

Empowering Women In Local Communities Through PT Borneo Indobara's CSR Initiatives: Sustainable Strategies For Local Uniform Production

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KEYWORDS

Corporate Social Responsibility (CSR), Creating Shared Value (CSV), local economic development, women empowerment, uniform production, mining industry

ABSTRACT

This study explores the role of Corporate Social Responsibility (CSR) in empowering women in local communities through PT Borneo Indobara's initiatives, focusing on the sustainable production of uniforms. The research identifies key challenges faced by local tailors, including limited skills, outdated equipment, access to quality raw materials, and market constraints. By applying the Shared Value Framework (SVF) and Theory of Change (ToC), the study proposes solutions that integrate community empowerment with business strategies. Key recommendations include skills development for women, provision of modern sewing machines, and the creation of local supply chains for raw materials. The findings demonstrate that empowering local women through targeted training and financial support can significantly enhance their ability to meet industry standards, thereby fostering economic growth and improving local production capacity. The study also emphasizes the importance of collaboration between businesses, government, and local stakeholders in creating a sustainable model for local uniform production. This approach not only helps PT Borneo Indobara meet its uniform supply needs but also contributes to the broader social development of the community. The research provides a model that can be replicated by other industries looking to integrate CSR and CSV initiatives into their business operations, contributing to long-term sustainable development goals such as gender equality and inclusive economic growth.

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Introduction

The mining industry in Indonesia is one of the main sectors that contributes greatly to the national economy. With abundant natural resources, Indonesia is known as the largest producer of several mining commodities such as coal, nickel and gold (Werther Jr & Chandler, 2010). This sector's contribution is reflected not only in generating state

revenue but also in providing employment for millions of people, particularly in remote areas where mines operate. However, despite its significant contribution, the mining industry also faces major challenges related to work safety and social responsibility towards the surrounding community (Chen et al., 2021).

Occupational safety in the mining industry is a critical concern due to the high risks in the mining environment. Mine workers are faced with various hazards, ranging from coal dust exposure, extreme temperature conditions, heavy equipment movement, to the high potential for mining accidents (Chopra & Meindl, 2021). To mitigate these risks, the Indonesian government has implemented several regulations focused on safeguarding worker safety, including the requirement for the use of Personal Protective Equipment (PPE). This PPE includes essential equipment such as helmets, safety shoes, masks, goggles, and special uniforms designed to protect workers from the inherent risks in mining (Firdaus, 2014).

Uniforms play a dual role in the mining industry as they are part of the PPE and serve as a strategic element for creating a safer, more efficient work environment. These uniforms are made from materials resistant to harsh conditions, such as extreme heat, dust, and chemicals frequently found at mining sites (Goetsch & Davis, 2016). Reflective elements are typically incorporated to improve visibility in low-light conditions or at night, while ergonomic designs enhance comfort and protection, allowing workers to operate safely in demanding environments. By prioritizing safety through appropriate uniforms, companies not only protect their workforce but also foster a culture of safety and improve operational efficiency. Therefore, work uniforms that meet Occupational Safety and Health (OSH) standards are an important element that not only serves as a corporate identity but also as physical protection for workers from various potential hazards in the field (Haas & Mortensen, 2016).

Beyond safety responsibilities, mining companies also face significant social responsibilities. PT Borneo Indobara (BIB), like other mining firms, is obligated to implement Corporate Social Responsibility (CSR) programs to support communities surrounding their operations. CSR programs typically focus on diverse areas, including economic development, education, healthcare, socio-culture, environmental conservation, and infrastructure development (Munfaati & Choiriyah, 2024). This aligns with the mandate under the Ministry of Energy and Mineral Resources Regulation No. 1824 K/30/MEM/2018, which requires companies to play an active role in improving the welfare of local communities through community empowerment initiatives (Kuklys & Robeyns, 2005).

Implementing CSR programs enables mining companies to build stronger relationships with local communities. These programs allow companies to positively impact local welfare while fostering closer ties with communities, thus promoting harmony in mining areas. Such efforts can reduce potential social conflicts and increase community trust, essential for securing a Social License to Operate (SLO), which is crucial for the sustainable operation of mining companies (Zahra et al., 2019).

PT Borneo Indobara gives an example of this commitment to social responsibility through its comprehensive CSR initiatives aimed at enhancing the welfare of surrounding communities. These initiatives extend beyond traditional philanthropy by focusing on sustainable empowerment programs (Suspitarsari & Ali, 2018). BIB offers skills training and supports the growth of micro, small, and medium enterprises (MSMEs), which drive local economic activity. The company also pays special attention to vital sectors such as

agriculture, fisheries, and livestock, which constitute the primary sources of livelihood in the mining area, particularly in ring 1 communities (Swink et al., 2020).

In addition to CSR, mining companies are increasingly adopting the Creating Shared Value (CSV) concept, a strategic approach designed to produce broader economic and social benefits. CSV emphasizes creating mutual value, benefiting both companies and communities. CSR and CSV activities intersect to build sustainability and shared value. While CSR centers on corporate social responsibility through programs aimed at improving community welfare, CSV focuses on generating sustainable economic value by aligning business objectives with social interests (Jaccard & Jacoby, 2019). By designing CSR initiatives based on CSV principles, companies like BIB can achieve a more significant impact, enhancing both their business performance and local welfare. Empowering local communities through entrepreneurship programs or skills development that supports the company's supply chain gives an example of this synergy, creating a mutually beneficial arrangement for both parties (Braun & Clarke, 2016).

To further enhance the impact of CSV, engaging women as key contributors in local economic development presents a powerful opportunity. Women plays an instrumental role in driving social and economic development, especially within communities surrounding mining areas (Blanchard & Thacker, 2023). Although often not directly involved in mining operations, women significantly contribute to sustaining family and community economies, acting as a key agent in stabilizing and sustain local resilience. In these regions, women's involvement in economic activities and community support aligns with the broader social responsibilities that mining companies, such as PT Borneo Indobara (BIB), are expected to uphold. By engaging women in empowerment and economic programs, BIB not only strengthens local economic growth but also fulfills regulatory mandates that highlight the importance of corporate participation in community welfare (Brockbank et al., 2017). Through targeted initiatives like skills development and support for small businesses, BIB harnesses the potential of women to create enduring positive impacts, fostering inclusive and sustainable development that benefits both the company and the broader community.

Previous studies have examined the role of Corporate Social Responsibility (CSR) and economic development in empowering local communities. For instance, Munfaati & Choiriyah (2024) highlighted how BUMDes initiatives can drive rural economic growth in Indonesia, demonstrating the importance of local business empowerment in fostering community development. Similarly, Suspitasari & Ali (2018) explored community economic empowerment through aquaculture development in Sumbawa, emphasizing how local economic activities can be optimized through structured interventions. These studies provide valuable insights into the integration of CSR in enhancing community welfare, offering a foundational basis for this research.

The need for CSR initiatives that contribute to local economic development has become increasingly urgent, particularly in remote mining communities where economic opportunities are limited. PT Borneo Indobara's CSR programs, which focus on empowering local women through skills training and local uniform production, offer a unique opportunity to bridge this gap. However, challenges such as limited access to resources, outdated equipment, and market constraints hinder the full potential of these initiatives. Addressing these barriers is critical to creating a sustainable local supply chain and supporting long-term community development.

While CSR and CSV (Creating Shared Value) initiatives are increasingly seen as essential tools for sustainable development, there remains a gap in understanding how

these strategies specifically impact women in local communities, particularly in sectors such as uniform production. Previous studies have largely focused on general community empowerment, with limited attention given to women's role in supply chain development and local entrepreneurship within the mining industry. This research addresses this gap by focusing on empowering women through targeted CSR programs that foster economic growth, local production, and business sustainability.

The novelty of this study lies in its focus on integrating CSR with local economic development through the production of uniforms, a niche yet significant part of the mining industry's supply chain. By empowering women in local communities, the study provides an innovative approach to CSR that goes beyond traditional philanthropy. Furthermore, the use of the Shared Value Framework (SVF) and Theory of Change (ToC) offers a structured, strategic approach to not only meeting business needs but also ensuring measurable social impact. This research presents a new model for CSR that can be adapted to other industries aiming to integrate community empowerment into their business strategies.

The purpose of this research is to develop a sustainable model for integrating local women into the supply chain through PT Borneo Indobara's CSR initiatives, with a focus on uniform production. The benefits of this study include providing practical solutions to the challenges faced by local tailors, enhancing women's economic empowerment, and fostering long-term local economic development. By aligning CSR initiatives with business goals, PT BIB can create a mutually beneficial model that not only improves business outcomes but also contributes to community welfare. The findings offer valuable insights for other industries looking to engage local communities in their operations.

Research Methods

The approach taken included qualitative methods to collect data from PT BIB, local communities and other stakeholders. Data collection techniques included interviews. Data analysis was conducted to assess the impact of women's empowerment and economic development through local production of uniforms. Strategies and Recommendations will be developed using the Root cause analysis and shared value framework method.

Results and Discussions

From the analysis conducted, it was found that the main problem in the production of local uniforms that could not meet company standards was caused by internal and external factors. These problems include the limited skills of tailors (man), lack of supporting tools and technology (Machine), inefficient work methods (Method), and lack of quality control (Measurement). In addition, external factors such as difficult and expensive access to raw materials (Material), limited funding (Money), limited market (Market), and lack of regulation that support local product (Regulation) also strengthen the obstacles. All these factors make local uniform production unable to compete and become part of the supply chain of large companies. The following is the map of Tree Diagram for all root causes found through interview process with several informants.

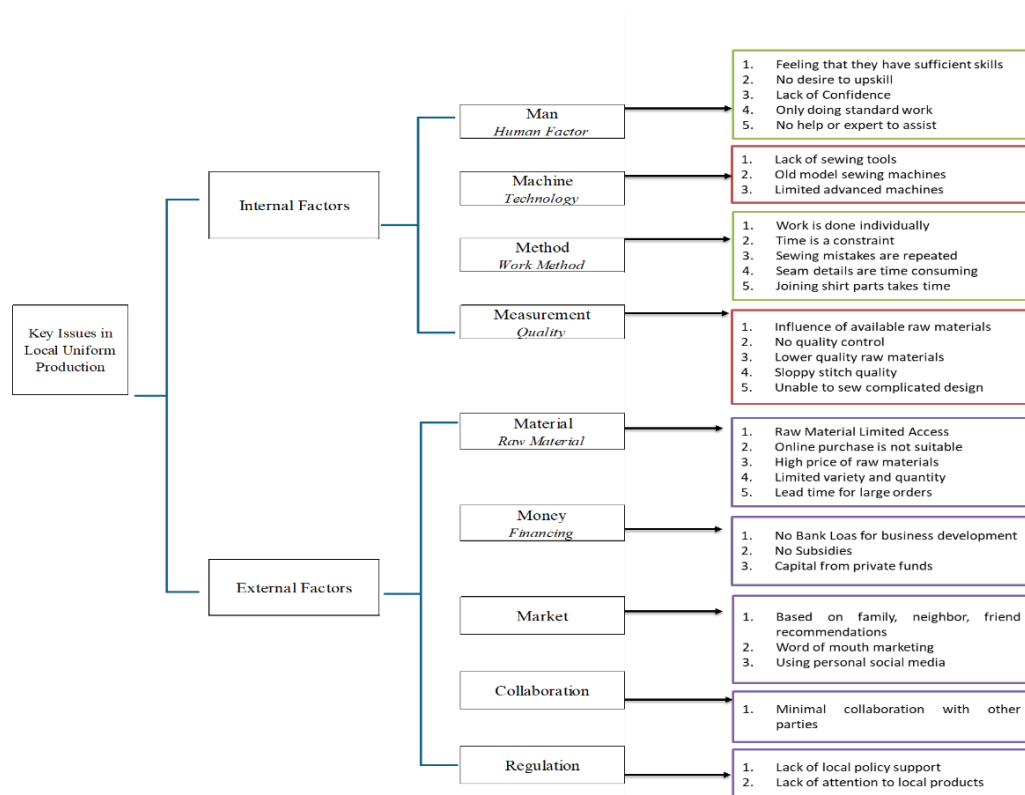


Figure 1. Tree Diagram of Root Cause

To address this issue, CSR and CSV programs can be a strategic solution. And hopefully local uniform production not only meet the needs of companies such as PT. Borneo Indobara and its partners but also provides significant social and economic impacts for local communities.

Based on the analysis above, the first research questions in local uniform production have been identified that hinder its ability to meet the needs of companies such as PT

Borneo Indobara (PT BIB). To answer the second research question, the following analysis will focus on the roles and strategies that PT BIB can use through CSR initiatives and CSV approaches to address these challenges. This approach aims not only to support the sustainability of local uniform production, but also to empower local communities, particularly woman as part of the company’s sustainability strategy.

Business Solutions

Findings from the previous analysis in tree diagram, indicate that limitations in internal and external factors support key challenges for development of local tailoring businesses. The lack of formal initiatives and structured support means that these enterprises operate independently with limited access to the market and resources. Therefore, a strategic approach is needed to design business solutions that only address these challenges but also create long-term benefits for local businesses.

To address the business issues identified, the business solution in this study was built using the Shared Value Framework (SVF) and Theory of Change (ToC). SVF is used because this approach allows companies to create economic value while providing positive social impacts, so that the strategies implemented are not only oriented towards

business profits, but also towards community empowerment. Meanwhile ToC helps in mapping how the designed solution can produce the desired changes through clear and measurable stages.

Shared Value Framework Analysis

This research refers to the Shared Value Framework introduced by Porter and Kramer (2011) to analyze the integration of social and business value in the strategy of PT Borneo Indobara (BIB). This framework emphasizes that companies can create shared value by taking advantage of opportunities that provide economic benefits as well as a positive impact, social impact, so businesses and communities can develop in tandem.

In the context of local uniform production challenges, the shared value approach is used to see how PT BIB's CSR programs can be designed not only to address social challenges but also to create economics benefits for the company. By mapping the identified internal and external factors, this CSV-based CSR strategy can increase local production capacity, support sustainability, and meet the needs of the company and its partners, who require up to 50.000 pcs of uniform annually.

Following the shared value framework analysis into a table that links the key issues identified from the Tree diagram above with respondent strategies that create social and business value:

Table 1. Shared Value Framework Analysis

No	Category	Key Issues	Social Value (CSV)	Business Value (CSV)
1	Man <i>Human Factor</i>	Lack of Advanced skills	Empowering women through skill enhancement and confidence-building programs	Access to skilled tailors meeting production standards
2		No Motivation to upskill		
3		Low Confidence		
4	Machine <i>Technology</i>	Outdated sewing machines	Providing modern sewing equipment and training for technology adaptation	Increased efficiency and capacity with modern equipment
5		Limited access to advances machine		
6		Lack of Sewing tools		
7	Method <i>Work Method</i>	Inefficient individual work method	Developing standardized SOPs and collaborative work models for efficiency	Higher production output and reduced time with structured workflows
8		Repeated errors		
9		Long production time		
10	Measurement <i>Quality</i>	No quality control	Implementing quality controls systems and advanced sewing techniques training	Consistent product quality and ability to handle complex orders
11		Inconsistent product quality		
12		Inability to handle complex design		
13	Material <i>Raw Material</i>	Limited access to raw materials	Creating local supply chains and negotiating lower raw material costs	Reliable and affordable material sources, reducing production costs
14		High prices		
15		Low quality and quantity		
16	Money <i>Financing</i>	No access to loans	Facilitating micro financing options and providing subsidies for capital investment	Improved financial stability in tailors enabling scalability and sustainability
17		No subsidies		
18		Reliance on personal funds		
19		Limited to word-of mouth		

	Market	marketing	Building digital	Expanded market	
20	Marketing	Lack of branding	marketing platforms and	reach and enhanced	
21		Lack of digital presence	branding support for	corporate branding	
			local tailors		
22	Collaboration	Minimal collaboration	Fostering partnerships	Stronger value chain	
23		with partners	with governemnet and		integration ad
		underutilized local	private stakeholders for	community-business	
		partnerships	growth	collaboration	
24	Regulation	Lack of supportive	Advocating for local	Supportive regulatory	
25		regulations for	product prioritization		environment ensuring
26		prioritizing local	policies in procurement		sustainable operations
		products			

This table identified issues to a targeted strategy that creates shared value by benefiting both the local tailors (Social Value) and PT BIB (Business value). After identifying key issues and opportunities in local uniform production through the shared value framework, the next step is to breakdown the strategy based on each category to design an integrated CSR program with a CSV approach to create sustainable social and business impact.

Man Category

Social Value: programs focus on improving advanced sewing skills and building confidence and providing significant social value. Empowering women through skill training and confidence building programs helps to create economic opportunities and enhance their role in the community.

Business Value: This approach enables PT BIB to acquire a local workforce that is skilled and capable of meeting production standards, so reducing dependency on external resources and ensuring supply chain sustainability.

Machine (technology) and Method (work method) Category

Social Value: Empowers the local tailors by providing access to tools and modern machines also training that were previously out of their reach, so it can boost productivity and confidence.

Business Value: Increase in production in efficiency and capacity supports the company in meeting production targets on time with maintained quality. In addition, the implementation of SOP-based collaborative working methods resulted in higher output and shorter production time, creating structured professional workflow.

Material (raw material) and Money (financing) Category

Social Value: creating local supply chains and negotiating raw material prices provides the social benefit of availability of quality material at affordable prices for local tailors. And from Money category, through the facilitation of subsidies for start-up capital creates financial stability for sewing groups and enabling them to grow the business sustainability.

Business Value: with affordable prices for raw materials, it can reduce production costs and provide clear business value. And with subsidies in the beginning, hopefully this supply chain can sustain the local uniform production chain in industry scale.

Market (marketing), Collaboration, and Regulation Category

Social Value: Increasing marketing capacity through digital platforms and local branding provides social value by opening wider market access for local tailors and enabling them to compete in a large market.

Business Value: This strategy expands market reach and enhances the company’s

image as a supporter of the local economy. In the other hand join collaboration with government and other private sector strengthens supply chain integration and creates synergies between local communities and businesses. Meanwhile policy advocacy to support local product prioritization not only provides protection for local communities but also ensures the sustainability of company operations in supporting community-based economies.

With analysis, the Shared Value Framework approach highlights how the integration of social and business values can drive local community empowerment while creating strategic benefits for the company.

Theory of Change Analysis

To understand how each of the designed interventions can create significant change for local sewing houses, this analysis uses a Theory of Change approach. This approach allows the authors to map the relationship between inputs from interview and group interview all informants, interventions who become recommendation program CSR, outputs and expected outcomes. This analysis helps identify the key steps needed to achieve the goal, which is the sustainability of local economic development. Here are some recommendations on the results of the previous analysis.

Conclusion

Based on the research, it was found that the main challenges in the production of local uniforms that caused PT Borneo Indobara (PT BIB) and other companies to avoid using local tailoring services stem from both internal and external factors. Internally, limited skills, equipment, and non-standard production methods hinder the ability to meet uniform specifications, while externally, challenges such as access to quality raw materials, limited capital, and lack of market access prevent local production from competing with large suppliers from outside Kalimantan. Additionally, the absence of regulatory support to encourage local product usage is a significant barrier. To address these challenges, PT BIB adopted a strategy combining Corporate Social Responsibility (CSR) and Creating Shared Value (CSV), including intensive tailor training, providing modern sewing machines, strengthening business management through cooperatives, and collaborating with textile factories to ensure affordable and high-quality raw materials. By aligning CSR programs with business needs, PT BIB creates social impact and fosters a sustainable local supply chain. The use of Shared Value Framework (SVF) and Theory of Change (ToC) ensures the long-term success of the program, benefiting both the company and the community, particularly women. The program's impact has the potential to improve community welfare, reduce unemployment, increase family income, and strengthen the economy, while also serving as a model for other companies in integrating business strategies with community empowerment. This research confirms that CSR and CSV integration in local uniform production is not merely philanthropic but a profitable business approach that promotes community-based economic growth, contributing to the achievement of Sustainable Development Goals (SDGs), including poverty alleviation, gender equality, and inclusive economic growth.

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