

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

Dini Primasari Priadi, Kurniawati

Universitas Trisakti, Indonesia

Email: 122012206007@std.trisakti.ac.id, kurniawati@trisakti.ac.id

ABSTRACT

The energy sector requires strong integration between business strategy and Corporate Social Responsibility (CSR), especially to maintain competitiveness in the shift toward clean and sustainable energy. This research aims to analyze how business strategy influences CSR implementation in Indonesia's energy industry, focusing on the role of business development, corporate actions, and leadership support across subsectors such as oil and gas, minerals and coal, electricity, geothermal, renewable energy, bioenergy, and energy conservation. Using a qualitative approach with in-depth interviews, data were collected from respondents involved in strategic planning and CSR in energy companies. The findings show that business strategy has a significant positive influence on CSR practices; however, strategic integration remains weak due to limited managerial awareness of CSR's potential to create competitiveness, strengthen reputation, and build stakeholder trust. Companies still prioritize operational and financial performance over sustainability initiatives. Practically, the study highlights the need to align CSR with national priorities and global sustainability trends, supporting market positioning and long-term value creation. Strengthening sustainability-oriented innovation, clean energy development, and community-based CSR programs can enhance competitive advantage. Leadership support is crucial in embedding CSR into business strategy and organizational culture, enabling differentiation and success in Indonesia's evolving energy market.

Keywords: *Corporate Action; Leadership Support; Oil and Gas; Minerals and Coal (Minerba); Electricity.*

This article is licensed under [CC BY-SA 4.0](https://creativecommons.org/licenses/by-sa/4.0/) 

INTRODUCTION

Business and trade generate both positive and negative impacts that create new problems at the national and global levels. The business world and business leaders have a significant role to achieve a sustainable future because of their large role in the business ecosystem. Company leaders are always looking for solutions and innovations to maintain the competitive advantage of their products and services in the global market. In a post-financial economic climate, the challenges faced by leaders will continue to increase, resulting in an increased likelihood of business failures. To survive in these conditions, the business world needs leaders who can manage companies and overcome these challenges (Christopher G. Beehner, 2020).

Sustainability is a challenge as well as an opportunity that is increasingly mandatory for the business world to overcome. The ecological disaster happening today is the result of human exploitation of natural resources in a global economic mechanism dominated by capitalism and consumerism. The main root of environmental problems is the lack of concern for humans and prioritizing personal interests over the long-term needs of the welfare of current and future generations. The business world of the energy sector is the largest consumer of natural resources and generates a cumulative impact on the environment, especially because of the wide range of social architecture business sectors in several developed countries. Thus, consideration of business actions is separate from the socio-ecological system, ignoring the highly interconnected sustainability challenges. While sustainability and social benefits are rarely considered as elements of the business model, the goal of traditional capitalism is to

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

generate profits, and there is now growing concern both inside and outside the industry about how those profits are generated (Christopher G. Beehner, 2020).

Various stakeholders are now demanding business accountability for environmental and social impacts, while technological advances have increased the pressure to make companies more sustainable, so business leaders are challenged to meet environmental and social goals in addition to commercial targets (Opdebeeck, 2014). Companies that adopt responsible business practices and maintain credibility will benefit from reputation and performance, and be better prepared to face the risk of an economic slowdown, so consensus is needed on the urgency of risk, actions needed, and goals to be achieved, including strengthening ESG regulations to ensure transparency (World Economic Forum, 2024). CSR itself is a voluntary commitment to improve the welfare of the community through sustainable business practices and the contribution of corporate resources to stakeholders, which must be based on the triple bottom line people, planet, profit so that the sustainability of the company is more guaranteed (Newman et al., 2020). This awareness is strengthened by the Indonesian government through the SDG technical guidance to integrate the principles of sustainable development into corporate policies and programs in accordance with national regulatory frameworks such as Presidential Regulation No. 59/2017, RPJMN 2020–2024, and POJK No. 51/2017 (Bappenas, 2020).

The Government of the Republic of Indonesia through the Ministry of National Development Planning/National Development Planning Agency (Bappenas) issued Technical Guidelines for the Preparation of Action Plans for Sustainable Development Goals (SDGs) in 2020. Regarding Leveraging Energy Action For Advancing The Sustainable Development Goals, SDG 7 is essential for a sustainable economy; a joint planning and construction mechanism is needed. Accelerating the development of an integrated strategy for Energy, Electric Transportation, and Digitalization at the national level is necessary to achieve the 2030 target by prioritizing global energy interconnection and clean transition (United Nations, 2021).

Global energy consumption growth is expected to grow slowly in line with the global economic slowdown in 69 countries, which will grow 1.8% in 2024. Demand grew by around 3.1% due to strong Asian demand support. The Economist Intelligence Unit (EIU) explains the investment plan in Indonesia in the Just Energy Transition Partnership has a value of US\$ 20 billion for decarbonization. This plan aims to make Indonesia's total energy sector emissions peak in 2030 and net zero in 2050. However, this plan was delayed due to funding negotiations that have not reached a point of convergence with developed countries, especially related to the existence of renewable coal power plants in Indonesia (The Economist Intelligence Unit, 2024).

In an effort to maintain economic stability, central banks in BIS-ACC support the Asian Green Bond Fund, which funds renewable energy and energy efficiency projects (BI, 2022), in line with the focus of the energy sector that has a major impact on the environment due to emissions and resource exploitation (Karagiannopoulou et al., 2023). Indonesia's energy consumption pattern over a decade shows an increase in the dominance of the industrial and transportation sectors (National Energy Council, 2023), while global energy inflation due to geopolitical conflicts remains a challenge, even though Indonesia's situation is relatively more controlled (IMF, 2023; BPS, 2023). The government responded through an energy security strategy based on oil and gas, mineral and mineral resources, electricity, and NRE (Ministry of

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

Energy and Mineral Resources, 2021). On the other hand, the development of CSR in the energy sector is increasingly important as a form of environmental and social responsibility (Setiantono et al., 2020), in line with the principles of sustainable business practices (Sjioen et al., 2023) and the need for a structured business strategy in the implementation of CSR (Getele et al., 2022).

Business strategies including external-internal factor analysis, planning, and evaluation are applied to create a sustainable competitive advantage, supported by business development that not only pursues profits but also minimizes environmental impacts (Alkadri et al., 2023; National Energy Council, 2023). In addition, corporate action strengthens capital and business expansion (Maulana & Yuliana, 2022), while leadership support acts as a strategic leadership style that increases long-term sustainability (Indah Dwi Riastuti, 2021). Previous research confirms that CSR must be integrated with corporate strategies in dealing with post-pandemic price volatility and supporting sustainable energy investments (Karagiannopoulou, 2023; Wei & Lin, 2024; Wu, 2023). Business development is a core competency of modern companies, while corporate actions must be aligned with sustainability culture and strategy, including appointing decision-makers who understand sustainability issues (Kasradze et al., 2023). Leadership support is needed to ensure quality resources, policies, and data governance so that CSR truly creates value in the increasingly fierce business competition (Tanpoco & Magnaye, 2025; Alkadri et al., 2023; Maulana & Yuliana, 2022; Riastuti, 2021).

Based on a global agreement oriented toward achieving sustainable goals and handling climate change, while encouraging energy efficiency and the use of renewable energy, the Government of the Republic of Indonesia has issued Indonesia's Sustainable Development Goals (SDGs) Roadmap until 2024. Thus, cross-ministries and sectors can synergize to make breakthroughs based on the SDG framework that contributes to the achievement of national commitments, especially toward Natural Resources Management and Energy Efficiency through creating clean and sustainable energy (Bappenas, 2021).

Breakthroughs from the Ministry of Finance include policy order and creation of fiscal instruments, issuance of market instruments in the form of Green Sukuk and TPB Bonds, regulations on carbon taxes and energy transition. The ESG reference used is listed in the ESG framework in the context of the implementation of infrastructure and operational projects of a business entity, including Morgan Stanley Capital International (MSCI) ESG with Score - 35 standards and Schrodgers with ESG Risk Analysis Framework – 18 standards (Ministry of Health of the Republic of Indonesia, 2022) and (UNDP, 2022).

From previous research, it can be seen the importance of business strategy in the implementation of CSR. Therefore, it is necessary to conduct research related to the importance of business strategy in the implementation of CSR and the importance of research in measuring business strategy reviewed from business development, corporate action, and supportive leadership. In addition, one important fact is the involvement of the Indonesian government in formulating the draft blueprint strategy for the National Medium-Term Development Plan (RPJMN) 2020–2024, reflecting its commitment to decarbonization efforts. This is an integral part of realizing sustainable and environmentally friendly development, which is expected to provide benefits for the entire community. By adopting a business strategy that integrates social, environmental, and good governance aspects, companies can embed these elements into

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

all aspects of their operations, ultimately contributing to sustainable growth in the energy sector for the long term in Indonesia.

Based on the background described, this study aims to analyze the role of business strategy in the implementation of Corporate Social Responsibility (CSR) in the energy sector in Indonesia, focusing on the contribution of business development, corporate action, and leadership support. The goal is to evaluate the extent to which the integration of business strategies can support the effectiveness of CSR programs as well as achieve sustainability goals. The expected benefit of this research is to provide strategic recommendations for energy companies in optimizing CSR practices that align with business goals and sustainable development, to increase competitiveness, reputation, and positive contribution to society and the environment.

RESEARCH METHODOLOGY

This study uses a qualitative design with an in-depth interview method to evaluate the role of business strategy in the implementation of CSR in the energy sector, including the contribution of business development, corporate action, and leadership support in achieving sustainability goals. The research respondents consisted of 30 professionals at various levels in energy companies in Indonesia, ranging from president directors, directors, vice presidents, managers, to executives responsible for business strategies and CSR programs. The independent variable in this study is the role of business strategy, while the dependent variable is the role of CSR, with control variables including name, age, gender, type of industry, title, and division. Data collection was carried out through direct interviews, online questionnaires, and primary data in the form of actual CSR practices, as well as secondary data from company documents and other trusted sources. The sample was determined by simple random sampling technique for energy sector companies in Indonesia. Data analysis was carried out qualitatively through source triangulation, observation of sustainability practices, and internal company documentation, then processed using content analysis to identify patterns of findings related to the integration of business strategies and CSR implementation from a sustainability perspective.

RESULTS AND DISCUSSION

Description of Research Data

The research was conducted to evaluate the role of business strategy in the implementation of CSR in the energy sector, analyze significant business strategies supporting CSR implementation in the energy sector, assess its role in the success of CSR programs, and analyze the success rate of business strategy in achieving sustainability goals through CSR implementation.

The data in the study are primary data, obtained directly from the original sources. Data collection was conducted by the researcher using primary data through distributing questionnaires for interviews to respondents directly and via an online questionnaire (Google Form). The respondents of this study came from companies engaged in the energy sector in Indonesia. The total number of respondents was 30, consisting of employees with positions ranging from executive, senior executive, assistant manager, manager, vice president, director, and president director.

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

To strengthen the findings, especially their alignment with the company's sustainability practice model in the industrial sector, data verification was conducted using triangulation techniques. For analyzing the research findings related to the extent of sustainability practices applied by companies in the energy sector and the business strategies related to CSR carried out by companies, this study used content analysis. The variables, definitions, and indicators used in this study based on existing theories or references can be seen in the following table.=.

Table 1. Variable Indicators

Ye s	Variabel	Definition	Indicator	Key Indicator	Source
1	<i>Business Development</i>	The role of business strategy in the implementation of <i>CSR</i> in the energy sector.	▪ CSR Activities and Implementation ▪ Sustainability Report ▪ Support investment ▪ support ESG principles and sustainable management	▪ Commitment and attitude ▪ Disclosure of reports ▪ Economic fulfillment ▪ Compliance	(Reinhardt & Stavins, 2010); (Karagiannopoulou et al., 2023); (Getele et al., 2022)
2	<i>Corporate Action</i>	The significant contribution of business strategy in supporting the effectiveness of <i>CSR</i> program development.	▪ CSR program support ▪ Become an effective business strategy	▪ Commitment and attitude ▪ Strategy effectiveness	(United Nations, 2021); (Wu et al., 2023)
3	<i>Leadership Support</i>	The success rate of the role of business strategy in the implementation of <i>CSR</i> in achieving sustainability goals.	▪ Achieving sustainable strategy ▪ Supporting energy efficiency	▪ Achieving sustainable goals ▪ Prevention and control of energy consumption	(Elmassri, Pajuelo, et al., 2023)
4	<i>Corporate Social Responsibility</i>	Business strategy has an important role in sustainable development and <i>CSR</i> .	▪ Achieving sustainability goals ▪ Support CSR implementation	▪ Achieving sustainable goals ▪ Responsible	(Karagiannopoulou et al., 2023)
		Business strategies that are different in each company make the company's response to the environment and how the business strategy implemented plays a role in today's market conditions.	▪ Supporting and implementing the Sustainable Development Goals ▪ Supporting ESG principles	▪ Compliance ▪ Standards of Practice	Mukonza dan Swarts, 2019

Source: Processed from various sources

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

Data Analysis

In obtaining data according to the variables in each research objective, the author uses the main data sourced from the results of interviews and observations in the field which is strengthened by the results of structured interviews with relevant sources. Respondents as resource persons with an age range of 31 to 60 years mean the productive age consisting of 26.7% of the millennial generation (Y) and 73.3% of the sandwich generation (X) as described in the figure below:

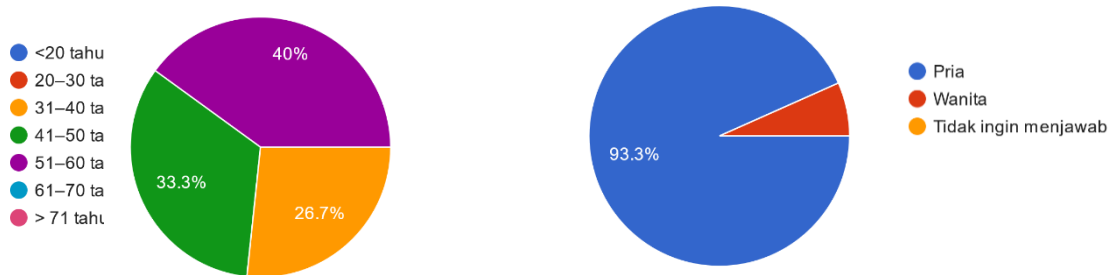


Figure 1. Respondents' Age and Gender

Source: (Processed by Researcher).

The companies where the respondents work in the energy sector based on the figure below are the majority of 40% in the national private industry, 26.7% work in foreign companies and State-Owned Enterprises in the energy sector located in Indonesia.

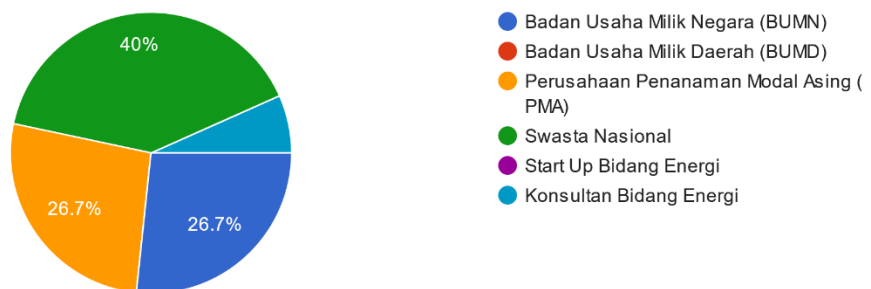


Figure 2. Respondent's Place of Work

Source: (Processed by Researcher).

These energy sector companies are 66.7% not listed on the Indonesia Stock Exchange but some are listed on the Foreign Stock Exchange and 26.7% are listed on the Indonesia Stock Exchange.

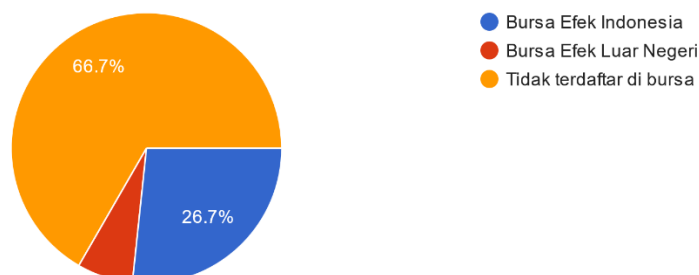


Figure 3. The Existence of Energy Companies

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

Source: (Processed by Researcher).

The companies where the respondents work in the energy sector are on average 33.3% in NRE, 26% Minerals and Coal, 20% Electricity of the total oil and gas industry, minerals and coal, electricity, new and renewable energy, geothermal, bio energy, energy conservation.

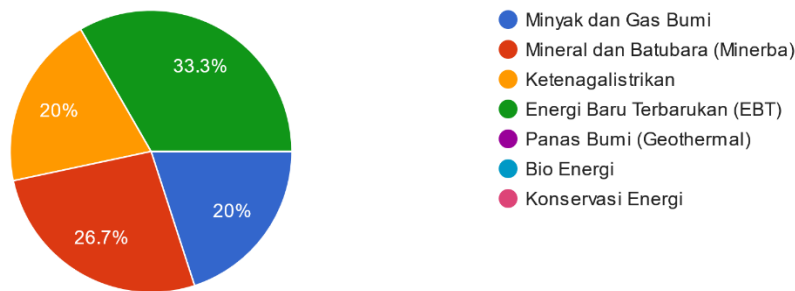


Figure 4. Energy Industry Sector

Source: (Processed by Researcher).

Respondents who are willing to be interviewed are professional executives in the field of energy sector who occupy positions in company organizations with the levels of president director, commissioner, director, vice president, manager, assistant manager, senior executive and executive. Occupying the largest number as respondents were 40% managers, 26.7% vice presidents and 13.3% assistant managers in the energy sector.

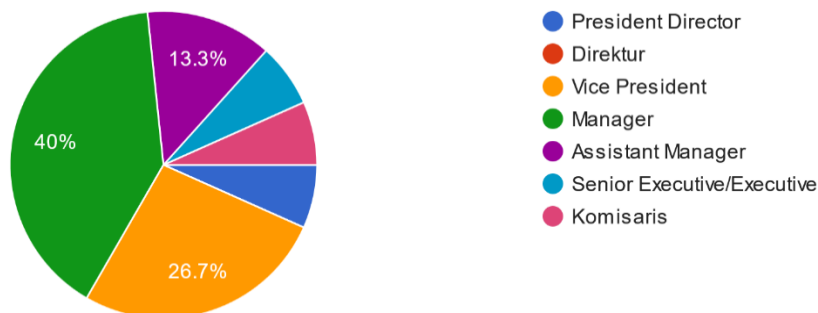


Figure 5. Respondent Position in the Energy Industry Sector

Source: (Processed by Researcher).

Furthermore, the researcher also obtained secondary data from relevant documents, such as: publications, internal company reports/records, mass media and credible and relevant websites.

In this study, the author will analyze and discuss the data as obtained in table 3. Analysis and discussion are carried out as the focus of the research consists of variables and indicators that are in accordance with the research objectives. The results of the findings and analysis regarding the role of business strategy in the implementation of CSR are as follows:

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

Table 2. Business Development Findings and Analysis

Yes	Indicator	Findings	Analysis
1	What is your view of <i>Business Development</i> so that it can become a business strategy that has an important role in the sustainable implementation of <i>CSR</i> ?	• The purpose of business development is to ensure the company's survival in the face of changing market competition, as well as to ensure sustainable growth in terms of revenue, market, and corporate reputation. With the right business development strategy, companies can expand opportunities, reduce risk and create more value for stakeholders. • Business development focused on <i>CSR</i>, sustainability reports and ESG principles serves not only to improve a company's reputation, but also to create long-term value, attract sustainable investments, and ensure the company's future sustainability. The integration of these principles into business strategies helps companies manage social and environmental risks, improve relationships with stakeholders, and support the achievement of overall sustainability goals. • Respondents saw that the condition of business strategy plays a role in the implementation of <i>CSR</i> and rated it as good. <i>CSR</i> has proven to be an effective business strategy in addition to focusing on moral responsibility, so that it can increase reputation and trust in the community and stakeholders which is very important depending on the level of business. • For multinational companies and companies that have gone <i>public</i>, they can use <i>CSR</i> as an effective tool to build and maintain <i>awareness</i>. • The ideal business strategy has a long-term goal, for example, Pertamina plans to involve the use of various methods that aim to optimize the company's profits and gain a competitive advantage in the market and stabilize the community's economy. • A business strategy that summarizes the vision, mission, values, morals of SOEs and the company's long-term goals. • There is a balance between the sustainability of business profits and the benefits to the environment supported by management.	In accordance with business development theory, it states that to ensure that companies are not easily closed by competition and face obstacles in the company, business development efforts are needed to face rapid competition and produce new ideas for company owners (Alkadri et al., 2023). In accordance with the <i>CSR</i> theory , it states that corporate social responsibility is a commitment to improve the welfare of the community through discretionary or voluntary business practices and the contribution of resources from the company concerned. <i>CSR</i> involves a stakeholder commitment to improve the welfare of the community through voluntary business practices and providing for the allocation of corporate resources, (John Wiley & Sons, Inc, 2005) In accordance with the theory of business strategy implementation which states that each company seeks to implement an effective and targeted strategy in order to be able to adapt to situations or conditions that occur in achieving competitive

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

Yes	Indicator	Findings	Analysis
			advantage. The advantages of implementing strategies in competition can be achieved through <i>brainstorming</i> efforts on sustainable designs and strategies to achieve <i>sustainable competitive advantages</i> (Getele et al., 2022)

Source: Primary data, survey results and researcher questionnaire, 2024

Based on the results of the study, business strategy plays a significant role in the success of CSR implementation because CSR is not only a moral responsibility but also a strategic tool to increase reputation, public trust, and competitive advantage, especially in multinational companies and those that have gone public. Benefits include brand awareness, stronger relationships with stakeholders, and differentiation in the global market. This aligns with the theory that CSR is a company's commitment to improving the well-being of communities through voluntary practices and resource allocation, as well as the view that integrating business strategy and CSR can create shared value and drive long-term growth (Getele et al., 2022). However, the implementation of CSR faces several challenges, ranging from high initial costs and difficulties in measuring impact to incompatibility with business objectives (Blyzniuk et al., 2021), so some companies in the energy sector have yet to prioritize social and environmental aspects optimally, and CSR programs are still limited to fulfilling regulations and internal needs. Nevertheless, interview findings showed that 73.3% of respondents assessed that their company's business strategy had a real impact on CSR implementation, making the integration of CSR into the company's core strategy a crucial step to ensure operational sustainability and long-term success for both the company and the community.

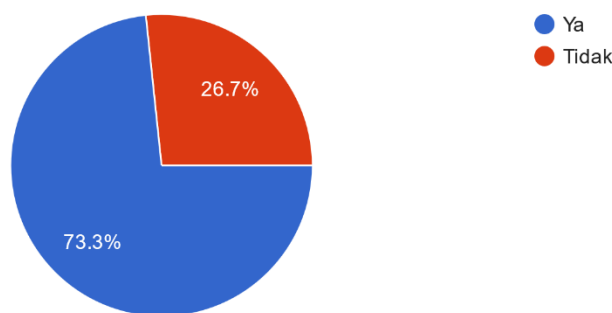


Figure 6. Business Strategy Impacts CSR Implementation

Source: (Processed by Researcher).

In general, respondents believe that the energy sector has provided a good example in the role of business strategies in the implementation of CSR. This influence was recorded during interviews with respondents with respondents' responses to the success of business strategies in supporting the implementation of CSR which was considered successful explained as follows:

Table 3. Business Strategy for CSR Implementation

Business Strategy	
• The role of business strategy and CSR implementation is an integrated complement. • Depending on the level of business, if a multinational company and its company have <i>gone public</i>, CSR becomes a <i>tool</i> to build and maintain <i>awareness</i>. • CSR activities must be designed to support business strategies. • A successful business strategy will be able to increase the budget CSR	
• The implementation of CSR complements each other in an integrated manner. • The community will be greatly affected by the existence of a massive company, which can cause many things, environmental degradation from population fluctuations, changes in livelihoods, etc. • Associated. CSR is mandatory according to current regulations and must be <i>aligned</i> with business strategies so that it can have an impact on <i>wider stakeholders</i>. • It strongly supports business Sustainability because with CSR it can create a <i>sense of ownership</i> for the company. • The CSR <i>implementation program</i> is part of business sustainability.	
• Social Responsibility is closely related to the company's social license to operate. • In addition to focusing on moral responsibility, CSR has proven to be an effective business strategy. From increasing reputation and trust in the community and important <i>stakeholders</i>. • It is very important to support good and satisfactory results. • Direct contact for company owners.	
Business strategy in supporting the implementation of CSR that is considered successful • People can live without dependence on companies. Able to maximize the results of natural resources in their environment. • The goal of the business strategy will have an impact on the direction of business sustainability, for example through <i>comdev/community development</i>. • Setting Programs and Targets in the strategy is derived into departmental and individual KPIs. • If it is right on target and in accordance with the company's vision and mission. • <i>Social Impact Assessment</i>. • <i>Strategy community approach</i>. • A balance between the sustainability of business profits and benefits to the environment. • Companies must have a strategy to get good results, and make it easier for all teams to understand each SOP. • Get good results and are easy to understand by the relevant team. • Conducting strategies and audits of the environment in its implementation. • CSR must be transformed into <i>Corporate Shared Values</i> and <i>Market Driven Solutions</i>. • Participation of the community around the business location. • CSR must be part of a business strategy to increase competitiveness in the area. Brand excellence, company reputation and smooth oil and gas operations, where oil and gas locations always coexist with a very pluralistic community. • Start implementing a circular economy.	 73,3% CSR Activities & Implementation is thanks to the role of Business Strategy 

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

-
- Business strategy must be *sustainable* to support the company's development in the present and future.
 - Management and *stakeholder support*.
-

Source: Primary data, survey results and researcher questionnaire, 2024

In direct proportion to the trend that in the energy sector in Indonesia, based on information from this respondent, it is generally believed that 80% of business strategies have a great influence on the role *of CSR* in their activities which have a positive impact on the economy, social and environment in the energy sector.

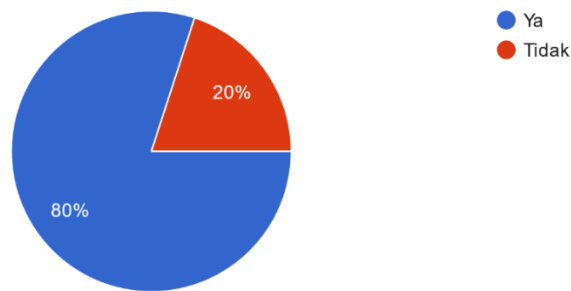


Figure 7. Business Strategy and CSR Implementation in the Energy Sector

Source: (Processed by Researcher)

CSR involvement has different effects depending on the company's strategy, where CSR is more effective in supporting cost leadership strategies than differentiation strategies, and its success is determined by effective implementation and alignment with the company's strategic goals (Elmassri, Kuzey, et al., 2023). To support the national economic system, corporate social responsibility must include five important areas: social, environmental, legal, organizational, and image, as described by Blyzniuk et al. (2021). This emphasizes the importance of compliance with international standards, contribution to the development of social infrastructure and public services, participation in environmental policies, cooperation with local governments, as well as the formation of a positive image through the media and public awards. The findings show that energy companies in Indonesia have met basic social aspects such as living wages, certification, and GRI reporting, but their contribution to solving social problems in operational areas and the development of social services is still lacking. In the environmental aspect, companies have not been active in regional environmental policies and institutional collaboration to mitigate pollution, while in the areas of law and organization there has been cooperation with the government and the establishment of CSR consultative institutions. In the area of image, media involvement helps increase customer reputation and interest, but CSR practices are still more focused on internal interests, so they have not fully become a sustainability strategy that has a broad impact according to the main objectives of CSR in improving people's welfare and supporting sustainable development (Blyzniuk et al., 2021).

Based on the explanation above, it can be seen that the implementation of corporate social responsibility in the energy sector has only three identified areas, namely legal, organizational, and image areas. CSR initiatives encourage the formation of strong relationships with various

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

stakeholders, which include local communities, non-profit entities, and government agencies. This collaborative alliance creates opportunities for cooperation and assistance, thereby enhancing the company's standing and promoting mutual benefits. Furthermore, CSR efforts have a role in expanding market penetration and attracting new customers who share the company's ethical principles. By demonstrating unwavering dedication to social responsibility, companies can differentiate themselves in the market and nurture loyal clients. In addition, CSR activities generate internal benefits such as employee retention and happiness. Organizations that place a strong emphasis on CSR often observe increased levels of employee engagement and morale, resulting in improved performance and decreased employee turnover rates. In summary, the results underscore the diverse benefits of implementing CSR, including improving reputation and stakeholder relationships, fostering employee loyalty, and strengthening marketing efficacy.

Table 4. Findings and Analysis of Corporate Action

Yes	Indicator	Findings	Analysis
3	What is your view of <i>Corporate Action</i> so that it can become a business strategy that has an important role in the sustainable implementation of CSR ?	• <i>Renewable energy</i> is a corporate action program carried out by companies to increase the company's value which can be increased by increasing profits, increasing stock liquidity and increasing business scale.	In accordance with <i>the theory of Corporate Action</i> which says that decisions regarding corporate actions are based on the conditions or needs of the company and the best action that can be accepted by shareholders. The application of corporate action in good corporate governance has many benefits, such as the creation of larger companies (Correa-Mejía et al., 2024)

Source: Primary data, survey results and researcher questionnaire, 2024

Based on respondents' answers, renewable energy programs are considered not only a form of fulfilling CSR but also a business strategy that can increase company value by reducing operational costs due to the transition from volatile-cost fossil energy to clean energy such as solar, wind, and hydro. This transition increases efficiency and profit margins, strengthens stock liquidity because sustainability-focused companies are more attractive to investors, and opens opportunities for sustainable business expansion and diversification. The implementation of renewable energy has been proven not only to support environmental sustainability but also to improve the company's financial performance and competitiveness in the market by strengthening a positive image in the eyes of stakeholders. In line with that, CSR initiatives must be integrated into the strategy and culture of energy companies by ensuring that the composition of the board has expertise in sustainability issues as well as the ability to measure CSR performance according to long-term goals (Kasradze et al., 2023). Corporate policies need to be geared towards reducing carbon footprints and maintaining compliance with human rights and business ethics, including providing a safe working environment, proper waste management, post-mining land restoration, and increasing social and environmental awareness throughout the organization (Kasradze et al., 2023). In the context of corporate actions in the mineral and geothermal sectors, companies are expected to operate responsibly

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

through the application of environmentally friendly technology and collaboration with the government and international institutions in supporting the transition to clean energy and creating economic contributions as well as real social benefits for the surrounding community.

Overall, the mineral and geothermal sectors demonstrate how corporate actions can be integrated towards sustainability by considering environmental, social, and economic impacts. These two sectors have a great responsibility to manage natural resources responsibly and contribute to the well-being of communities and the achievement of global goals related to climate change and sustainable development.

Table 5. Findings and Analysis of Leadership Support

Yes	Indicator	Findings	Analysis
4	What is your view of <i>Leadership Support</i> so that it can become a business strategy that has an important role in the sustainable implementation of <i>CSR</i> ?	• Respondents saw that the condition of <i>Leadership Support</i> has a role in <i>CSR</i> and assessed that they agreed. This is because leadership commitment can transform <i>CSR</i> from just a compliance requirement to a strategic advantage and shape the business direction that gives policies to the majority and is influenced by the habits of the management in the company, in terms of <i>CSR preferences</i> will also be affected by the nature of the management • Respondents do not understand how to implement SDG 7 aims for <i>affordable clean energy</i> which is an important program aimed at ensuring access to affordable, sustainable, clean and modern energy for all levels of society	In accordance with <i>the CSR</i> theory which says that <i>CSR</i> is an activity carried out by a company to improve welfare by utilizing the company's resources for the environment and society. With a leader who has a supportive leadership style as a driver in increasing <i>Corporate Social Responsibility (CSR)</i> activities (Riastuti, 2021) The Government of the Republic of Indonesia, through the Ministry of National Development Planning/National Development Planning Agency (Bappenas) issued Technical Guidelines for the Preparation of the 2020 Sustainable Development Goals (SDGs) Action Plan. This technical guideline is based on Presidential Regulation of the Republic of Indonesia Number 59 of 2017 concerning the Implementation of the Achievement of the SDGs, Presidential Regulation Number 18 of 2020 concerning the National Medium-Term Development Plan 2020-2024, and Financial Services Authority Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance, for financial service institutions, issuers and public companies, as a common reference in

integrating sustainable development principles into policies and program implementation in Indonesia. (Bappenas, 2020)

Source: Primary data, survey results and researcher questionnaire, 2024

Based on respondents' answers, there is still a lack of understanding of the implementation of SDG 7, which shows the need for education on affordable and sustainable clean energy. The success of inclusive energy access requires comprehensive policy, infrastructure, and socialization support (Correa-Mejía et al., 2024). Leadership support is a key factor in the effectiveness of CSR because the commitment and organizational culture built by leadership determine how CSR is understood and implemented as part of the main business strategy, not just regulatory compliance, thereby creating added value and alignment with the company's business vision (Leena et al., 2024). Good leaders ensure the availability of resources, a clear framework, improved data quality literacy, and reliable data-driven decision-making (Tanpoco & Magnaye, 2025), in line with the triple bottom line principle that evaluates success on economic, social, and environmental dimensions (Leena et al., 2024). In addition, a good company reputation reflects strong risk management capabilities as well as support for access to more business opportunities (Ye et al., 2024).

In the context of the energy sector, leadership support is very important in the sustainable use of mineral and geothermal potential to encourage company growth while maintaining environmental sustainability and community welfare. The support of leaders in renewable energy development and energy efficiency enables companies to play an important role in the global energy transition and is proven to be supported by 93.3% of respondents who believe that investment in energy efficiency and ESG principles can drive the implementation of SDG 7 and the progress of the energy sector in Indonesia.

The Role of Business Strategy in the Implementation of CSR in the Energy Sector

The results of the study show that business strategy in the energy sector has not yet fully played a significant role in the implementation of CSR, as seen from 40% of respondents who stated that business strategy is not yet relevant to making CSR a top priority. Thus, sustainability has not been integrated into the company's business planning. This reflects a lack of understanding of the long-term benefits of CSR and weak regulations that encourage its implementation. This aligns with findings by (Leoński, 2019), which state that obstacles to CSR implementation are largely influenced by the lack of law enforcement, stakeholder communication, and consideration of the cost-benefit ratio. As a result, energy companies tend to carry out CSR only to the extent of fulfilling legal, organizational, and image aspects, with social responsibility still focused on the company's internal needs and minimal direct contribution to solving social problems and developing public service infrastructure in operational areas. In the environmental aspect, the company's active role in regional environmental policies has not been seen, although CSR has the potential to strengthen its reputation and relationship with the community. Therefore, the integration of CSR into business strategy needs to be carried out systematically so that the company is able to improve operational sustainability while providing wider benefits for stakeholders.

The Contribution of Business Strategy to the Successful Implementation of CSR in the Global Challenge for Sustainable

The results show that CSR in the energy sector has not been strategically integrated into the company's business framework, as the majority of companies still prioritize operational and financial aspects over social and environmental responsibility, even though this sector has an important role in global issues such as carbon emission reduction, energy efficiency, and renewable energy development. These findings contradict the view of (Chandan Kumar, 2024), which confirms that the integration of CSR with business operations can increase competitive advantage, reduce risk, and strengthen long-term sustainability, while companies that consider CSR a secondary priority risk losing those strategic benefits. In addition, global challenges in the Mineral and Geothermal subsectors increasingly demand sustainable business strategies, visionary leadership, and technological innovation to create a positive impact on the economy, society, and the environment. However, business development efforts and corporate actions in both subsectors are still ineffective due to a lack of focus on sustainability value, slow environmental recovery, and lack of investment in clean energy technology, so companies are not yet relevant in the green economy. Therefore, the energy sector needs to adopt a more proactive CSR strategy that is integrated with business objectives through environmentally friendly policies, carbon footprint reduction, the use of renewable energy, and the fulfillment of stakeholder expectations so that CSR becomes part of the company's vision and mission, rather than separate additional activities.

The success rate of the role of business strategy in the implementation of CSR in achieving sustainability goals

The results show that the low relevance between business strategy and CSR is due to the lack of understanding among companies regarding the potential of CSR as a tool to improve competitiveness, reputation, and relationships with stakeholders. As a result, many companies in the energy sector still view CSR as an additional obligation, not part of the core business strategy. This creates a gap in achieving sustainability goals because key business strategies have not been fully integrated with CSR programs. In fact, CSR integration can effectively strengthen relationships with stakeholders, increase consumer loyalty, and open up new market opportunities amid increasing attention to sustainability issues. This aligns with findings by (Sjioen et al., 2023), which state that integrating CSR into the core strategy can encourage innovation, align business orientation with social goals, and increase the company's competitive advantage. Therefore, increased understanding and training for business leaders is needed so that CSR is no longer positioned as a mere social activity but as a strategic part capable of providing financial, operational, and long-term sustainability benefits for companies, society, and the environment.

The success rate of the role of business strategy in the implementation of CSR in achieving sustainability goals

The researcher obtained secondary data from publications, internal company reports, mass media, and credible websites to enrich the analysis of the role of business strategies in the implementation of CSR in the energy sector. One important reference comes from the United Nations, which published the SDG7 Energy Compact of TotalEnergies, an agenda to

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

accelerate sustainable energy in line with the Paris Agreement. TotalEnergies is targeting a capacity of 100 GW of renewable energy by 2030 and a net zero target by 2050 with an investment of around \$60 billion. An interview with TotalEnergies Indonesia's Business Development Manager confirmed that the company runs CSR programs such as provision of clean water, biogas, agricultural assistance, education, health, and social facilities—reflecting its commitment to sustainability and clean energy transition. Interviews with the Sustainability manager of the nickel company also support that CSR is an instrument of sustainability through Vale's Integrated Community Development Program (PTPM), which refers to regulations (Minister of Energy and Mineral Resources Regulation No. 25/2018) and IRMA's sustainable mining standards that provide an independent assessment of responsible mining practices globally.

Additional findings show that the implementation of CSR in the energy sector also has an empowerment impact on vulnerable groups. For example, Pertamina EP (PEP) Rantau Field develops a disability-friendly business ecosystem through inclusive entrepreneurship training and coffee supply chains with positive results on welfare and reducing community stigma (Priadi et al., 2023). On the other hand, Pamapersada Nusantara (PAMA), a subsidiary of PT United Tractors Tbk, won five CSR & PDB Awards 2024 through village empowerment programs and strengthening Local Champions, aligning with the acceleration of the Village SDGs and contribution to local economic development. The integration of business and CSR strategies from these cases shows that energy companies have a great opportunity to contribute to sustainability through innovative, collaborative, and needs-based approaches to society..

CONCLUSION

Companies need to align their business strategy with CSR goals through the development of projects that support renewable energy or energy efficiency, increasing internal understanding by educating management and employees about the importance of CSR as an element of organizational success. This study concludes that business strategies in the energy sector have not played a fully significant role in the integrated implementation of CSR, with 40% of respondents stating that CSR has not been a top priority in business strategy. Consequently, companies focus more on operational and financial aspects than on social-environmental sustainability. The lack of integration is influenced by a lack of understanding of CSR's potential to improve reputation, competitiveness, and relationships with stakeholders. The implication is that companies risk missing competitive opportunities and lagging behind the global trend toward clean energy. Therefore, CSR needs to be integrated into business strategy through the development of sustainable innovation, impact-based corporate action, and strong leadership support to make CSR part of the organization's culture and competitive advantage. Additionally, it is important for companies to strengthen monitoring and evaluation of CSR programs, increase internal education on their urgency, and expand collaboration with governments, communities, and other stakeholders to make implementation more effective and relevant. An adaptive managerial approach, the implementation of digital transformation and clean technology, and compliance with ESG-based CSR policies are indispensable to ensure the sustainability and competitiveness of the energy industry nationally and globally.

REFERENCES

- Alkadri, T., Rukmana, D., & Hamid, N. (2023). Hydroponic vegetable agribusiness business development strategy (Case Study in CV. Akar Hydroponics Moncongloe Subdistrict, Maros District). *IOP Conference Series: Earth and Environmental Science*, 1230(1), 1–9. <https://doi.org/10.1088/1755-1315/1230/1/012050>
- BAPPENA. (2021). SDGs Indicators. In *National Development Planning Agency*, (pp. 1–20). <https://www.bappenas.go.id/dashboard>
- Bappenas. (2020). *National Medium-Term Development Plan 2020-2024*. Directorate of State Apparatus and Ministry of National Development Planning.
- Blyzniuk, V., Dniprov, O., Ridel, T., & Kurbala, N. (2021). *Strategic Priorities For The Formation Of Social Responsibility Of Business*. 8(4), 641–653.
- BPS. (2023). Indonesia's Economic Report 2023. *Indonesian Central Statistics Agency*, 1–210.
- Chandan Kumar, R. (2024). *Corporate Social Responsibility (CSR): A Comprehensive Exploration*. <https://techCSR.com/blog/corporate-social-responsibility-CSR-a-comprehensive-exploration>
- Christopher G. Beehner. (2020). System Leadership for Sustainability. In *Jurnal Sains dan Seni ITS* (Vol. 6, Issue 1). Vanderbilt Avenue. <http://repositorio.unan.edu.ni/2986/1/5624.pdf> <http://fiskal.kemenkeu.go.id/ejournal> <http://dx.doi.org/10.1016/j.cirp.2016.06.001> <http://dx.doi.org/10.1016/j.powtec.2016.12.055> <https://doi.org/10.1016/j.ijfatigue.2019.02.006> <https://doi.org/10.1016/j.heliyon.2024.e25480>
- Correa-Mejía, D. A., García-Benau, M. A., & Correa-García, J. A. (2024). The critical role of corporate governance in sustainable development goals prioritisation: A 5 P s-based analysis for emerging economies. *Heliyon*, 10(3). <https://doi.org/10.1016/j.heliyon.2024.e25480>
- National Energy Council. (2023). *Indonesia's Energy Outlook*. Agency for the Study and Application of Technology.
- Elmassri, M., Kuzey, C., Uyar, A., & Karaman, A. S. (2023). Corporate social responsibility, business strategy and governance performance. *Management Decision*, 61(10), 3106–3143. <https://doi.org/10.1108/MD-09-2022-1308>
- Elmassri, M., Pajuelo, M. L., Alahbabi, A. A., Alali, A. M., Alzitawi, M., Hussain, H., Alnabhani, K., & Elrazaz, T. (2023). Student Perceptions of Pedagogical Approaches to Integrating the SDG 8 into Business School Education. *Sustainability (Switzerland)*, 15(19). <https://doi.org/10.3390/su151914084>
- Getele, G. K., Arrive, T. J., & Ruoliu, X. (2022). Understanding the influence of business strategy in corporate social responsibility: evidence from Chinese firms in Africa. *Journal of Business and Industrial Marketing*, 37(12), 2573–2586. <https://doi.org/10.1108/JBIM-12-2019-0508>
- IMF. (2023). *English 2023 IMF Annual Report*.
- Karagiannopoulou, S., Sariannidis, N., Ragazou, K., Passas, I., & Garefalakis, A. (2023). Corporate Social Responsibility: A Business Strategy That Promotes Energy Environmental Transition and Combats Volatility in the Post-Pandemic World. *Energies*, 16(3). <https://doi.org/10.3390/en16031102>
- Kasradze, M., Streimikiene, D., & Lauzadyte-Tutliene, A. (2023). Measuring the impact of corporate social responsibility in the energy sector. In *Environmental Science and Pollution Research* (Vol. 30, Issue 51). Springer Berlin Heidelberg. <https://doi.org/10.1007/s11356-023-30131-5>
- Ministry of Health of the Republic of Indonesia. (2022). Health Profile of Indonesia. In *Pusdatin.Kemkes.Go.Id*. <https://www.kemkes.go.id/downloads/resources/download/pusdatin/profil-kesehatan-indonesia/Profil-Kesehatan-2021.pdf>
- Ministry of Energy and Mineral Resources. (2021). *The Ministry of Energy and Mineral Resources will complete 100% electrification ratio in 2022*.

The Role of Business Strategy in the Implementation of Corporate Social Responsibility in the Energy Sector

- Leena S., Balaji K.R.A., Ganesh Kumar R., P. K. B. and S. N. A. (2024). Corporate social responsibility and sustainable development goals: evidence from responsible business leaders. *Journal of Global Responsibility*, 15(4), 409–435. <https://doi.org/10.1108/JGR-06-2023-0109>
- Leoński, W. (2019). Barriers of the Implementation of Corporate Social Responsibility in Chosen Enterprises. *Scientific Papers of Silesian University of Technology. Organization and Management Series*, 2019(136), 353–362. <https://doi.org/10.29119/1641-3466.2019.136.27>
- Maulana, M. I., & Yuliana, I. (2022). Analysis of the Effect of Stock Split Corporate Action on Stock Prices with Liquidity as an Intervening Variable. *Jurnal Manajemen Dan Kewirausahaan*, 10(1), 42–48. <https://doi.org/10.26905/jmdk.v10i1.6895>
- Mukonza, C., & Swarts, I. (2019). The influence of green marketing strategies on business performance and corporate image in the retail sector. *Business Strategy and the Environment*, 29(3), 838–845. <https://doi.org/10.1002/BSE.2401>
- Newman, C., Rand, J., Tarp, F., & Trifkovic, N. (2020). Corporate Social Responsibility in a Competitive Business Environment. *Journal of Development Studies*, 56(8), 1455–1472. <https://doi.org/10.1080/00220388.2019.1694144>
- Reinhardt, F. L., & Stavins, R. N. (2010). Corporate social responsibility, business strategy, and the environment. *Oxford Review of Economic Policy*, 26(2), 164–181. <https://doi.org/10.1093/oxrep/grq008>
- Setiantono, Merawati, E. E., & Salim, F. (2020). The Influence of Corporate Social Responsibility Implementation Strategy on Public Trust, and Company Commitment and Its Impact on Company Performance (Case Study: National Private Company Pt Triputra Agro Persada Group). *Scientific Journals* ..., 3, 1–16. <https://www.jurnal.akptahuna.ac.id/index.php/ekbank/article/view/34%0Ahttps://www.jurnal.akptahuna.ac.id/index.php/ekbank/article/download/34/28>
- Sjioen, A. E., Amaludin, Rukmana, A. Y., Syamsulbahri, & Wahyudi, I. (2023). Sustainable Business and Corporate Social Responsibility: A Study on Impact and Implementation Strategies. *Western Science Journal of Business and Management*, 2(03), 239–248. <https://doi.org/10.58812/jbmws.v2i03.557>
- Tanpoco, M. R., & Magnaye, R. P. (2025). Fostering Business Analytics Success: Examining Leadership Support, Data Quality, and User Skills in Philippine Manufacturing Companies. *Review of Integrative Business and Economics Research*, 14(1), 237–253.
- UNDP. (2022). *Human Development Report 2022 - The Real Wealth of Nations: Pathways to Human Development*. United Nations Development Programme.
- United Nations. (2021). *Policy briefs in support of the high-level political forum. Leveraging energy action for advancing the sustainable development goals*. <https://sustainabledevelopment.un.org/contact>
- Wei, Y. M., & Lin, H. M. (2024). Revisiting business development: a review, reconceptualization, and proposed framework. *Cogent Business and Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2351475>
- World Economic Forum. (2024). On the Global Risks Report 2024. In *Economic and Political Weekly* (Vol. 59, Issue 9).
- Wu, C. C., Cheng, F. C., & Sheh, D. Y. (2023). Exploring the factors affecting the implementation of corporate social responsibility from a strategic perspective. *Humanities and Social Sciences Communications*, 10(1), 1–12. <https://doi.org/10.1057/s41599-023-01664-4>