



## DYNAMICS OF BALANCING SOCIAL WELFARE AND ECONOMIC BENEFIT IN AKZONOBEL'S CSR GOVERNANCE IN INDONESIA

\*Rino A. Nugroho<sup>1</sup>, Septyanto Galan Prakoso<sup>2,3\*</sup>, Meisya Putri Intan Cahyan<sup>2</sup>  
Listya W. Putri<sup>2</sup>, Ferdian Ahya Al Putra<sup>2</sup>

<sup>1</sup> Public Administration Department, Faculty of Social and Political Science, Universitas Sebelas Maret, Surakarta, Jawa Tengah, Indonesia

<sup>2</sup> International Relations Department, Faculty of Social and Political Science, Universitas Sebelas Maret, Surakarta, Jawa Tengah, Indonesia

<sup>3</sup> Doctoral Program student at the Institute of Political Science, National Sun Yat-sen University, Taiwan

### ARTICLE INFORMATION

**Submitted** : 28<sup>th</sup> August, 2022  
**Review** : 18<sup>th</sup> September 2022  
**Accepted** : 01<sup>st</sup> November, 2022  
**Published** : 10<sup>th</sup> December, 2022  
**Available Online** : December, 2022

### KEYWORDS

*Corporate Social Responsibility; Multi-National Company; Crisis; AkzoNobel; Community Program*

### CORRESPONDENCE

\*E-mail: [rino.nugroho@staff.uns.ac.id](mailto:rino.nugroho@staff.uns.ac.id)

### A B S T R A C T

*Corporate Social Responsibility has grown as an issue in corporate governance in recent years. By having such programs, a private company might seem as having a social responsibility towards its social surroundings. In October 2020, no less than 19.056 studies had been conducted on this subject in various contexts. Even though plenty of research was conducted in the area, there is still limited understanding of how CSR helps a Multinational Company (MNC) during a crisis. This study will analyze the role of private companies (as the example is AkzoNobel) in providing for public needs while gaining economic benefit simultaneously. This study will use a qualitative descriptive method, with document analysis as a data collection technique. For analyzing the data this study will use Miles, Huberman, and Saldana's approach to data reduction and display. The result indicates that a comprehensive CSR program combined with strong corporate culture helps an MNC in surviving its operation despite being in the middle of domestic challenges. This research may serve as a checkpoint for further study on CSR in society as one of the social-cultural issues.*

## A. INTRODUCTION

In line with the development of a country which is due to the movement of globalization, the existence of multinational corporations (MNC) is more likely to become the bigger actor in economic activities such as exports, imports, and so forth, compared to the state itself. MNC is simply a company operating in two or more countries, where there are parent companies and branch companies. So, the MNC can have a center in one country, while its branches can be in other countries in the world. Multinational economic activities do not merely have the meaning that a company sells goods to other countries. If there is no business activity from a branch of a company in another country, it cannot be said as an MNC.

The aim of MNC is the way for companies to get raw materials to be processed/produced in other countries ('Raw Material Seeker'). And then the potential benefits are not only seen in terms of costs and production costs, but also by increasing the

number of target consumers ('Market Seeker'). To minimize production costs, simply the potential benefits will be increasingly present ('Cost Minimizers Seeker'). In addition, companies can reduce the risk of production and sales by finding new locations in other countries ('Risk Minimizers seeker'). Companies can maximize profits by reducing production costs as low as possible ('Profit maximization'). Last, companies can get funds through banks ('Fund seekers') (Murdani, 2018).

Indonesia is one of the countries that have to carry out export and import activities of paint industry products and coatings, and it is related to the demand for and the need for paint products in Indonesia. While related to the needs of the middle-class people in Indonesia who need additives, the painting industry also caters to the needs of private customers, the automotive industry, the shipping industry, and the electronic industry. The high production and demand for local paint products in Indonesia is evidenced by

the note that in 2014 where more than 800,000 tons of paint were sold on the market. In addition to the high demand for local paint production, the export activities of Indonesian paint products were also noted to be prosperous. In 2015, Indonesia exported 29,000 tons of paint. Likewise, with export activities, Indonesia is also active in importing like 2014 when more than 65,000 paints entered the country (Global Business Guide Indonesia, 2017). These activities represent MNCs' impact on Indonesia's paint industry.

However, in 2015, there began to be a problem that caused a decline in the production and consumption of paints and coatings in Indonesia, namely the global, and domestic economic slowdown, and domestic political conditions that were rising to the surface from 2016 to 2017. This caused a rejection of the industry by as much as 10%, declining product demand in the automotive and property sectors, which in turn also decreased by 0.4%, which was used to increase employee salaries and basic materials used to make paints and coatings (Global Business Guide Indonesia, 2017). The paint and coating industry in Indonesia can go through this difficult period, which in turn can restore returns to as much as 9.7% (Global Business Guide Indonesia, 2017). This advantage was re-acquired because assistance from the government, namely President Jokowi in 2015 issued an infrastructure development program for one million houses to provide decent living facilities for the people of Indonesia and this program has successfully achieved and even exceeded the target of one million homes by 2018 (Global Business Guide Indonesia, 2017).

The current conditions certainly cannot be separated from the COVID-19 pandemic, which has had an impact on various sectors including the paint industry. However, the Association of Indonesian Paint Manufacturers (APCI) admits that the domestic paint industry is still able to supply almost all the needs of the property, infrastructure, oil and gas, marine, and other industries. Several local paint brands have been able to penetrate the export market. It was explained that from the *Table Input-Output 2016* data that had been successfully processed, 185 industrial sub-sectors needed paint, printing ink, and varnish. Unfortunately, 18.43 percent of lacquer raw materials are still imported (Ayu, 2021). Based on this fluctuation in the industry, a lot of MNCs that practice business on it apply dynamic governance to manage the risk and create better company policies.

Dynamic governance or sociocracy is an industrial democracy operating system that is used as a base in the process of making to consenting a decision that will be implemented, so in the end, the company can achieve some benefits which are it can create good corporate governance, build fairness of opinion and communication between all elements in the company, especially within employees, and it can bring in a final policy that more specified with a more efficient process. This operating system usually can be applied to the environment of an organization, company, and governance (Lozanova, 2014).

Although dynamic governance is identical to public governance, it is later known that it is not always the case as long as dynamic governance is applied to the highest hierarchy in organizations/institutions (Vani & Mayarni, 2020). In the end, dynamic governance has the main aim to create several policy responses that operate together over time to achieve a fixed objective (Nasri, Boubaker, & Dhaouadi, 2022).

There are several basic rules which used as a pillar in the sociocracy system:

- a) Consent  
Offering arguments and reasons to all elements in the company before establishing the final decision in the process of making a policy is very important because the final decision can be achieved if there are no members who disagree and feel burdened (Romme, 1995).
- b) Circle  
A circle is a group that consists of company employees with the same work objectives who are tasked to make company decisions by submitting the results of their consent. Every member or employee in a company is at least being a part of one unit or division. In the process of discussing, each circle can decide on what problems they are going to talk about with notes that it must be by their purpose of work.
- c) Double Linking  
A circle in the bigger company can be formed into a circle hierarchy. A functional manager represents their circle in another circle at a higher level and there is another representative of the circle chosen by their members.
- d) Election of persons  
Divides and elects its members into the circle by their duties and functions to reach an agreement after open discussion.

The term dynamic governance is not quite familiar to be applied in a business or company case study rather than the term corporate governance. But, over the last decade corporate governance which can be defined as how companies are directed and controlled, has entered the mainstream. Following the ethical scandals from Enron to WorldCom at the beginning of the new century, corporate governance both within and outside the company has attracted greater scrutiny than ever before. From Sarbanes Oxley to the OECD's revised Principles of Corporate Governance, several laws, guidelines, initiatives, programs and much more have arisen (Heidrick & Struggles, 2013). Companies worldwide started to appreciate that successful boards need to step beyond mere compliance to create versatile and dynamic governance (Heidrick & Struggles, 2013). There are two key achievements as the basic demand of dynamic governance. First, leadership starts at the board level. The purpose and strategy of the leadership are exercised by the board of directors of a company which will also apply to any organization. Still in the implementation, Dynamic governance needs an adjustment (Rachman & Marsuq, 2020). In this case, adjustment is needed to

solve the occurring problems from various points of view (Tandunggan & Parinussa, 2020).

Second, governance is a way of facilitating and guiding business efficiency. Both else being fair, well-governed businesses succeed. This modern type of dynamic governance reacts rapidly and adaptively to changing business circumstances. It is governance with an advantageous position, rather than governance marked by defensiveness and bureaucracy. In this case, dynamic governance represents the ability of an institution to adapt its policies (Pajri & Asmorowati, 2018). It is developed around the appreciation that the most effective companies are those who could manage what is happening and what is going to happen in the business realm. Dynamic governance has a broad scope, for example, it can be implemented in Immigration affairs (Pajri & Asmorowati, 2018). The secret to all of this is the conviction that corporate governance is not an act of obedience, but that there is a spirit of governance. The spirit will connect to the culture and the performance of a particular organization because a good company will try to explore what is their spirit and what will be the implications. It can be seen that dynamism implied continuous learning swift execution, and never-ending evolution (Andhika, 2017). They will not only think about how the company is governed but they also consider what it means to be well-governed and what stakeholders require. This is also in line with how dynamic governance facilitates "thinking across" between subjects and sectors involved (Fajri, Khaerah, & Razak, 2020).

Eventually, AkzoNobel targets Indonesia as their new growth market in Indonesia. Quoted by AkzoNobel Chief Executive officer, Ton Buchner, market growth in China has lost its long-decade momentum. Therefore, AkzoNobel will reduce investment realization in China and instead focus on new growth markets in Southeast Asia. AkzoNobel sees Indonesia as one country with significant economic growth, especially in property and real estate markets where many houses, offices, malls, and public infrastructure are being made and have large populations. Because growth in high-growth countries is a key component of AkzoNobel's plan. But this decision obviously kind of made the wrong momentum because there was a slowdown in the paint and coating industry sector at the same time. Although it looks like AkzoNobel stepped into the wrong decision but eventually AkzoNobel could survive and maintain its market in Indonesia. One of their maintaining-performance strategies is through corporate responsibility to the environment and also corporate social responsibility (CSR) as a marketing tool, calculated based on dynamic governance. This proves that Private Sectors such as Akzo Nobel are one of the stakeholders that affect the welfare of society (Pamungkas, Warto, & Mugijatna, 2019). It is also expected that the CSR programs from AkzoNobel, as a form of involvement of the industrial sector in the community, can help and spur local economic development (Wahyudi & Kusdarini, 2020).

From the scientific side, this study will highlight how dynamic governance exists in a company/organization as a form of human behavior. This correlates with the perspective of anthropology in a broader context. Moreover, by applying the case of AkzoNobel's CSR in Indonesian society, this study shows the existence of the humanity aspect even in the practice of multinational corporations (MNC). At the same time, this study has the greater possibility to enrich the coverage of anthropology studies in Indonesia. This is caused by the origin of the dynamic governance concept that is also derived from the field of public administration. Therefore, examining the existence of dynamic governance in an MNC such as AkzoNobel can give useful insights for anthropology-related research by Indonesian scholars.

This article's objectives are to explain how AkzoNobel performs as a multinational corporation (MNC) that exists in Indonesia with its brand, Dulux. Especially after their decision as one of the biggest companies that focuses on the paint and coatings industry with their products such as decorative and protective paint, can coating, barrier or protection against oil, moisture or water, and gas, and many more, then shifted their market focus on Southeast Asia. Also, to explore how AkzoNobel's community programs/corporate social responsibilities could benefit them and also all the stakeholders they engaged with.

## B. METHOD

The research method that is used by the author is qualitative descriptive, with supporting data from interviews. According to Creswell, research using qualitative methods is a process of searching, understanding, and analyzing the problem of social and human actions. In this method, researchers build up a picture of the issues as a whole and complex, analyzing words from the received data, reporting the information in detail, and the last one is to do the research. He also states that this qualitative research aims to collect in-depth information and perceptions about human or social behavior and the reasons behind their actions (Mahboob, 2011).

The next one is an analysis method used by the author is an analysis of a case study. Creswell describes that in the case study, researchers investigate the programs, activities, processes, events, and individuals comprehensively. There are two types of cases, a single case and a case that is limited by time and place. The structural patterns in conducting the analysis are the problem, the context, the issue, and what lessons the researcher gets. During the data collection process, researchers can get information from various sources, such as participant observations, interviews, archives, documents, physical artifacts, and visual and audio media (Williams, 2007). Furthermore, the author also uses data reduction and data display techniques by Miles, Huberman, and Saldana. Data reduction refers to the process of selecting, focusing, simplifying,

abstracting, and transforming the data that appear in written-up field notes or transcriptions. Meanwhile, data displays provide an organized, compressed assembly of information that permits conclusion drawing (Miles, Huberman, & Saladna, 2014).

Along with the process of performing document analysis and library research, interviews were also conducted with the stakeholders at SOS Children's Village Indonesia in Jakarta, mainly to get more information about how the collaboration and the practices of AkzoNobel's CSR manifested in Let's Colour project was done. Since this study is mainly conducted through document analysis and library research, there will be a chance to sharpen the analysis in the future paper using a survey or questionnaire to collect the data.

### C. RESULTS AND DISCUSSION

**A**kzoNobel's decision to shift its focus to the Southeast Asia market, especially Indonesia, needs greater leverage because of the situation, and one of them is through the CSR program. Because CSR is also a business approach that contributes to sustainable development by delivering economic, social, and environmental benefits for all stakeholders. As we may say the better corporation relations with stakeholders the more profitable a business would be.

Corporate Social Responsibility is defined as a management concept whereby companies integrate concern for social and environmental aspects in their business operations and interactions with their stakeholders. CSR is generally also understood as how companies achieve a balance of economic, environmental, and social imperatives (the "Three Bottom Line Approach"), while at the same time addressing shareholder and stakeholder expectations (UNIDO, n.d.). This leads to other actions by managers and also organizations to protect and improve their society's welfare.

As one other major industry in coatings and paint fields, AkzoNobel also has several accountable programs indicating their commitment to creating a better society, especially in the country where their industry lies. One example of the program by AkzoNobel is "Let's Colour". The "Let's Colour" Project initiated by Dulux and Flourish brands aims to transform communities through paint. This project is inspired by a corporate commitment that enables children, families, and their communities to grow.

The value that AkzoNobel brings through this project is believing that the power of paint to transform lives by uplifting communities, changing behavior, and making living spaces more fun, livable and enjoyable. "Let's Colour" has built more than 2000 community projects all across the world and has donated more than 1.3 million liters of paint. With this project, young people will receive professional training from AkzoNobel trainer academies and use what they have learned from the training to benefit their community and also themselves. From 2017 to 2022, "Let's Colour" also engaged with an international non-

governmental organization and non-denominational organization SOS Children's Village, which takes care of children who have lost parental care or have the risk of losing them, and is dedicated to ensuring that children under their care become independent adults. AkzoNobel's partnership with SOS Children's Villages kicked off with four countries such as Indonesia, Brazil, Nigeria, and South Africa.

The partnership between the "Let's Colour" project and SOS Children's Villages Indonesia began in May 2017 together with the launch of the SOS youth employability initiative "YouthCan". During this partnership, AkzoNobel held several activities for youth such as color training and knowledge about building, as well as various painting techniques from basic painting to more advanced techniques like decorative painting and texture painting. This program has been held on two SOS Children's Villages Indonesia sites Jakarta and Bandung with more than 100 youth participating (Let's Colour Project, 2017).

AkzoNobel's commitment through its CSR program shows how a responsible corporation should be, especially when it comes to a Multinational Corporation (MNC). MNCs have larger activities and bigger impacts not only through the lens of economics but also through their impact on society. MNC's responsibility is not only to "make a profit" but also to make sure that the community, the civilization, or the people living around the MNC can get a better life. AkzoNobel's stakeholders are not only the executive managers, employees, and customers but also local communities and even an international non-governmental organization. AkzoNobel manages how its program could improve and balance its relations with every stakeholder that exists. The objective behind the "Let's Colour" Project is not only about responsibility for the community around them but also to maintain AkzoNobel's relations with the United Nations (UN). AkzoNobel's support regarding UN Sustainable Development Goals (SDGs) is clearly stated in their 2018 annual report because they believe SDGs provide a clear compass for business growth and development and are in line with AkzoNobel's agenda of creating shared value (AkzoNobel, 2018).

AkzoNobel is also committed to preserving the environment. Note that they are a chemical industry and their production process gives a significant effect on the environment. AkzoNobel claims their Dulux™ premium paint manufacturer always uses high-quality and environmentally friendly materials and it becomes their product's tagline claim. Demand for paint products in Indonesia is very high in line with economic growth in Indonesia. With the high demand that Indonesia has Dulux then decided to expand the production following AkzoNobel's building another bigger factory in Cikarang, Indonesia. If there are damages as a result of the actions of a subsidiary company, the limited responsibility theory enables the parent company to be free from any responsibility. The other difficulty is that usually, the subsidiary company has limited financial resources and the ability for

compensating injuries to individuals (Moghaddam & Zare, 2017).

AkzoNobel realized and became aware of how important a community program is to support their productivity in Indonesia because community programs could influence all aspects of a company's operations. The stakeholders around them could be bearing on the performance of AkzoNobel. Consumers will buy products from companies they believe in and trust. Suppliers want to form business partnerships with socially sensible companies they can bank on. Employees want to work for socially responsible companies. Reputed large investors want to invest in and support firms that they perceived to be socially responsible. INGOs/NGOs and other related organizations want to work together with companies seeking practical solutions to commonly shared goals. Wrapping up everything, in a nutshell, several economic and social benefits could be accomplished through undertaking well-mannered community programs or community responsibility activities (Alam, 2015).

Again, responsibility is not only about how MNCs contribute to their surroundings. The more particular MNCs show up their brands through unusual ways (responsibility initiatives) the more people whether they are consumers, suppliers, or investors will also be familiar with the MNC or at least with the product that they have. Along with the fact that there have been a lot more people that put concern in social and environmental responsibilities or trying to be more responsible, start with their very basic habit to buy products from social and environmentally responsible producers.

Moreover, AkzoNobel is always developing its ambition as can be seen in the following picture.

**Picture 1**  
**AkzoNobel's Ambition on Sustainability**



Source: AkzoNobel Website (Akzonobel, n.d.)

From the picture above, they wanted to emphasize that they have a strong commitment to environmental issues. There are several points that they want to achieve to reach their sustainability, such as reducing carbon emissions, energy reduction, renewable electricity, zero waste, and reusable waste. This strong commitment if it can be realized can build a positive image for them. When they have a good image, it can attract more consumers since the

consumers think that AkzoNobel has a good reputation, not only on their paint quality but also on their concern for environmental issues.

AkzoNobel also contributed to society during and after the pandemic. Although, inevitably, the activity done by AkzoNobel toward society is greatly reduced in frequency during 2019 – 2020, in the later stages of 2021 AkzoNobel slowly restart the CSR program and gradually increase the scope of activity. As an example, AkzoNobel provides skills and entrepreneurship training for teenagers to be able to rise during the COVID-19 pandemic. The program is an initiative of AkzoNobel Indonesia and SOS Children's Villages Indonesia. This collaboration is part of AkzoNobel's global Let's Color initiative, which aims to educate, improve education and promote a positive impact on unemployed youth (Elmira, 2021).

Most recently, AkzoNobel in collaboration with PT Adhi Commuter Properti Tbk. celebrated the 77th Indonesian Independence Day by jointly organizing the 2022 el-Arte Mural Competition which was held on 17-20 August 2022. Hundreds of liters of Dulux paint have been given to mural artists from various backgrounds. and representing several cities in Indonesia. With an estimated 25,000 people using the Harjamukti LRT every day, Dulux hopes to bring color to many lives every day, especially in public spaces such as the Harjamukti LRT Station Area. Dulux (AkzoNobel) believes in the power of paint to change lives by encouraging people, changing behavior, and making living spaces more colorful, comfortable, and fun. With more than 2,000 projects, 48,000 trained people, and 12,000 volunteers, so far more than 68 million people from around the world have benefited from Let's Color. (Jati, 2022). This practice certainly makes AkzoNobel better known to the public. Even though they use the program as CSR, the program can provide economic benefits, although not directly. AkzoNobel's decision to finally shift their market focus in unfortunate momentum must have a long discussion process between departments or circles within the company. As one of the public limited liability companies that were established under the laws of the Netherlands, they need a subtle and transparent movement in every step the company would take.

In the operational activities of AkzoNobel, the implementation of dynamic governance can already be seen clearly in some practices, including the clear division of the boards within the company which consists of the Executive Committee comprises of the members of the Board Management currently the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), business leaders and leaders with functional expertise, allowing both the functions and the Business Areas to be represented at the highest level in the organization. The functions currently represented in the Executive Committee directly are Human Resources, Legal, Finance, and Information Management. The members of the Board of Management remain jointly and individually accountable for all decisions made by the Executive Committee. All Executive Committee decisions require

a majority of the members of the Board of Management. The Board of Management can decide to reserve decisions for the Board of Management. The Board of Management is accountable for its performance to the separate and independent Supervisory Board.

There is also one independent body called a Supervisory Board which holds an essential role in the governance of the company and forms an integral part of the checks and balances of governance and management of the company. Major management decisions and AkzoNobel's strategy are discussed with and approved by the Supervisory Board. The company also has a Sustainability Council which is responsible to be an advisor for the Executive Committee regarding sustainability developments. This body also monitors the process of sustainability and management integration and oversees the company's sustainability targets and overall sustainability performance.

The council itself is chaired by the CEO and includes representatives from the Executive Committee, Managing Directors from our businesses, and Corporate Directors of Strategy, Human Resources, Sustainability and HSE, Supply Chain/Research and Development, Sourcing, and Communications. Progress regarding sustainability objectives, development, target setting, and implementation is reviewed quarterly by the Executive Committee and semi-annually by the Supervisory Board, and is verified annually by KPMG Sustainability. Members of the Boards of Management are appointed and removed from office by the Annual General Meeting of shareholders (AGM). The other members that joined the Executive Committee are appointed by the CEO, subject to the approval of the Supervisory Board. All of these parts of the company work in unison to execute every operational policy, including CSR-related activities. The detail of each part and how they are intertwined with each other also shows the existence of dynamic governance in AkzoNobel's body. It stressed that while each of the divisions has its role and function in coherence with the company's objectives, they should also coordinate to reach the target.

From those practices, the core values of the company are proven synchronized with the principles/elements/pillars of dynamic governance. It can be seen in the structure of corporate governance they released transparently in each annual report which fit the pillars of dynamic governance namely circle, double linking, and election of person. AkzoNobel ensures that the decisions taken within the company are already being discussed and released with the consent of all circles. From the matter of appointment of the committee or board to the matter of decision that is related to the business of the company itself. So does the circle pillars, every member of the company belongs to at least one circle or functional work unit which works together with the same objective. The namely supervisory board, board of management including executive committee which is

made up of several CEOs, functions, business area decorative, business area performance coatings, business area specialty chemicals, countries, decorative paint business, performance coatings business, and specialty chemical business. Moreover, on the application of double linking, it can be seen from the representative in AkzoNobel's Executive Committee which was made up of several CEOs from each department. Those only show partial examples of aspects of dynamic governance which AkzoNobel does. As a top-tier MNC, AkzoNobel sees the importance of dynamic governance application in its operational activities, to ensure good management and business.

From the result above, it can be seen dynamic governance exists as a humanity aspect of companies/organization practices. AkzoNobel's CSR in Indonesian society represents how an MNC can contain the aspects of human behavior to achieve certain objectives. This is caused by the existence of a dynamic governance concept that is practiced inside an organization/company like AkzoNobel. Even though dynamic governance is a public administration concept by nature, the essence of humanity inside it allows MNCs to succeed in conducting operational practices such as CSR.

#### D. CONCLUSIONS

The existence of MNCs nowadays gives a significant impact on every single aspect of people's life. Other than being the ones who would give a significant impact on their environment, MNCs also stick to their nature as a profit-oriented corporations. However, MNCs still need to look after how their productivity or their operations will also be beneficial for them. With this reality, CSR initiatives become one of the programs that will help them to achieve social, economic, and business objectives at the same time. As reflected in AkzoNobel community programs namely the "Let's Colour" Project. This program managed to lift AkzoNobel's existence in Indonesia which at the same time also gave a significant impact on their business related to market change decisions. Thus, the CSR that a particular MNC initiates, not only results in a good engagement with the community but also with the business itself. AkzoNobel has enjoyed a long stable condition in Indonesia as their long live productivity in the paint and coating industry since 1971. However, their decision to shift their market focus to Southeast Asia especially Indonesia eventually meets unexpected conditions – a slowdown in the paint and coating industry market. But with well-managed stakeholder management, AkzoNobel could survive up until now and have a significant increase in their revenue as they planned before in 2014. AkzoNobel community program prospectively will bring a lot of advantages for the people and the organization that they engage. Meanwhile, their productivity has also been affected and has increased in significant

numbers over these past 3 years. That is why a lot of MNCs started to initiate a lot more innovative and interesting CSR because the more responsible they look the more profitable their business would be and the more stakeholders will engage. The study revealed how AkzoNobel could survive and manage their productivity in Indonesia as their new target of growth market through their stakeholder management (in this context using their community program/CSR). However, it needs wide scope for future research about how other companies improve in Indonesia through CSR. Because this study only gives

information from one company and operates on non-primary needs, in this case, paint and coating.

## E. ACKNOWLEDGEMENT

The authors would like to thank SOS Children's Village Indonesia in Jakarta for the information provided. The data from the interview are deemed significant to the finishing process of this article.

## REFERENCES

- AkzoNobel. (n.d.). *Sustainability*. Retrieved from AkzoNobel.com: [https://www.AkzoNobel.com/en/about-us/sustainability-#tabId=item\\_1615296851183](https://www.AkzoNobel.com/en/about-us/sustainability-#tabId=item_1615296851183)
- Alam, A. R. (2015). Pengaruh Reputasi Perusahaan Terhadap Kinerja Pemasaran Celebes TV di Kota Makassar. *Jurnal Economix Vol. 3 No. 1*, 123.
- Andhika, L. R. (2017). PERBANDINGAN KONSEP TATA KELOLA PEMERINTAH: SOUND GOVERNANCE, DYNAMIC GOVERNANCE, DAN OPEN GOVERNMENT (Comparative Concept of Governance: Sound Governance, Dynamic Governance, And Open Government). *Jurnal Ekonomi dan Kebijakan Publik, Vol. 8, No. 2*, 87-102.
- Ayu, I. (2021, July 28). *Menperin: Manufaktur Kontribusi 78,8 Persen Ekspor Nasional*. Retrieved from bisnis.com: <https://ekonomi.bisnis.com/read/20210728/257/1423085/menperin-manufaktur-kontribusi-788-persen-ekspor-nasional>
- Elmira, P. (2021, July 22). *Pelatihan Keterampilan dan Kewirausahaan untuk Persiapkan Remaja Mandiri di Masa Pandemi*. Retrieved from liputan6.com: <https://www.liputan6.com/lifestyle/read/4613206/pelatihan-keterampilan-dan-kewirausahaan-untuk-persiapkan-remaja-mandiri-di-masa-pandemi>
- Fajri, Y. K., Khaerah, N., & Razak, F. S. (2020). Dynamic Governance Dalam Pengelolaan Ruang Terbuka Hijau Di Kota Makassar. *Journal of Government and Politics (JGOP), Vol. 2, No. 2*, 104-112.
- Global Business Guide Indonesia. (2017). *Overview of the Indonesian Paint Industry: Still Promising Despite Slowdown*. Retrieved April 17, 2019, from gbgindonesia: [http://www.gbgindonesia.com/en/property/article/2017/overview\\_of\\_the\\_indonesian\\_paint\\_industry\\_still\\_promising\\_despite\\_slowdown\\_11774.php](http://www.gbgindonesia.com/en/property/article/2017/overview_of_the_indonesian_paint_industry_still_promising_despite_slowdown_11774.php)
- Jati, P. Y. (2022, August 23). *Melalui Warna, Dulux Mengangkat Semangat Hari Kemerdekaan Indonesia*. Retrieved from bernas.id: <https://www.bernas.id/2022/08/153034/melalui-warna-dulux-mengangkat-semangat-hari-kemerdekaan-indonesia/>
- Let's Colour Project. (2017, December 16). *Dulux Painter Academy adds color to SOS Children's Villages in Jakarta, Indonesia*. Retrieved April 12, 2019, from <https://www.letscolourproject.com/dulux-painters-academy-for-sos-childrens-villages-in-jakarta-indonesia/>
- Lozanova, S. (2014, June 27). *Dynamic Governance: A New System for Better Decisions*. Retrieved October 12, 2020, from triplepunditn: <https://www.triplepundit.com/story/2014/dynamic-governance-new-system-better-decisions/42861>
- Mahboob, H. D. (2011). Qualitative Research Process. *Postmodern Opening, 7 (2)*, 143-156.
- Miles, M. B., Huberman, A. M., & Saladna, J. (2014). *Qualitative Data Analysis: A Methods Sourcebook (3 ed.)*. Arizona: Sage Pub.
- Moghaddam, M. H., & Zare, A. (2017, November 29). Responsibilities of Multinational Corporations on Environmental Issues. *Journal of Politics and Law, 78*. doi:10.5539/jpl.v10n5p78
- Murdani, A. D. (2018, Mei). *Multinational Corporation*. Retrieved April 17, 2019, from Portal Ilmu: [http://www.portal-ilmu.com/2018/05/multinational-corporation-mnc\\_2.html](http://www.portal-ilmu.com/2018/05/multinational-corporation-mnc_2.html)
- Nasri, K., Boubaker, H., & Dhaouadi, N. (2022). Dynamic governance of the first wave of Covid-19 in Tunisia: An interoperability analysis. *Wiley Public Health Emergency Collection, Vol. 14, No. 2*, 366-381.
- Pajri, E. H., & Asmorowati, S. (2018). The Move toward Dynamic Governance in Indonesian Public Service Case Study of the Dynamic Capabilities of the Immigration Office Class I Surabaya Regions in Passport

- Service. *Proceedings of the 2nd International Conference Postgraduate School (ICPS 2018)* (pp. 704-707). Surabaya: Scitepress.
- Pajri, E., & Asmorowati, S. (2018). The Move toward Dynamic Governance in Indonesian Public Service (Case Study of the Dynamic capabilities of the Immigration Office Class I Surabaya Regions, in Passport Service). *Kebijakan dan Manajemen Publik, Vol. 2, No. 2*, 1-8.
- Pamungkas, B., Wanto, W., & Mugijatna, M. (2019). NEGOTIATION BETWEEN STAKEHOLDERS OF COMMODIFICATION: Roles and Impacts as Stakeholders in Tebing Breksi Prambanan. *Jurnal Antropologi: Isu-Isu Budaya, Vo. 21, No. 1*, 111-119.
- Rachman, M., & Marsuq. (2020). The capability of Dynamic Governance Aspects of Thinking Across: Case Studies in Building and Environmental Planning in Strategic Areas. *Journal La Bisecoman*, 20-24.
- Romme, G. (1995, August). The Sociocratic Model of Organizing. *Journal of Strategic Change Vol. 4*, 209-215. doi:10.1002/jsc.4240040404
- Tandungan, E. S., & Parinussa, E. M. (2020). Implementation of Dynamic Governance Concept Through Discretion Policy in Facing the National Emergency of Covid-19 in Indonesia. *Proceedings of the First International Conference on Economics, Business and Social Humanities*. Madiun: European Union Digital Library.
- UNIDO. (n.d.). *What is CSR?* Retrieved from unido.org: <https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr>
- Vani, R. V., & Mayarni. (2020). KAPABILITAS DYNAMIC GOVERNANCE PEMERINTAH KOTA PEKANBARU DALAM PEMBERLAKUAN NEW NORMAL DI MASA PANDEMI COVID19. *Jurnal Agregasi, Vol. 8, No. 2*, 145-167.
- Wahyudi, A., & Kusdarini, E. (2020). Pengembangan Ekonomi Lokal Melalui Industrialisasi Tenunan Khas Bima 'Tembe Nggoli' di Provinsi NTB. *Jurnal Antropologi: Isu-Isu Sosial, Vol. 22, No. 2*, 226-235.
- Williams, C. (2007). Research Methods. *Journal of Business & Economics Research (JBER)*, 5 (3), 65-72.