

Creating shared values as a new paradigm of Corporate Social Responsibility

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ABSTRACT

Background: Bank Sumsel Babel is faced with demands to focus on not only financial growth but also the positive impact on social and environmental fronts. The evolution of Corporate Social Responsibility (CSR) to Creating Shared Value (CSV) reflects a paradigm shift. As a regional development bank, Bank Sumsel Babel faces the demand to adopt CSV as an integral part of its CSR strategy to create a positive impact on society and the environment in the South Sumatra and Bangka Belitung regions. **Purpose:** This research explored the company's strategy in implementing the Creating Shared Value (CSV) program as a new paradigm of CSR at Bank Sumsel Babel and analyzed the program publication to improve its reputation. **Methods:** This research used a descriptive qualitative research method to see the implementation of CSV at Bank Sumsel Babel. The researchers obtained data through interviews, observations, and document analysis. **Results:** Bank Sumsel Babel has successfully integrated the CSV approach into its CSR activities, particularly through the Bina Mitra program. This program has helped the bank address social issues such as education and community development and enhanced its business performance by building trust and loyalty among stakeholders. **Conclusion:** Companies can implement CSV-based CSR in some areas, while in other areas, they can use more traditional approaches, such as philanthropy or donations, to achieve a positive social impact. **Implications:** Bank Sumsel Babel can improve business performance and bring a positive impact on society through Creating Shared Value (CSV) programs as part of its CSR strategy.

Keywords: Corporate image; corporate social responsibility; creating shared value; society; stakeholders

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INTRODUCTION

The banking industry is now facing various challenges due to the impacts of financial products, services provided, and banking operational activities. As a regional development bank that plays a vital role in economic growth and community welfare in the South Sumatra and Bangka Belitung regions, Bank Sumsel Babel is demanded to focus on not only financial growth but also a positive impact on society and the environment (Annual report Bank Sumsel Babel, 2018).

Companies that do not care about social responsibility risk profitability and image. A poor social and environmental reputation can negatively affect for the sustainability and success of a company. The annual report of Bank Sumsel Babel (2022) explains, as an effort to maintain its reputation effectively, Bank Sumsel Babel established the Corporate Secretary Division (SKP), which is responsible for implementing policies closely related to anticipating counterproductive news and information and is also responsible for CSR implementation (Laporan Pelaksanaan Tata Kelola Bank Sumsel Babel, 2022).

The CSV-based CSR approach is emerging as an attractive way to integrate economic and social goals, creating shared value for the company, stakeholders, and the neighboring communities. While many companies have taken steps in this direction, real challenges may arise in determining the right priorities,

measuring impact effectively, and ensuring alignment between business objectives and social benefits. The purpose of this research is to find out the company's strategy in implementing the Creating Shared Value (CSV) program as a new paradigm of CSR at Bank Sumsel Babel and to analyze the publication of these efforts to improve its reputation.

The implementation of CSR has undergone several evolutions for a refined approach known as CSV. In an increasingly complex and diverse business world, the concept of CSR has evolved into more than just a regulatory obligation. The concept of CSV has also emerged as an innovative and transformative approach to implementing corporate social responsibility (Daniri, 2021).

In Indonesia, this concept has gained attention and started to be adopted by several companies that want to expand their social responsibility beyond regulatory obligations and create shared values for the company and society. The application of CSV in Indonesia has resulted in various initiatives that focus on social and environmental issues relevant to local conditions. Examples include education programs, skills training, local community empowerment, and environmental impact reduction. Public awareness of corporate social responsibility is increasing in Indonesia.

A corporation is not merely a business entity that seeks profit but also pays attention to and cares about the social environment (Carrol, 2021). This principle extends to environmental

aspects, which prompts companies to be more conscientious about environmental concerns to ensure the sustainability of life in the future. People have the right to a good social life and welfare, as well as to a healthy environment. On the other hand, changing times have influenced community mindsets, which make them more critical and aware of their human rights, and enable them to express expectations regarding the development of the business world in Indonesia. This indirectly encourages companies to be more responsible in their operations. Companies are motivated not only by profit, but also by a desire to actively contribute and positively influence the social environment where they operate (Khushi, 2023).

CSR or Social Responsibility is a task that must be carried out by companies because it is an important part of achieving success. The company's success in implementing its CSR program can form a positive image for the company, which helps increase public and stakeholder trust and impacts the smooth operation of the company (Tahir, 2021). If the CSR program is implemented optimally, both in terms of fund allocation and utilization, it can be a solution to solve community problems such as poverty and environmental damage. CSR programs can also bridge the gap between the company's interests and those of stakeholders, thereby establishing a harmonious relationship. The company implements CSR programs in the form of community engagement because, inevitably, the company must adapt to its social

environment and simultaneously gain the trust of the community (Siregar, 2021).

In previous literature, CSR is interpreted as a company's commitment to improving societal welfare through the implementation of ethical business practices by utilizing resources owned by the company (Kholis, 2020). CSR represents an approach in which a company integrates its concern for the social environment into its business operations (Wati, 2019). However, with changing times, a new concept has emerged: CSV, or Creating Shared Value, which introduces a more in-depth approach to integrating social and business goals. Creating Shared Value (CSV) is a new concept that considers societal well-being as the core of a company's success. This suggests that societal problems present extensive opportunities to enhance competitiveness and create value for the company (Lindawati, 2015). The application of Creating Shared Value (CSV) by companies entails a correlation and mutual benefit, where corporations assume responsibility for the environment and foster positive impacts on their surrounding. Companies implementing this concept can indirectly get feedback on their efforts, including improvements in their reputation among investors and the public (Zaman, 2022). Organizations build their reputation through CSR activities (Esen, 2013).

Corporate Social Responsibility (CSR) is interpreted as a company's commitment to improving the welfare of society through the implementation of ethical business practices

and utilizing some of the resources owned by the Company. Not only that, CSR is an approach wherein the company integrates concern for the social environment into its business operations. Additionally, Creating Shared Value (CSV) is a new concept that considers societal welfare as central to a company's success. This suggests that community problems offer extensive opportunities to enhance competitiveness and create value for the company. Moreover, the concept of Creating Shared Value (CSV) demonstrates correlation and mutual benefit, where the corporation is responsible for the surrounding environment. Companies that apply this concept will indirectly get feedback from their efforts, including improvements in the company's reputation in the eyes of investors and the public.

A good reputation not only helps retain existing customers but also attracts new customers and supports long-term business growth. Good relationships with society, including the local communities in which the company operates, also play a key role in strengthening business sustainability (Situmeang, 2016). A positive corporate reputation strengthens the trust of customers, investors and business partners which can lead to higher loyalty among existing customers. This, in turn, helps maintain the company's revenue and profitability.

Creating Shared Value (CSV) in its concept is not only a fundamentally different approach from Corporate Social Responsibility (CSR)

but also a form of productivity and external influence on the company's success.

The characteristics of the Creating Shared Value (CSV) program include: (1) CSV is a business strategy that provides benefits to the company while benefiting stakeholders, (2) CSV considers opportunities to build a competitive advantage through designing corporate strategies that analyze and address social issues, (3) CSV is a way to develop business by creating innovation to achieve efficiency in various aspects, (4) CSV is part of a company's business strategy aimed at increasing shared value.

The concept of CSV is based on the interdependent relationship between business and social welfare, so that there is no conflict between business and community welfare. CSV asserts that opportunities can be found to build a competitive advantage by analyzing social issues when designing corporate strategies. Through CSV-based CSR, companies have a greater chance of creating products superior to competitors with similar market share. Porter and Kramer's idea of CSV offers a compelling vision that invites companies to seek success not only by generating financial returns but also by addressing pressing challenges facing society (Reyes, 2017).

The advantages of CSR programs based on CSV include: involving stakeholders and the community more broadly; creating economic opportunities for the community; creating new business opportunities for the company;

and improving the quality of resources. Banks may benefit from implementing CSR policies, as such policies have the potential to enhance efficiency in certain cases (Belasri, 2020).

CSR is not an idiosyncratic organizational innovation. It is not something that occurs randomly in the minds of some executives who ask managers to develop a social responsibility plan. Rather, CSR is part of the broader institutional environment. It comes with its specific aims and goals (Sheehy, 2014).

Bank Sumsel Babel shows its concern for the environment and is committed to participating in sustainable economic development. This effort aims to improve the quality of life and the environment beneficially for both the company, the community, and the environment.

In the Bank Sumsel Babel Corporate Manual, it is explained that in planning and implementing CSR programs, Bank Sumsel Babel involves stakeholders. The company's stakeholders are categorized into two groups: (1) Internal Stakeholders, who have direct ties with the organization because these individuals and the organization impact each other: Shareholders; Management and all staff of the organization; Retirees; Partners/vendors; Suppliers and contractors. (2) External Stakeholders, who are affected by the activities of the organization/company, either directly or indirectly: Consumers/Customers; Communities around the organization/company's operations; Government; Agencies involved; Vulnerable communities in the area

where the organization/company is located.

CSR is a commitment to social and environmental aspects that aligns with Bank Sumsel Babel's core business. The implementation of CSR aims not only to have a positive impact on Bank Sumsel Babel but also to positively affect the social and economic life of the community and the environment where Bank Sumsel Babel operates.

The purpose of Bank Sumsel Babel's CSR is to provide benefits to the community, increase positive interactions between the company, communities, local governments, and related parties, and encourage community empowerment so that they can contribute to efforts to improve welfare through sustainable CSR programs and enhance the company's reputation through responsible business practices.

When viewed from its purpose, CSR at Bank Sumsel Babel has evolved into the concept of CSV. To achieve the goal of CSV within the CSR Section at Bank Sumsel Babel, it is necessary to map the contributions and interests of each party.

The planning of the CSR program must be carefully prepared so the CSR at Bank Sumsel Babel, either at the Head Office level or in all Branch Offices, follows a uniform implementation process from mapping to evaluation and reporting. Careful planning begins with mapping, which involves identifying needs and potential in various locations, both centrally and in branches. It includes determining

relevant social and environmental issues in each region, as well as understanding the expectations and needs of the local community (Marsiona, 2016). This process allows Bank Sumsel Babel to design appropriate and meaningful CSR programs aligned with identified needs. A well-thought-out Corporate Social Responsibility (CSR) program plan aims to ensure effective implementation at the head office and the branch offices. This consistency positively impacts the achievement of CSR's primary objective, which is delivering significant and sustainable social impact.

CSR is a marketing tool that improves the image, creates a good corporate reputation, and legitimizes the company's performance (Rodriguez, 2020). In the concept of Creating Shared Value (CSV), companies not only focus on financial benefits but also prioritize efforts to improve social and environmental conditions around them. This is achieved by identifying challenges and opportunities in society and the environment, and then creating solutions that not only benefit the company economically but also improve welfare and sustainability within and beyond the company's value chain. By integrating social and environmental responsibility into its business strategy, a company can achieve sustainable growth while improving the social and environmental conditions around it, thereby creating mutually beneficial value for all parties involved. This approach makes companies address social and environmental issues and creating positive

relationships with all stakeholders. With a focus on corporate social responsibility and shared value creation, CSV enables companies to contribute to sustainable development that positively impacts society and the economy.

CSR is beneficial for both companies and the societies around them. Corporations can gain financial benefits by working for the good of the people, while also creating a positive reputation and earning the respect that can secure their position in the market (Książak, 2017).

By focusing on corporate social responsibility and value co-creation, CSV can help companies to contribute to sustainable development that has a positive impact on society and the economy. CSV contributes to sustainable business goals by emphasizing the link between business strategies and social objectives (Kim, 2018).

This study aims to identify the company's strategy in implementing the Creating Shared Value (CSV) program as a new paradigm of CSR implementation at Bank Sumsel Babel. It is expected to provide an understanding of how Bank Sumsel Babel designs, implements, and evaluates its CSV program, and the resulting impact on the company and society.

RESEARCH METHOD

This research employed a descriptive qualitative method to investigate the Corporate Social Responsibility (CSR) and Creating

Shared Value (CSV) programs implemented by Bank Sumsel Babel. By using qualitative methods, the researcher becomes the main instrument that finds data, then analyzes, and interprets it (Abdussamad, 2021). The research focused on the CSR and CSV initiatives of Bank Sumsel Babel, targeting individuals involved in their planning, implementation, and evaluation. The primary subjects of this research were the individuals directly engaged in these processes, specifically, two Senior Analysts from the Corporate Secretary Division, selected for their direct knowledge and experience in executing CSR and CSV programs at Bank Sumsel Babel. Their willingness to provide comprehensive and detailed information was also a key selection criterion.

Data collection was conducted through three primary methods: in-depth interviews, participatory observation, and document analysis. The in-depth interviews aimed to obtain a detailed understanding of the CSV program's implementation and its impact on the company's reputation. These interviews were carried out with the two key informants to capture their insights and experiences comprehensively. Participatory observation involved the researchers directly observing the CSR activities undertaken by Bank Sumsel Babel. This method allowed for the collection of authentic data regarding the practices and dynamics occurring in real time. Additionally, document analysis was employed to review various documents related to CSR activities,

including annual reports, CSR reports, company policies, and other pertinent publications. This triangulation of data collection methods ensured a robust and comprehensive dataset for analysis.

The data analysis process utilized thematic analysis techniques, which involved three primary steps: data reduction, data presentation, and conclusion drawing and verification. During the data reduction phase, researchers meticulously sorted and simplified the collected data to identify key themes and patterns. This step was crucial for managing the vast amount of information gathered and focusing on the most relevant aspects. In the data presentation phase, the reduced data was organized systematically, facilitating a clearer understanding and easier interpretation of the findings. This systematic format enabled researchers to draw meaningful conclusions effectively. Finally, in the conclusion drawing and verification stage, researchers identified the main themes from the presented data and verified the accuracy of their findings through data triangulation. This process involved cross-checking information from various sources to ensure the reliability and validity of the conclusions drawn.

Through this comprehensive approach, the research aims to provide a detailed view of the CSR and CSV programs at Bank Sumsel Babel. The study seeks to illuminate the impact of these programs on the company's reputation and the surrounding community. By analyzing the CSR and CSV initiatives through multiple

lenses—interviews, direct observation, and document review—the research offers a nuanced understanding of how these programs are conceived, executed, and perceived. The insights gained from the Senior Analysts, combined with firsthand observations and thorough document analysis, contribute to a well-rounded perspective on the effectiveness and impact of Bank Sumsel Babel's CSR and CSV efforts.

This research endeavors to deliver an in-depth exploration of the CSR and CSV programs at Bank Sumsel Babel, highlighting their implementation processes, challenges, successes, and overall impact. The findings are expected to shed light on how these initiatives influence the company's reputation and benefit the community, providing valuable insights for practitioners and scholars interested in CSR and CSV practices. By employing a descriptive qualitative method and robust data collection and analysis techniques, this study aims to contribute significantly to the understanding of corporate social responsibility and shared value creation in the banking sector.

RESULTS AND DISCUSSION

CSR focuses on issues relevant to the company and prioritizes certain core subjects or main goals. The company has followed the CSR guidelines outlined in the guidebook. This suggests that the company's CSR programs

have been implemented under the principles and guidelines of the company.

According to the Corporate Manual of Bank Sumsel Babel, in implementing the CSR program, Bank Sumsel Babel has set seven areas as the main targets: (1) Education, (2) Economy (Bina Mitra), (3) Social and Religious Infrastructure Development, (4) Health, (5) Natural Disasters, (6) Greening & Environment, and (7) Social.

The approaches used in implementing CSR programs by Bank Sumsel Babel are: (1) a local resources-based approach, (2) a community-based approach, (3) an economic empowerment-oriented approach, (4) a sustainability approach, and (5) an approach based on stakeholder participatory planning.

At Bank Sumsel Babel, CSR programs are implemented and communicated by the Corporate Secretary Division, specifically the Strategic Public Relations, Media Relations, and CSR sections. CSR disclosure is one of Bank Sumsel Babel's strategies to increase corporate value. The company seeks to ensure that its CSR programs are positively received by the public. In addition to gaining legitimacy from the public, this strategy can also increase the company's value in the eyes of the community after the CSR activities are implemented and communicated by the Corporate Secretary Division of Bank Sumsel Babel. CSR disclosure demonstrates a commitment to transparency and accountability in reporting corporate social responsibility activities (Shabana, 2017). This

ensures that the public and stakeholders can easily access information. Companies that perform CSR activities should report on these activities to target groups so that society learns about their social engagement in an aggregated manner (Moravcikova et al., 2015).

The existence of Bank Sumsel Babel is beneficial to the community in the Province of South Sumatra and Bangka Belitung. This statement is evidenced by several social activities held by Bank Sumsel Babel as a form of corporate responsibility for social and environmental life. The distribution of CSR funds by Bank Sumsel Babel has shown a significant impact on communities in South Sumatra Province and Bangka Belitung Islands. Through various CSR programs, such as assistance for MSMEs, education, social infrastructure, health, environment, and other social sectors, Bank Sumsel Babel has succeeded in improving economic welfare, increasing access to education and health services, and building the infrastructure needed by local communities. For example, assistance in the form of business capital and training for MSMEs has significantly increased their business turnover while creating new jobs. In addition, the construction of education and healthcare facilities supported by Bank Sumsel Babel's CSR has improved community access to quality services. Evaluations of these projects show that they have delivered tangible positive impacts, created a better environment, and empowered communities to sustainably

improve their quality of life. Thus, Bank Sumsel Babel has succeeded not only as a financial institution but also as an active agent of change in advancing the welfare and development of the areas it serves.

The close partnership between Bank Sumsel Babel and the Regional Government of South Sumatra and Babel has been a key pillar in the implementation of CSR programs in various fields such as the environment, health, and partner development, which have a positive impact on the community. Bank Sumsel Babel takes a proactive approach by prioritizing the direct needs and aspirations of local communities in every initiative they undertake.

The close partnership between Bank Sumsel Babel and the Regional Governments of South Sumatra and Babel has become the main pillar in implementing CSR programs in various fields such as the environment, health, and partner development, all of which have a positive impact on society. Bank Sumsel Babel takes a proactive approach by prioritizing the immediate needs and aspirations of the local community in every initiative they undertake.

The determination of the targets for Bank Sumsel Babel's CSR assistance, which can be carried out by the Provincial Government of South Sumatra and Bangka Belitung, as well as the Regency/City Governments in the region, and initiatives originating from Bank Sumsel Babel itself, reflects a collaborative approach in determining the benefits to be provided through CSR programs. This approach allows

governments and companies to work together to identify community needs and direct resources to areas that need the most support. It also reinforces Bank Sumsel Babel's commitment to contributing to the economic and social development of these areas by taking into account government priorities and local needs. In carrying out its commitment to contribute to the economic and social development of the areas it serves, Bank Sumsel Babel adopts the concept of CSV as a key guide. The Bank not only focuses on its own economic growth and business sustainability but also actively identifies and responds to the needs and challenges faced by local communities and environments.

Through this approach, Bank Sumsel Babel strengthens its involvement in advancing these areas by taking into account government priorities and local needs. They not only tailor their products and services to meet the needs of local clients but also involve themselves in various community development programs that aim to improve access to financial services, support local entrepreneurship, and advance education and health in the region.

In addition, Bank Sumsel Babel engages in various strategic partnerships with the government, non-profit organizations, and other private sectors to increase their positive impact. They encourage sustainable and inclusive collaboration to create innovative solutions that not only benefit their business but also drive inclusive economic growth and sustainable

development in the regions they serve.

As such, Bank Sumsel Babel is not only a financial institution that aims to achieve financial returns but also an active agent of change in improving community welfare and strengthening local economic resilience. Through this values-centered approach, Bank Sumsel Babel provides a tangible example of how banks can be a positive force in building and strengthening the communities they serve.

CSR practices at Bank Sumsel Babel, prioritize the creation of shared value, in line with the company's mission and objectives. This approach creates a win-win situation by fulfilling social obligations while conducting economic activities. This is reflected in the Bina Mitra CSR program. The implementation of the Bina Mitra CSR program is designed to benefit various parties. It reflects the Bank's concern for the community and its commitment to increasing sustainable economic growth. Thus, Bank Sumsel Babel successfully integrates social responsibility and economic goals in a balanced manner to achieve sustainability and sustainable development.

CSR programs often focus on community economic empowerment, which includes entrepreneurial training, support for small and medium enterprises (SMEs), or the provision of business capital to individuals or groups. CSR programs supporting local business development or providing skills training can create new jobs in local communities. One significant positive impact of CSR programs



Source: Bank Sumsel Babel Official Website, 2023

Figure 1 CSR Activities (Handover of Container Box or Mart-Booth)

focusing on economic empowerment is the creation of new jobs in local communities. Through training and support for local business development, communities have opportunities to start their own businesses or improve existing ones. Such programs not only help reduce the unemployment rate in the area but also increase the overall income of the community. More employment means more people have access to a decent livelihood, which positively impacts social stability and community well-being.

Bank Sumsel Babel allocates CSR funds to various fields, some of which are allocated to the CSR Partner Development Sector. Several CSR programs in the Bina Mitra Sector implemented by Bank Sumsel Babel include the construction of Container Box or Mart-Booth for mosque areas, equipment assistance for MSMEs, the launching of UMKM PLAZA at PTC Mall

Palembang by the Creative MSME Association (Palembang), assistance for coffee equipment (Roaster Machine), facility assistance for Small and Medium Industry (IKM) production equipment in Bangka Belitung Province, and other CSR programs (Figure 1).

The picture above depicts one of Bank Sumsel Babel's CSR programs, precisely in the Bina Mitra sector, which involves assisting in the form of constructing Container Booths or Mart-Booths. This program is carried out as a part of community development efforts to improve economic development within the community. Programs such as constructing Container Booths or Mart-Booths have a significant impact on empowering the local community.

In practice, this program helps create local jobs, enables people to become more self-reliant, and improves their access to necessary economic resources. In addition, CSR programs such as those described above reflect Bank Sumsel Babel's commitment to supporting the growth of micro, small, and medium enterprises (MSMEs), which are often the backbone of the local economies. By providing financial and technical support to MSMEs, Bank Sumsel Babel helps them thrive and create a positive impact in terms of economic growth and income generation at the local level.

In 2022, Bank Sumsel Babel allocated CSR funds to support the implementation costs of the MSME Clinic Webinar themed "Financial Literacy: UMKM Perempuan Penyokong

Table 1 Bank Sumsel Babel CSR fund budget realization in 2022

Activities	Nominal (Rp)
Education Sector	155.970.500.00
Economic Sector	2.011.359.400.00
Social Infrastructure Development	6.992.428.262.11
Health Sector	1.991.009.101.00
Natural Disaster	245.700.000.00
Greening and Environment Sector	1.365.189.548.63
Social Sektor	2.650.023.544.00
Total	15.411.680.355.74

Source: Bank Sumsel Babel Official Website, 2022

Ekonomi Keluarga”. This initiative represents the company’s support for local community empowerment, especially in enhancing financial literacy and highlighting the important role of women-led MSMEs in supporting family and community economies. Through these CSR funds, Bank Sumsel Babel actively contributes to advancing financial knowledge and entrepreneurship among local MSMEs, with the ultimate goal of improving welfare and stimulate economic growth in the regions where it operates.

The implementation of Bank Sumsel Babel’s Corporate Social Responsibility (CSR) in 2022 is presented in the Table 1.

Based on the table above, in 2022, CSR activities in the Bina Mitra field were carried out with a budget realization of Rp. 2.011.359.400- and a total realized budget of Rp. 13.400.320.955.74- for other fields (Annual Report PT Bank Pembangunan Daerah

Sumatera Selatan, 2022). The CSR Program in Bina Mitra, which involves stakeholders and the community, is an effective strategy through which the company seeks to address social problems, improve community welfare, and contribute to regional economy improvement, especially in the South Sumatra and Bangka Belitung regions.

The CSV approach is implemented by seeking business opportunities that have a material impact on the market, environment, and society. CSV focuses on identifying business opportunities that not only generate financial returns but also have significant material impacts on the market, environment, and broader society (Yogasrini, 2016). This reflects a paradigm shift in how companies approach social and environmental responsibility, viewing it as an opportunity that can create win-win benefits for multiple stakeholders (Voltan, 2017). Through the CSV approach, companies seek to strike a balance between creating social and environmental benefits and achieving their business objectives.

CSV creates economic value while simultaneously integrating sustainable development into society. At Bank Sumsel Babel, the CSV approach, especially in CSR activities within the Bina Mitra Sector, focuses on achieving profitability while addressing community problems through the company’s products and services. One such product offered by Bank Sumsel Babel that addresses community needs is the People’s Business

Credit (KUR). KUR is a credit product provided by Bank Sumsel Babel for working capital and / or investment to borrowers, both groups and individuals, with viable and productive businesses. This product is designed to provide financial support to micro, small, and medium enterprises (MSMEs), which are crucial to the local economy. Through KUR, Bank Sumsel Babel provides access to affordable business capital, helping local entrepreneurs to grow their businesses, create jobs, and contribute to local economic growth. This is a clear example of how Bank Sumsel Babel utilizes its banking products to provide significant social benefits to the community and contribute to local economic empowerment. Increased community interest in becoming customers applying for People's Business Credit (KUR) positively impacts the company's profitability.

Within the CSV framework, companies recognize that they can create value together with society and the environment. This concept benefits companies not only by creating a competitive advantage but also by building a positive reputation, reducing risks, and creating strong relationships with all stakeholders.

Through CSV, companies can take steps such as developing products or services that meet social needs, implementing sustainable business practices, and involving in relevant social initiatives. This approach helps them achieve their business goals while simultaneously addressing pressing social and environmental issues.

Within the Creating Shared Value (CSV) approach, companies adopt actions aimed at creating mutual benefits. One such action involves developing products or services that not only meet market needs but also provide solutions to social problems. In this case, companies add value by providing real solutions to existing social problems.

Sustainable business practices are a key element of CSV. These practices help companies achieve their business goals in the long term by considering their impact on society and the environment. By adopting sustainable practices, companies can optimize operational efficiency, reduce long-term costs, and increase innovation in their products, services, and business processes. In addition, a focus on sustainability strengthens a company's reputation among consumers, investors, and society at large, building greater trust and increasing appeal to stakeholders. Moreover, sustainable business practices help companies manage risks, especially in terms of environmental, social, and corporate governance (ESG), which can reduce the likelihood of future legal, reputational, or operational issues .

In implementing CSR activities, Bank Sumsel Babel simultaneously considers the long-term value that can be achieved for both the community and shareholders. The bank is committed to creating mutually beneficial outcomes. Companies view social responsibility not only as an obligation but also as a strategic opportunity to achieve long-term business

goals. They consider how their CSR activities can add value to the local community through education, health, or economic empowerment programs. On the other hand, they understand that creating positive relationships with communities and supporting prosperity can enhance their reputation and promote harmonious relationships with shareholders.

In addition, Bank Sumsel Babel understands the importance of the long-term sustainability of their business. By factoring social and environmental impacts in their business decisions, such as reducing environmental impact, adopting sustainable business practices, and making positive contributions to the community, they create a more stable foundation for sustainable business growth. The company recognizes that maintaining financial stability and creating sustainable economic growth are key cornerstones of business sustainability (Schoeneborn, 2020).

Through CSR activities and involvement in social initiatives, Bank Sumsel Babel seeks to improve the welfare of surrounding communities, which in turn can create conditions that support sustainable business growth. Bank Sumsel Babel tries to optimize these programs to provide benefits for various parties. To achieve this, CSR programs are well planned to ensure that the results meet the ultimate objectives of the initiatives.

As a company committed to becoming a Regional Development Bank that supports sustainable development, Bank Sumsel Babel

has a CSR program that can be considered successfully implemented. To create shared value, Bank Sumsel Babel has designed and implemented various initiatives covering a broad spectrum, including education, health, economic empowerment, and environmental protection. Through these programs, the company has provided concrete benefits to local communities, helped address social challenges, and offered meaningful support to the communities surrounding its operations. This is reflected in the achievement of strategic objectives, including improved community welfare, support for regional economic growth, community empowerment, and improved stakeholder relations.

More than just philanthropic activities, Bank Sumsel Babel's CSR programs are an integral part of its corporate identity and business strategy. They not only pursue financial goals, but also create a sustainable positive impact on society and the environment. In this regard, Bank Sumsel Babel has proven that a sustainable business can create shared value and play a greater role in shaping a sustainable future.

The success of Bank Sumsel Babel's CSR program is also reflected in the national award, TOP CSR AWARD 4 Star in Indonesia, which was successfully achieved in 2023. This recognition has increased the enthusiasm of officials and employees at Bank Sumsel Babel to optimize the implementation of CSR programs. The TOP CSR AWARD is not just an

assessment and awarding event; it also provides valuable learning activity as well as the highest recognition for companies with successfully implemented CSR programs.

Although CSV is needed as a new paradigm of CSR implementation, not all CSR programs can be executed using the CSV approach because each social issue has a different level of relevance and business potential for the company. CSV is effective when the chosen social issue is directly or closely related to the company's business and creates a clear business opportunity. Companies can implement CSV-based CSR in some areas, while in others, more traditional approaches such as philanthropy or donations can be used to achieve a positive social impact.

The success of Bank Sumsel Babel's CSR program must be assisted by good publicity in the mass media. For this reason, the Corporate Secretary Division, specifically the Media Relations Section, publishes information about the CSR activities that have been carried out. The implementation of Bank Sumsel Babel's CSR program is supported by a communication strategy that targets both internal and external stakeholders. The Media Relations Section in the Corporate Secretary Division communicates CSR activities to stakeholders and establishes relationships with the media to support the publication of CSR activities to the public. The mass media then publishes the company's positive activities and efforts to improve community welfare through CSR programs.

Bank Sumsel Babel's CSR activities are supported by publications in both print and online media, locally and nationally. The media relations department cooperates with several mass media outlets in Indonesia, including Media Indonesia, Sumatra Express, Infobank, Bisnis Indonesia, Tribun News, Sriwijaya Post, Bangka Post, Belitung Post, and Media Satya Laskar Pelangi. Through these publications, the company's image is enhanced in the eyes of the public.

Publicizing CSR programs openly helps companies clearly illustrate to stakeholders, both the general public and shareholders, how CSR funds are used and the results achieved. Publication creates a basis for trust and enables more effective monitoring of the allocation of resources for corporate social responsibility implementation.

In addition, effective publications in the mass media can improve the company's reputation. This process helps companies create a positive image among the public and shareholders, which supports long-term business growth and maintains good customer relations (Sabini, 2015). Successful CSR programs can also draw attention from governments and regulators to social and environmental issues, helping to shape positive changes in the relevant regulatory environment. Therefore, publicizing CSR programs in the mass media is important to ensure that Bank Sumsel Babel's efforts are not only successfully executed but also deliver maximum impact, maintain transparency,

and strengthen relationships with various stakeholders.

The implications of the study's results explain that the CSR program, implemented with the CSV approach, serves as a communication strategy rooted in the company's initiative to contribute to creating a conducive environment while also generating profits. Bank Sumsel Babel's CSR program implementation not only focuses on providing social benefits but also serves as a strong communication strategy. This is reflected in the company's active involvement in creating an environment conducive to sustainable growth.

The importance of effective communication in implementing CSR programs is noteworthy. It is not sufficient merely to execute CSR initiatives; it is also important to communicate these efforts through mass media and other platforms. Disclosing CSR activities is a means for companies to build their corporate image. CSR programs are measured not only by the social benefits and environmental impacts they generate but also by how effectively the accompanying communications can influence public perceptions and create a positive company image.

This research describes the application of the CSV concept in Bank Sumsel Babel's CSR programs. The study shows that Bank Sumsel Babel integrates CSR not only as a philanthropic activity but also as part of their business strategy. This holistic approach not only provides direct social benefits but also supports the company's

long-term business goals. Through strategic partnerships and effective implementation, this research highlights how CSV implementation can create long-term value for society, the environment, and the company itself.

CONCLUSION

At its core, CSV is about changing the world through a new form of capitalism. The essence of the concept is that companies can create economic value by also creating social value. In other words, CSV encourages companies to explore how their business activities can address social and environmental challenges while still generating profits.

Some of Bank Sumsel Babel's CSR programs adopted the CSV approach in the implementation, such as the Bina Mitra CSR program. This program empowers local communities through various initiatives to improve their welfare. The company runs its business by creating shared value with the community, rather than solely providing assistance or donations. This approach ensures that every CSR activity provides long-term benefits for the community and the company. By continuously evolving its CSR strategies to integrate innovative approaches that blend economic value creation with societal benefits, Bank Sumsel Babel can further solidify its role as a catalyst for positive change in the region.

The researchers hope that more companies

implement the CSV approach to improve sustainable finance practices in Indonesia. With more companies adopting this approach, a more inclusive and sustainable business ecosystem can be created. CSV practices can drive for innovation, increase global competitiveness, and contribute to a brighter future for Indonesian society.

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