

CSR Implementation in a Public-Sector Logistics Context

Azmi Muhammad Islam¹, Izza Kahla Syakira^{2*}

^{1,2} Management Department, Universitas Muhammadiyah Yogyakarta, Indonesia

 izza.kahla.feb22@mail.umy.ac.id

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ABSTRACT

This study explores the implementation of Corporate Social Responsibility (CSR) at PT Kereta Api Logistik (KAI Logistik), a state-owned logistics enterprise in Indonesia, through the lens of the Triple Bottom Line (TBL) framework. Using a qualitative observational method, the research documents how CSR initiatives are operationalized across social, economic, and environmental dimensions. The findings reveal that CSR activities ranging from employee training and literacy campaigns to sustainable logistics innovations and ecological restoration reflect a growing integration of sustainability principles into the firm's organizational practices. Rather than being limited to compliance or image-building, CSR at KAI Logistik demonstrates alignment with national development goals and emerging public expectations around responsible state enterprise governance. This study contributes to the literature by providing contextualized insights into how TBL can be practically enacted in a public-sector logistics setting in an emerging economy. The paper also highlights the strategic potential of CSR as a vehicle for stakeholder engagement, institutional legitimacy, and sustainable development in state-owned enterprises.



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1. Introduction

Corporate Social Responsibility (CSR) has become a defining pillar of modern business strategy, reflecting a shift from profit-maximization toward stakeholder-oriented value creation. In an era of heightened global awareness about climate change, inequality, and governance accountability, the expectation that corporations must address their social and environmental footprints has intensified (Carroll, 1991; Carroll & Shabana, 2010; Freeman et al., 2007). CSR is no longer viewed as a peripheral or philanthropic activity; it is now considered a strategic imperative for building organizational legitimacy, enhancing stakeholder trust, and ensuring long-term resilience (Kramer & Porter, 2011). The integration of CSR into core business operations offers firms not only reputational benefits but also opportunities for innovation, differentiation, and sustainable growth.

Among the many theoretical models used to frame CSR, the Triple Bottom Line (TBL) framework proposed by Elkington, (1997) remains one of the most influential. TBL suggests that firms must pursue a balanced performance across three dimensions: Profit (economic viability), People (social equity), and Planet (environmental stewardship). This model challenges firms to evaluate success not only in financial terms but also based on their broader contributions to society and the environment. As noted by Gunawan, (2019), companies that adopt the TBL approach are better positioned to respond to stakeholder demands, regulatory scrutiny, and global sustainability challenges. However, translating TBL from concept to practice remains a challenge, particularly in emerging markets where institutional support may be uneven and stakeholder expectations are heterogeneous.

In Indonesia, the institutional landscape supports CSR through formal regulations, including Law No. 40/2007 on Limited Liability Companies and Government Regulation No. 47/2012, which mandate CSR obligations for companies involved in natural resource management. These legal instruments reflect the Indonesian government's recognition of CSR as a mechanism for promoting sustainable development and addressing environmental externalities (Wahyuningrum, 2014). For companies operating in the logistics sector where the carbon footprint, community interaction, and supply chain impacts are pronounced CSR becomes not only a compliance requirement but a strategic avenue for value co-creation and societal engagement (Lindawati & Puspita, 2015).

This study explores how PT Kereta Api Logistik (KAI Logistik), a state-owned enterprise in the logistics sector, implements CSR programs guided by the TBL framework. Employing a qualitative observational approach and analysis of company documents, the research investigates how CSR initiatives at KAI Logistik align with sustainable development goals and contribute to social and environmental impact. By situating the inquiry within Indonesia's logistics sector, this study offers insights into the operationalization of CSR in state-affiliated firms and contributes to the broader discourse on embedding sustainability in corporate strategy in emerging economies.

2. Literature Review

2.1 Corporate Social Responsibility: Theoretical Foundations

Corporate Social Responsibility (CSR) is broadly conceptualized as a company's ethical obligation to integrate social and environmental considerations into its decision-making and operations beyond legal compliance (McWilliams & Siegel, 2001). Rooted in stakeholder theory (Freeman et al., 2007), CSR challenges the narrow view of profit maximization by promoting a broader accountability to stakeholders including employees, communities, customers, and the natural environment. Over time, CSR has evolved from ad hoc philanthropic actions to a more integrated element of corporate governance, often institutionalized through CSR departments, sustainability reporting, and key performance indicators (Carroll, 1991). In emerging economies, CSR also plays a compensatory role in addressing governance gaps and public service deficits, particularly in sectors with significant environmental and social externalities (Visser, 2008).

2.2 The Triple Bottom Line (TBL) Framework

The Triple Bottom Line (TBL) framework, introduced by (Elkington, 1997), provides a holistic paradigm for assessing corporate performance across three interconnected domains: Profit (economic sustainability), People (social equity), and Planet (environmental stewardship). Unlike traditional financial metrics that emphasize short-term profitability, TBL underscores the importance of generating shared value that sustains long-term economic viability, social well-being, and ecological balance. Scholars such as Hahn et al., (2010) and Savitz, (2013) have emphasized that TBL is not merely about balancing trade-offs, but about integrating these dimensions to achieve synergistic outcomes. Despite its appeal, challenges in operationalizing and measuring TBL outcomes persist, especially in contexts lacking standardized frameworks or institutional maturity.

2.3 CSR and TBL Implementation in the Logistics Sector

The logistics and transportation sector presents a unique landscape for CSR implementation due to its expansive carbon footprint, energy intensity, and community-level impacts along distribution networks (Sarkis, 2012). In this sector, CSR strategies typically address environmental sustainability (e.g., emission reduction, waste management), community engagement, and occupational safety. For state-owned enterprises such as PT Kereta Api Logistik in Indonesia, CSR also serves as a vehicle for national development goals, aligning with state-led initiatives like the Sustainable Development Goals (SDGs) and mandatory CSR regulations (Wahyuningrum, 2014). Empirical studies have highlighted the potential of CSR to enhance operational efficiency, reduce reputational risks, and foster stakeholder trust in public logistics providers (Gunawan, 2019; Lindawati & Puspita, 2015).

Within the Indonesian regulatory framework, CSR is codified in Law No. 40/2007 and Government Regulation No. 47/2012, requiring certain firms especially in resource-intensive sectors to institutionalize CSR as part of their strategic planning. These legal mandates are not only prescriptive but also symbolic of the state's commitment to sustainable industrial governance. In the case of PT Kereta Api Logistik, embedding the TBL framework into CSR practices offers a lens for examining how social, environmental, and economic goals are balanced and integrated within a state enterprise's business model.

3. Research Methods

This study adopts a qualitative observational design to explore the implementation of Corporate Social Responsibility (CSR) at PT Kereta Api Logistik (KAI Logistik) through the lens of the Triple Bottom Line (TBL) framework. Observation was chosen to capture the natural enactment of CSR practices without researcher intervention, enabling a deeper understanding of how sustainability values are translated into routine activities. The research was conducted over five months, from September 2024 to January 2025, during which the author was embedded in the organization as part of the Merdeka Belajar Kampus Merdeka (MBKM) independent internship program.

Data were collected through direct observation and document analysis. The researcher recorded field notes while participating in various CSR-related activities, including literacy campaigns, environmental restoration programs, and community development initiatives. Supplementary data were obtained from CSR reports, internal publications, and visual documentation shared by the company. This methodological approach allowed for rich, contextualized insights into how the company addresses the three pillars of sustainability People, Profit, and Planet within its organizational environment.

Thematic analysis was applied to identify patterns related to the firm's social, economic, and environmental initiatives. Coding was conducted iteratively, combining inductive themes emerging from observation with deductive categories derived from the TBL model. The data analysis followed the stages of reduction, display, and conclusion drawing, as proposed by Miles & Huberman, (2014). While limited in generalizability, the study offers ecologically valid insights into CSR implementation in a state-owned logistics firm, highlighting the lived dimensions of corporate sustainability practices in an emerging economy context.

4. Results And Discussion

4.1. Social Dimension (People)

KAI Logistik demonstrates a strong orientation toward social responsibility through both internal and external initiatives. Internally, employee training programs such as Social Return on Investment (SROI) and social mapping aim to enhance staff awareness of social impact and equip them with tools to design more targeted community engagement strategies. These efforts contribute to embedding a culture of responsible citizenship within the workforce.

Externally, initiatives such as “KAI Logistik Goes to School” involve distributing educational books to elementary schools and introducing students to careers in logistics and railway operations. This program promotes community literacy, supports education quality (aligned with SDG 4), and builds long-term relational capital between the firm and its social environment. Moreover, the company has supported local microenterprises and engaged in social mapping to align CSR activities with actual community needs. These actions are consistent with stakeholder engagement principles and reflect a shift toward participatory CSR (Freeman et al., 2007).

4.2. Economic Dimension (Profit)

Unlike traditional views of CSR as cost centers, KAI Logistik's CSR programs exhibit alignment with business strategy and operational performance. The company innovates within its service portfolio by offering eco-friendly logistics solutions, such as hazardous waste transportation (limbah B3) and low-emission coal handling, demonstrating how environmental compliance can evolve into competitive advantage. This resonates with the “shared value” proposition, where addressing societal problems becomes a source of innovation and productivity (Kramer & Porter, 2011).

Furthermore, CSR is also positioned as a tool for brand enhancement and customer loyalty. By aligning corporate activities with sustainability narratives, KAI Logistik reinforces its legitimacy as a responsible state-owned enterprise. Observational data also indicated efforts toward cost efficiency and risk mitigation through better resource allocation and stakeholder cooperation, reflecting the potential of CSR to improve firm-level economic outcomes (McWilliams & Siegel, 2001).

4.3. Environmental Dimension (Planet)

KAI Logistik's environmental programs are among the most visible components of its CSR strategy. The firm has engaged in multiple green initiatives, including the planting of 1,200 trees, active participation in national mangrove reforestation efforts, and the adoption of sustainable packaging practices. These actions

reflect a proactive stance toward environmental preservation, aligned with TBL's ecological pillar and SDG 13 (Climate Action).

In addition, the firm implements regulated waste management for hazardous materials and promotes energy-saving measures within operational facilities. Such actions are consistent with sustainable logistics frameworks that advocate for reduced emissions, resource efficiency, and circular economy practices (Sarkis, 2012). Through these activities, the company positions itself as a logistics provider that acknowledges its environmental responsibilities.

Table 1. CSR Implementation

TBL Dimension	CSR Initiatives	Observed Impacts
People	Employee training (SROI, social mapping); literacy outreach; SME support; school engagement	Improved social awareness; community education; early engagement with future workforce
Profit	Eco-friendly logistics (hazardous waste, clean coal); cost efficiency; risk management; brand positioning	Strategic alignment with business goals; enhanced reputation; potential operational benefits
Planet	Tree planting, mangrove reforestation; sustainable packaging; B3 waste management; energy efficiency	Visible environmental commitment; emission reduction efforts; improved waste handling practices

4.4. Toward Strategic CSR Integration

Overall, the findings suggest that KAI Logistik has made significant progress in implementing CSR across the three TBL dimensions. The CSR approach moves beyond compliance, reflecting embeddedness in both corporate identity and stakeholder relationships. Yet, the company's CSR framework still exhibits traits of programmatic CSR with predefined activities and periodic reports rather than fully strategic, adaptive CSR driven by impact metrics and stakeholder co-creation. To evolve toward a more strategic CSR model, KAI Logistik could strengthen its outcome measurement mechanisms, adopt integrated reporting (e.g., GRI Standards), and engage in collaborative governance with external stakeholders. Such a shift would not only elevate the firm's sustainability performance but also align its CSR activities with global best practices in responsible logistics and public sector innovation.

5. Conclusion

This study has examined how PT Kereta Api Logistik (KAI Logistik) implements Corporate Social Responsibility (CSR) in alignment with the Triple Bottom Line (TBL) framework, encompassing the dimensions of People, Profit, and Planet. Observational findings demonstrate that CSR is no longer treated as an isolated function but increasingly integrated into the organization's operational and developmental agenda. Through initiatives such as employee development programs, education based community outreach, green logistics innovation, and environmental restoration, KAI Logistik exhibits an emerging model of CSR that reflects both institutional responsibility and adaptive public value creation.

The study affirms that CSR, when guided by the TBL lens, can serve as a strategic platform for linking state-owned enterprise mandates with national development goals and global sustainability standards. In the context of Indonesia's logistics sector, CSR holds significant potential not only to enhance social and environmental outcomes but also to reinforce organizational legitimacy and cross-sector collaboration. These insights offer practical relevance for other public enterprises seeking to embed sustainability into their core operations, and reinforce the view that CSR is an evolving capability shaped by stakeholder dynamics, sectoral context, and strategic intent.

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