes wash basin.	282,945,000
5	Yayasan Bina Ilmu	150 food packages	147,900,000
6	Bank Indonesia	Hand Sanitizer, Mask, Gloves, protective clothes, rapid test, Thermo gun, Food package	409,120,000
7	PT. Bali Turtle Island Development	Hazmat clothes 30 pcs	10,000,000
8	PT. Agung Automall (Agung Toyota)	School bus	300,000,000
9	Tower Bersama Group	Ventilator, protective clothes, Thermo gun, Mask, Face Shield	688,407,000
10	PT. Indonesia Power Bali PGU	Hand Sanitizer, protective clothes, rapid test, Food package	13,862,500
11	Tower Bersama Group	Ventilator	1 pcs
12	PT SUPARMA TBK	Hand Towel Multi fold	10 pcs
13	Forum Pengelola Pasar Desa Kota Denpasar	Protective clothes	24 pcs
14	Perusahaan Daerah Air Minum Kota Denpasar	Portable washbasin	3
15	Barong Bali	Portable washbasin	4
16	PT. Narendra	Portable washbasin	1
17	Honda Astra Motor	Portable washbasin	5
18	STIKI Indonesia Bali	Portable Sterilization Chamber	2
19	Pelindo III Pelabuhan Celukan Bawang	Ambulances and PPE for medical purposes	1
20	Bank BPD Bali Jembrana	Ambulance for Swab PCR Test	1
21	Erlangga Publishing company	400 Food packages	400 packages

Source: Bithara et al. (2020)

The small and medium-sized enterprises (SMEs) have also participated in reducing the economic burden of Balinese communities by providing food aid and PPE. Moreover, some tourism companies, in a crisis still be able to carry out CSR activities to support the Bali society to survive in the pandemic. For example, Grand Inna Kuta has done several CSR activities namely; blood donation, beach clean-up, trees planting, food assistance during pandemic (Iping, 2020). ITDC (Indonesian Tourism Development Center) also has distributed CSR funds to support the community in Nusa Dua and in Mandalika (Sarmila et al., 2013).

The findings reveal that CSR has significant contribution to society in Bali. CSR were implemented in various ways and recipients all over Bali island. Some of companies distributed the CSR directly to the communities and some were collected through local government and then distributed based on government list of recipients. There has been good collaboration between industry and government in distributing CSR funds in Bali.

Important Findings

This paper argues in similar vein with (Sheldon & Park, 2011) that CSR plays important roles in supporting Bali's society during the economic crisis due to pandemic COVID-19. Various CSR activities (e.g. environmental, economic and social responsibility) contribute directly and indirectly to providing local people with economic power.

Sarmila et al. (2013) argue that government plays two important roles in CSR projects, as the supporting agency and as leader in the community. Therefore, this research argues in similar vein with Bithara et al. (2020) that practical implementation of CSR needs to be shared with equal effort through collaboration with the government agency to ensure the practicality and the success of the program. Moreover, the research found that CSR that provide food and supplies to local community and that really needed by the society.

This research also found that several CSR that distributed to society through to the government for the renovation of poor housing and basic settlement equipment. Once the house is built, communities are encouraged to grow small kitchen gardens of chilies, lemon grass, ginger, bananas, turmeric, spinach, coconuts and other foods to help sustain them. This way, company teaches the poor not only to plant trees for environment purposes, but also to help them achieve food self-sufficiency. However, law enforcement in CSR implementation should be improved to ensure greater participation of businesses in tackling social and economic crises. More political support and guidance is needed from the national government to enable local authorities to work in partnership with other stakeholders.

4. CONCLUSION AND RECOMMENDATION

Results from our content analysis showed that CSR plays an important role in helping society in facing the economic crisis during the pandemic. Our study also highlights the important role of government as mediation for CSR implementation. In some areas, CSR funding was given to government officers to support the public services especially in health and community service in the rural areas. As the majority of tourism businesses in Bali are collapsing, the support from government and other industries is necessary for Bali communities and entrepreneurs in Bali. Although this study has made important contributions to the knowledge of CSR, two limitations acknowledged here are related to the generalizability of the findings and possible sample bias. Firstly, data were collected and analyzed in the form of a qualitative case study. This approach has limitations in regards to the overall generalizability of the findings. Secondly, the sample of this research is limited to 100 best companies in Indonesia, which restricts the researcher's knowledge of CSR practices for non-participants. Thus, future research should consider using a more comprehensive sampling design that would contribute to higher reliability and validity of the data. It is not representative of everywhere, but it does have generalizable implication and can reveal important hypotheses ripe for future study.

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