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Beyond Exit Strategy: A Lifecycle Approach to CSR Sustainability and Post-Exit Engagement in a Community-Based Cooperative

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Sustainability has become a central concept in Corporate Social Responsibility (CSR) practices in Indonesia, yet existing regulatory frameworks—including the voluntary PROPER scheme and Ministerial Decree No. 1824 of 2018—have yet to provide comprehensive indicators across all stages of program planning, implementation, and evaluation, resulting in inconsistent operationalization in practice. Existing exit strategy frameworks, largely derived from international NGO contexts, inadequately capture the relational and value-creating dimensions inherent in corporate CSR. This study examines CSR sustainability strategies and post-exit engagement within a corporate context, utilizing the lenses of ISO 26000, ISO 20400, and Creating Shared Value (CSV). Employing a qualitative case study design, the research focuses on Koperasi Konsumen Swadaya Pribumi Klapanunggal, an initiative by PT Solusi Bangun Indonesia. Data were gathered through participant observation, interviews with 17 informants, and document analysis, subsequently analyzed using an explanation-building approach. The findings reveal that sustainability is achieved through two key phases: the transition to independence and post-exit engagement. The independence phase emphasizes practice evaluation, institutional strengthening, and needs-based program design. Post-exit engagement is manifested through the cooperative's integration into the company's value chain via a local vendor policy, demonstrating the principle of CSV. Overall, this study demonstrates that CSR sustainability in community-based cooperatives extends beyond traditional exit strategies, highlighting the importance of a lifecycle approach. The proposed phase-in and phase-up mechanisms provide a practical framework for ensuring long-term, mutually beneficial outcomes between companies and local communities.

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Introduction

Community empowerment has long been positioned as a central strategy in development discourse, particularly in addressing inequality and enhancing local resilience. Moreover, community empowerment is a complex, multidimensional process that extends beyond increasing economic access. It encompasses strengthening critical awareness, building

equitable social structures, and developing community-based regulations that sustain long-term development (Currie et al., 2023; Stoeffler, 2018). Awareness plays a fundamental role in this process, enabling individuals and groups to recognize and analyze structural barriers that limit participation and hinder welfare improvement (Turner & Maschi, 2015). Without sustainable empowerment mechanisms, marginalization persists, as vulnerable groups remain constrained in their access to power and resources, ultimately impeding both social and economic progress.

Sustainability has become a central expectation in Corporate Social Responsibility (CSR) practices in Indonesia, particularly as the paradigm shifts from charity-based models toward community empowerment (Firdaus et al., 2024). Global frameworks such as ISO 26000 position CSR as a strategic contribution to sustainable development, while national instruments such as PROPER further institutionalize this expectation by incorporating community empowerment as a key performance indicator (Hahn, 2013; ISO 26000, 2010; Prabawani et al., 2023). Despite this strong normative emphasis, however, sustainability remains inconsistently operationalized in practice. Existing regulations—both voluntary (PROPER) and mandatory (Ministerial Decree No. 1824 of 2018)—have yet to provide comprehensive indicators across all stages of program planning, implementation, and evaluation (Suwarno & Febryano, 2026). As a result, sustainability is frequently reduced to the achievement of short-term outputs or the attainment of community independence, which is often equated with the termination of corporate intervention (Bettker Vasconcelos et al., 2025). This interpretation overlooks the long-term nature of empowerment, which is fundamentally a "*process of becoming*" rather than a finite outcome (Kieffer, 2014; Prihatin & Budiono, 2022).

One approach widely adopted to address sustainability is the exit strategy, defined as the planned withdrawal of external support while ensuring program continuity (Gardner et al., 2005; Ruiz-Miranda et al., 2020). Existing frameworks conceptualize exit through mechanisms such as phase-down, phase-out, and phase-over, emphasizing resource withdrawal and institutional transfer (Khan & Khan, 2012; Lvinger & McLeod, 2002; Rogers & Macías, 2004). However, these frameworks were largely developed within international NGO contexts, where program relationships are predominantly unidirectional and do not require sustained relational engagement (Kinsbergen et al., 2023). In the corporate CSR context, this limitation becomes more pronounced. CSR initiatives are embedded within ongoing business–community relationships and increasingly oriented toward creating shared value (Odia, 2019; Porter & Kramer, 2011). Consequently, exit in CSR should not be understood as the termination of relationships, but rather as a transition toward new forms of partnership — a dimension that existing exit strategy frameworks have not adequately captured.

A review of the existing literature reveals two interrelated gaps. Firstly, studies on CSR sustainability have focused predominantly on the mechanics of program withdrawal, giving limited attention to what occurs *before* and *after* the exit phase (Adel et al., 2025). The processes through which programs are initially introduced and community capacities are progressively strengthened remain underexplored. Secondly, in the Indonesian

context specifically, empirical studies have largely confirmed the presence of exit mechanisms without sufficiently examining whether communities sustain programs independently after resource withdrawal, nor how companies continue to engage communities in the post-exit period (Maksudi & Radyati, 2022; Setyawan, 2017). This gap is particularly significant for community-based cooperative models rooted in Islamic values, where long-term relational governance and shared responsibility are integral to the sustainability of community institutions (Bahri, 2019; Suparjan, 2022).

To address these gaps, this study examines CSR sustainability strategies and post-exit engagement through the case of Koperasi Konsumen Swadaya Pribumi Klapanunggal (KKSPK), a cooperative established in 2006 as a CSR initiative by PT Solusi Bangun Indonesia (SBI) Narogong Plant and formally exited in 2013. This case is analytically significant as it represents a rare empirical instance of long-term CSR sustainability in a community-based cooperative, offering a basis for examining the relational and institutional mechanisms that underpin program resilience. The study draws on ISO 26000, ISO 20400, and the Creating Shared Value (CSV) framework as analytical lenses to interpret how sustainability is constructed across different phases of the program lifecycle. This study proposes a lifecycle-based framework that extends conventional exit strategy models by introducing two additional dimensions: *phase-in*, referring to the early alignment and participatory design processes that establish the foundation for sustainability; and *phase-up*, referring to the progressive strengthening of community capacity and institutional governance that enables meaningful independence. Together with post-exit engagement—understood as the continuation of company–community relationships through partnership and sustainable procurement—these dimensions offer a more comprehensive and contextually grounded understanding of CSR sustainability. This framework represents a novel contribution to the CSR literature in Indonesia, particularly for community-based cooperative models where Islamic values of mutual support, accountability, and long-term collective welfare are central to sustaining program outcomes. The study addresses two main research questions: (1) how are CSR sustainability strategies implemented leading up to the exit phase, and (2) how do companies develop and maintain engagement with communities after exit?

Literature Review

Exit Strategy & CSR Sustainability

Exit strategy has long been recognized as a foundational mechanism for ensuring program sustainability in development interventions (Gardner. et al., 2005; Milenova et al., 2025; Rogers & Macías, 2004). Foundational frameworks conceptualize exit through three structured approaches—phase-down, phase-out, and phase-over—each emphasizing different aspects of institutional transfer, capacity building, and resource transition (Levinger & McLeod, 2002; N. & M., 2006). These frameworks have informed practices across major development organizations, including USAID and other multilateral institutions. However, their origins in international NGO contexts present notable limitations: interventions in such settings tend to be unidirectional, technically focused,

and less reliant on sustained relational engagement (Bennett et al., 2011; Khan & Khan, 2012). Consequently, sustainability is often treated as an outcome of exit, rather than as a continuous process shaped throughout the program lifecycle.

In the CSR context, these limitations become more pronounced. Unlike NGO programs, CSR initiatives are embedded within ongoing business–community relationships and increasingly oriented toward creating shared value (Porter & Kramer, 2011). This fundamentally challenges the conventional notion of exit as the termination of engagement. Instead, exit in CSR should be understood as a transition toward new and more reciprocal forms of partnership, where economic and social value continue to be co-created beyond the formal program period (Jamali, 2014; Kambalame & de Cleene, 2006).

Empirical studies in the Indonesian context further expose these gaps. Existing research has largely focused on confirming the presence of exit mechanisms or documenting partial applications such as phase-over and institutional transition (Kurnianingtyas & Anugrahini, 2021; Maksudi & Radyati, 2022; Setyawan, 2017). These studies have not sufficiently examined whether communities sustain programs independently following resource withdrawal, nor how company–community relationships evolve in the post-exit phase. Moreover, earlier phases of program development—specifically how programs are initially introduced (phase-in) and how community capacities are progressively strengthened (phase-up)—remain largely unexplored, despite their critical role in determining long-term sustainability outcomes. To address these gaps, this study extends the conventional exit strategy framework into a broader lifecycle perspective that incorporates phase-in, phase-up, and post-exit engagement as interrelated dimensions of CSR sustainability.

CSR Governance, Engagement, and Sustainability

Understanding how sustainability is maintained beyond exit requires attention to CSR governance and stakeholder engagement frameworks. Global standards such as ISO 26000 and ISO 20400 provide normative guidance for embedding social responsibility across organizational decision-making and operational processes (Camilleri, 2019). ISO 26000 emphasizes organizational governance, community involvement, and development (CID), highlighting accountability mechanisms, knowledge transfer, and capacity-sharing as essential components of stakeholder engagement (ISO 26000, 2010). Within this framework, social mapping functions as a critical foundation, ensuring that CSR programs are designed in alignment with actual community needs from the outset (Jannah & Mani, 2025). Despite offering comprehensive principles, however, these frameworks remain largely normative and provide limited operational guidance on sustaining relationships and integrating CSR initiatives into core business processes beyond program completion.

ISO 20400 extends this perspective by introducing sustainable procurement as a mechanism to align business operations with social responsibility objectives (ISO 24000, 2019). By integrating local communities into corporate supply chains, sustainable

procurement enables continued engagement that extends well beyond traditional CSR interventions. In this sense, it functions not only as a procurement policy but as a post-exit engagement mechanism which is one that sustains long-term economic relationships between companies and communities. This aligns closely with the Creating Shared Value (CSV) framework, which argues that social and economic objectives can be pursued simultaneously within corporate strategy and is particularly relevant for community-based cooperatives rooted in Islamic values of collective welfare and mutual accountability (Porter & Kramer, 2011).

Central to this study is an understanding of community empowerment as a long-term, dynamic process of building capacity, access, and agency, which is not a short-term outcome (Korten, 1984; Prihatin & Budiono, 2022). Empowerment, in this sense, encompasses not only ability but power—the capacity of communities to exercise meaningful control over their own resources and development trajectories. This reinforces the importance of the phase-up process, in which progressive capacity strengthening forms the critical foundation for sustainable independence. Building on these perspectives, this study positions CSR sustainability as an ongoing governance and engagement process, that integrates early-stage alignment, capacity development, and long-term relational engagement into a coherent lifecycle-based framework.

Methods

This study adopts a single-case study design, focusing on the Swadaya Pribumi Cooperative as a critical and revelatory case (Yin, 2018). A phenomenon qualifies as a 'case' when it demonstrates distinctive characteristics within a specific temporal and social context (Yin, 2014). Three characteristics justify the selection of this case. First, KKSPK represents one of the most sustained CSR programs implemented by PT SBI, having maintained continuous development since its establishment in 2006. Second, despite formally exiting corporate support in 2013, the cooperative has operated independently for more than 19 years. Third, the relationship between PT SBI and the cooperative has evolved into an ongoing business-to-business partnership — a trajectory that makes this case particularly relevant for examining long-term CSR sustainability and post-exit engagement, both of which remain underexplored in existing literature.

A qualitative approach was employed, as it enables researchers to understand social phenomena by exploring experiences, perceptions, and contextual meanings (Creswell & Creswell, 2018). The research was conducted in Klapanunggal District, West Java, where both PT SBI Narogong Plant and the cooperative are located. Consistent with case study principles, data were collected through multiple sources: participatory observation, in-depth interviews, documentation, and archival records (Yin, 2018). Participatory observation was initiated through the researcher's internship engagement, which provided contextual understanding of the dynamics between PT SBI and former CSR beneficiaries. Potential observer bias was mitigated through systematic triangulation and cross-verification of data across sources.

Interviews were conducted with seventeen informants selected through purposive and snowball sampling. Informants represented multiple stakeholder groups, including cooperative founders, management, employees, and members; PT SBI Community Relations managers, coordinators, and officers (including former personnel); and representatives from the Bogor District Office of Cooperatives and MSMEs. The inability to include certain local government informants is acknowledged as a limitation, given that some key actors are no longer available due to the program's extended duration.

Data validity was ensured through multiple triangulation strategies. Source triangulation involved comparing data across observations, interviews, and documents. Perspectives were additionally contrasted both within homogeneous stakeholder groups (e.g., among cooperative members) and across heterogeneous groups (e.g., between company representatives, cooperative management, and community beneficiaries), following Patton's triangulation principles (Moleong, 2009). Methodological triangulation was further applied by integrating findings from interviews, field observations, and archival records. Prolonged engagement through repeated field visits beyond the internship period, alongside peer debriefing, enhanced analytical rigor and reduced potential bias (Yin, 2018).

Data analysis followed a systematic process of reduction, categorization, and interpretation, employing an explanation-building technique as the primary analytical strategy (George & Bennet, 2005; Yin, 2018). This technique traces causal mechanisms underlying program sustainability, combining deductive categories drawn from the proposed lifecycle framework—phase-in, phase-up, exit, and post-exit engagement—with inductive themes emerging from empirical data. Data were iteratively revisited to refine explanations and establish linkages between program phases and sustainability outcomes. Ethical considerations, including informed consent, voluntary participation, and informant confidentiality, were maintained throughout the research process.

Results

Sustainability Strategies for CSR Programs Towards Self-Reliance

In analyzing the sustainability strategies, practitioners and researchers typically utilize the exit strategy concepts proposed by Levinger and McLeod (2002) and Rogers and Macias (2004), which outline three strategic approaches: phase down, phase out, and phase over (Levinger & McLeod, 2002; Rogers & Macías, 2004). These strategies guide the processes of resource withdrawal to ensure the program's sustainability.

In its early years, PT Solusi Bangun Indonesia Narogong Plant—formerly PT Holcim—was not familiar with the concept of exit strategy when establishing its cooperative program. The CSR initiatives at that time were primarily based on a learning-by-doing approach, often characterized by trial and error. As a result, the team's understanding of planning for a sustainable program was limited to analyzing failed initiatives and experimenting with alternative methods. Drawing from empirical lessons learned in the field, in 2006, the Community Relations (Comrel) team at PT Holcim endeavored to formulate a cooperative CSR program aimed at achieving sustainability.

Reflection and Evaluation of Failed Programs

The abstraction in social sciences presents challenges for companies in evaluating their contributions to society (Clarkson, 1995; Maignan et al., 2005). Evaluations of programs are typically conducted mid-course or at the end; however, reflecting on programs at the outset and evaluating previous initiatives is essential for building a foundation for future actions. The sustainability strategy employed by PT Holcim was not characterized by an exit plan from the beginning, as described by Levinger and McLeod (2002). Instead, it first involved reflecting on and evaluating prior program failures. CSR initiatives do not emerge from nothing; past failures serve as privileges and learning opportunities to design better programs.

In 2006, the company invited community leaders to unify perspectives regarding the failures of previous initiatives, facilitated by Dompok Dhuafa Republika. At that time, the primary issues in the community were inequality and poverty, compounded by limited access to reliable capital. Consequently, many community members were burdened with debts from informal lenders and loan sharks. Despite the company's efforts to implement economic enhancement programs such as the Cooperative Paguyuban and the Revolving Fund, both were not sustainable due to the mindsets of both the managers and the community. The intended long-term impacts of the cooperative and revolving fund initiatives were not achieved because the community's management responsibilities did not align with the established standards and procedures.

“The company established a CSR program to enhance the economic access of the community, called the Cooperative of Village Heads. However, this initiative was not sustainable due to financial management errors and conflicts of interest among cooperative personnel at the program's inception. Subsequently, the company launched a revolving fund program for agricultural groups, rattan groups, egg-laying chicken groups, and others. After two years, this initiative also failed, as the repayment of funds became stalled. The community's mindset perceived the company's CSR funds as their entitlement, leading them to believe that repayment was unnecessary. While some managed to repay the funds, the majority did not, resulting in the depletion of program funds without any tangible outcomes.” (SY, DT, and NH).

Program Planning that Addresses Needs and the Process of Establishing an Entity in Accordance with the Company's CSR Vision

Based on the CSR team's assessment in 2006, the economic conditions of the community were difficult to develop due to limited access to reliable capital. Many community members were caught in cycles of debt with informal lenders and loan sharks, as there were no banks or community economic institutions available. The existing cooperatives had a negative reputation due to some being untrustworthy. Consequently, the company consulted with Dompok Dhuafa Republika to establish a Microfinance Institution aimed at improving the welfare of the lower-middle-class community. This led to the plan to

establish the Baitul Maal wa Tamwil (BMT) program, meaning “House of Financing”, in collaboration with the BMT Center.

In addition to evaluating previous unsuccessful programs, PT Holcim invited 43 community leaders from the surrounding Ring 1 villages to discuss this initiative. Facilitated by Dompot Dhuafa Republika, the community leaders ultimately agreed with the company's initiative to establish the BMT. The BMT was designed to operate under a savings and loan cooperative model with Sharia-compliant fund management. This program was believed to better address the community's needs, as it would be the only cooperative in the Klapanunggal District with Sharia-compliant fund management, thereby ensuring a fair system for its members, free from practices such as interest or usury.

One of the key challenges in the community empowerment process that significantly impacts program sustainability is establishing a solid organizational structure and institution. Bahri (2019) identifies individual/group resources and institutional structures as input aspects that can ensure the sustainability of community empowerment programs (Bahri, 2019). A better institutional structure is one of the goals of community empowerment, which can enhance the bargaining position of the community (Hamid., 2018; Mardikanto & Soebianto, 2012). Learning from previous evaluations, the mindset of program managers was identified as an input aspect that hinders program sustainability. Therefore, PT Holcim exercised caution in forming the structure for the BMT program.

Out of the 43 participants in the Focus Group Discussion (FGD), three were selected as founders and three as supervisors (Figure 1). Additionally, the 43 participants proposed trustworthy individuals in each village to serve as BMT managers. Alongside this, PT Holcim's Community Relations (Comrel) Team also initiated an open recruitment process for key figures who were unable to attend the FGD, by posting recruitment announcements in each village. The posters included the qualifications for managers aligned with the program's and company's values. After narrowing down the candidates, PT Holcim conducted a rigorous selection process, which included administrative reviews, interviews, and psychological tests. This assessment and selection process was carried out in collaboration with independent parties or psychologists to evaluate the profile, track record, resources, mindset, and goals of the prospective managers to ensure alignment with the company's CSR program vision and mission.



Figure 1. Establishment Meeting of the BMT. *Source:* Company Documents, 2006

Following a series of selection processes, the BMT management structure was established, consisting of a chairperson, a treasurer, and a secretary. These three managers then opened recruitment and selection to the wider community for additional program managers and administrators. The managers and administrators were tasked with assisting the governing body in the daily operations of the BMT with the community. At that time, none of the managers or administrators had a financial background; instead, they were community leaders and educational figures. However, they possessed a strong desire to learn and explore new concepts. As the program progressed, they infused educational values and good empowerment principles into the program.

These values played a crucial role in maintaining the program's sustainability against individuals who did not share the same vision. In the early stages of the program, they faced challenges, including a situation where one of the managers attempted to exploit the company's CSR program for personal gain. The other managers recognized that this behavior contradicted their foundational values and objectives, and they assessed that the mindset of this individual posed a risk to the program's future sustainability. After a case of fraud was confirmed, PT Holcim, in collaboration with Dompot Dhuafa Republika, facilitated mediation among the managers. The outcome of the deliberation and consensus decisively led to the expulsion of the individual in question to protect the program's sustainability, replacing them with someone who was trustworthy and aligned with the program's original vision.

“Umar bin Khatab stated, ‘Place money in your hand, not in your heart’; therefore, I emphasize the importance of following the Standard Operating Procedures (SOP). I noticed unusual signs from the beginning. He said, ‘But this is our opportunity.’ What opportunity? We are here not as individuals; we cannot act on behalf of ourselves.’ This was early 2006. Eventually, a crash occurred, and I informed my Community Relations (Comrel) manager that I could not partner with this person; our values no longer aligned, and I feared that there would be danger behind this individual, which later proved to be true.” - Interview with a Former Manager (NN)

“In the beginning, we faced challenges immediately; we needed legal status for the foundational documents for the notary note. From that point, we were already let down by one individual who disappeared. Ultimately, we sought a replacement, and through deliberation, that individual was removed.” - Interview with a Manager (DT)

The issues faced by BMT are commonly encountered in other CSR and community empowerment programs. The primary obstacles often arise from within the organization itself or from individuals who diverge from the vision of community empowerment. Such cases serve as a form of ‘natural selection’ in filtering out trustworthy leaders who are willing to make sacrifices when initiating a program. Many individuals seek to exploit CSR programs for immediate personal gain without considering the long-term sustainability of the initiative. One of the key internal factors for the sustainability of the Koperasi Swadaya Pribumi (when it was still BMT) was having honest, trustworthy leaders committed to developing the program from the beginning, even if it meant sacrificing personal gain in the early stages to ensure operational continuity. Only after establishing a steady cash flow and securing capital, operational, and emergency funds did they begin to reap the rewards.

“First, it was our willingness to grow the initiative. Second, honesty; we, the leaders in the beginning, took nothing, did not receive any payment, and only covered the salaries of the managers, as the leaders primarily provided direction and oversight. Fortunately, those who became leaders already had their own sources of income, so they did not rely on this. If they had relied on this, they would have been exhausted. This approach worked for years, and when the cooperative grew, we, who had helped it develop, finally received our share. We viewed it as essential for the program to grow first, without personal interests; we had to be patient.” - Interview with a Manager (DT)

Throughout the journey of the BMT from 2008 to 2012, challenges continued to arise from individuals within the organization seeking to exploit opportunities. As the BMT expanded and relocated from the mosque courtyard to a kiosk, incidents of theft occurred, including the theft of collateral belonging to community members and computers containing customer data. Additionally, there was a case of fraud involving a marketing staff member. However, thanks to the honesty and integrity of the BMT’s management and leaders, they faced these challenges responsibly, compensating the customers for their losses and taking firm action against the problematic individuals. As a result of these responsible actions, incidents of theft and fraud did not hinder the BMT; instead, the organization’s reputation grew as community trust in the BMT increased. The BMT gained further confidence from both the public and investors. The integrity and values of the founders, leaders, and managers—who did not exploit the program in its early stages—along with their decisiveness in addressing individuals who posed a risk to the program, were critical internal factors that contributed to its sustainability. PT Holcim’s strategy of rigorously selecting leaders aligned with a group that shared the same vision and values as the company’s CSR program facilitated early mitigation efforts to expel those who did not align with the program’s sustainability goals.

“When we talk about implementing empowerment programs, it cannot be done by one party alone; no matter how well-designed our approach is, if we do not target the appropriate groups, it will not succeed. After several setbacks, we found the right group. The process of accompaniment cannot proceed without passion, as it must be carried out with a clear shared vision and mission. This is where our process of delivering values and fostering a sense of belonging between us and them develops.” - Interview with the Community Relations Manager (NL)

‘Empowerment’ in Development: An Opportunity to Process and Develop Potential

According to Widjayanti (2011), empowerment means awakening the resources, opportunities, knowledge, and skills of the community to improve their quality of life (Widjayanti, 2011). Most companies provide training, infrastructure, or capital with the hope that communities will become empowered; however, the process of enabling them to independently transform training and assistance into something productive is often ignored. In the initial stages of the program, PT Holcim provided seed funding of 150 million rupiah, aid in the form of used computers, desks, and chairs, conducted a week-long training on BMT and cooperative management for the groups at the BMT Center, and offered six months of support in collaboration with Dompot Dhuafa Republika. However, PT Holcim’s main strategy did not stop there. The company empowered the groups to independently manage their funds and resources. The funds were then divided into three parts: 50 million for savings and loan capital, 50 million for operational expenses, and 50 million for the location. The allocation for the location was later redirected to capital, as they initially utilized the courtyard of Masjid Al-Banna for BMT transactions. The leaders and managers were also given the authority to explore additional funding sources to develop their potential. From the outset, PT Holcim made it clear that the company's assistance would not be perpetual, and that when the BMT became independent and ensured its sustainability, the company’s support would cease. With this understanding, the founders and managers endeavored to develop the program independently, seeking ways to ensure the sustainability of the existing support from the company.

"Changing mindsets is not easy. (Holcim previously provided the community with revolving funds without profit-sharing, and nearly 90% of that money was not returned.) From the beginning, the company stated that assistance for the BMT would not be permanent. Therefore, we at the BMT inform members on how to ensure that the existing funds have longevity and can provide greater benefits. The money must continue to circulate. Initially, I approached wealthy individuals in the area to encourage them to deposit their funds in the BMT, so that indirectly, they could assist those in need. Although this was done gradually rather than all at once, because despite the growing enthusiasm within the community, the previous mindset still persisted. The community looks to us; the success of the cooperative depends on its members and management, which is why we choose competent and trustworthy employees. We also conduct a selection process, inviting individuals who have spare time to contribute." - Interview with Former BMT Manager (SL)

After six months of support facilitated by Dompot Dhuafa Republika, the BMT initiated efforts to develop the program by reaching out to wealthy individuals in the area to encourage them to save with the BMT, as well as conducting outreach to schools and small and medium-sized enterprises (SMEs). PT Holcim only opened access to BMT networks with Islamic banks and the Bogor Regency Government as part of the ‘Holcim Support Program’; thereafter, the execution was carried out independently by the BMT. The management and staff then began attempting to secure soft loans from the Bogor local government and Islamic banks through multiple proposal submissions and presentations. After several rejections, they successfully obtained a soft loan in 2008 amounting to approximately 900 million rupiah, with a repayment scheme set for installments in years four to seven. With the capital, the BMT was able to grow and attract more members for savings and loan programs, as well as other initiatives. PT Holcim recognized the social capital possessed by the management and staff, which motivated them to empower these individuals, providing them with opportunities to develop themselves and their potential.

Empowerment through Authority: Ensuring the Value Chain of CSR Programs

Companies often provide CSR assistance without considering whether the programs have established a clear value chain. The value chain allows organizations to view their activities and competitive strengths to create added value from upstream, through processes, to downstream (Porter, 1985). CSR should not only benefit the organization itself but should also extend throughout its entire value chain (Caplan et al., 2013). Similar to companies, CSR programs will eventually evolve into independent business entities that must also have their value chains clearly defined from upstream to downstream. Many companies have ensured the upstream and processing aspects of their programs but often ignored the downstream components.

One of the most impactful strategies employed by PT Holcim for the sustainability of the Koperasi Swadaya Pribumi, which was then known as BMT, was ensuring the downstream aspects of the BMT program by integrating it into their business processes. Each year, the Comrel Department of PT Holcim allocates scholarship programs for students in the company’s Ring 1 and Ring 2 areas. PT Holcim views these scholarships as a stepping stone for BMT to develop its financing products. After the establishment of the BMT program, Comrel PT Holcim granted the BMT authority to manage the distribution of these scholarships. All students registered as scholarship recipients are required to open accounts with BMT, thereby increasing the number of BMT members each year and enhancing the organization’s visibility within the broader community.

“The most significant persuasion was involving BMT in the scholarship activities. Imagine, five hundred students each year, with five hundred children opening accounts at BMT and distributed across every village and sub-district. This connection has existed since the inception of BMT. Initially, we thought about how to link CSR programs with BMT

throughout the sub-districts so that BMT has a bond with the community." Interview with CSR Program Executor (SY)

The involvement of BMT in other CSR programs of PT Holcim at the beginning served as a strategy to empower the program, ensuring its effectiveness. The relationships formed between BMT, PT Holcim, and the beneficiaries of other programs created a value chain and a shared value system that positively impacted the achievement of common sustainability goals. By ensuring the value chain and sustainability of BMT through this involvement, there was an indirect effect on the sustainability of both the CSR programs and PT Holcim's business itself. The sustainability of BMT has benefited small and medium-sized enterprises in the vicinity of the company. In addition to receiving training and education on financial management related to compulsory savings and financing, members benefit from the distribution of 25% of the surplus (SHU) during each Annual General Meeting.

Figure 2 are snapshots of a small and medium-sized enterprise owned by one of the members (AN) who has experienced the benefits of the BMT's Sharia savings and loan program, which is used for capitalizing the business.



Figure 2. Savings Account and Loan Card Figure 2. Condition of Member's Store. *Source:* Researcher Documentation, 2024

"I have one savings account and three cards. I once borrowed 5 million for this shop, and alhamdulillah, my sales are going well. I don't dare to borrow from the bank. There is a profit-sharing system, so I benefit from being a member of the cooperative. Last year, I received over 1 million, but this year it's only 400,000, depending on whether we save or borrow. Every year, there's also an invitation for small and medium-sized enterprises (SMEs) to participate in training, but it's exclusively for active members." — Interview with a cooperative member (AN)

Responsible Exit: Exit is not a goodbye

PT Holcim did not invest a significant amount of effort or CSR funds into the BMT during its time as a partner; however, several strategies implemented by PT Holcim were effortless but powerful steps that empowered BMT in terms of their mindset, capabilities,

and authority to develop programs. Some informants have differing opinions on when BMT should be considered independent and when to exit, as the interpretation of “exit” varies among them. Nevertheless, the researcher aims to summarize the process of independence and the point at which all interventions in the form of assistance were completely halted. PT Holcim provided cash assistance only at the beginning of the program, followed by ongoing support. Several informants agree that by 2009, BMT could be considered operationally independent. By 2012, BMT, which had been renamed the Koperasi Simpan Pinjam dan Pembiayaan Syariah Swadaya Pribumi (hereafter referred to as Koperasi Swadaya Pribumi), was able to purchase its own land and secured a loan of 500 million from a bank to construct a two-story building. During the construction process, PT Holcim provided material assistance in the form of cement, one of its products. In 2013, management and the Comrel Team agreed to exit and elevate Koperasi Swadaya Pribumi from a supported entity to a CSR program partner.

“Swadaya Pribumi Cooperative was declared independent in 2013 because it achieved remarkable milestones. They maintained sustainable profits, had sound financial reporting, and their organizational and resource management capabilities improved. They were able to recruit employees (tellers, marketing staff, and security), and their number of beneficiaries had grown significantly (approximately 2,000 by 2013), which was crucial. During the construction of their building, the manager at that time said, ‘We will only provide cement; the rest will be handled by Swadaya Pribumi Cooperative. It is time for them to become independent.’ However, this does not mean we separate entirely; we will continue to be good partners. If they encounter any problems or difficulties, we can still support them through guidance or consultation.” — Interview with Ex-Comrel Coordinator (NV)

Periode	Problems	Strategies & Engagement	Community’s Internal Factor	Sustainability Impact
Towards Independence (2006-2013)	<ul style="list-style-type: none"> The Widespread of Mobile Banks and Loan Sharks 	<ul style="list-style-type: none"> Collaborative program planning with the community based on evaluations of previous failures 	<ul style="list-style-type: none"> Founders’ and managers’ capacity (education and religious background) and clean track record 	Cooperative: The business sustainability of the cooperative is assured, with access to capital, operational funds, ownership of buildings, land, and operational vehicles, dedicated spaces for personal development, and the ability to absorb the local

<ul style="list-style-type: none"> • Community mindset regarding CSR funds 	<ul style="list-style-type: none"> • Providing opportunities for capacity development (capital, networks, and capabilities) 	<ul style="list-style-type: none"> • Values and mindsets of founders and managers willing to develop the program without exploiting or benefiting in the early stages 	<p>workforce. The cooperative gains the trust of the community and the company as a bridge for local economic development.</p>
<ul style="list-style-type: none"> • Conflicts of Interest among Leaders and Local Government 	<ul style="list-style-type: none"> • Building an organization aligned with the company's CSR vision through value selection 	<ul style="list-style-type: none"> • Firmness in addressing team members who may undermine program goals 	<p>Community: Access to financial resources to enhance life potential through the cooperative (savings and loans, individual and community financing, zakat, infaq, and waqf services), as well as financial training and education.</p>
<ul style="list-style-type: none"> • Previous Program Failures Due to Market Uncertainty 	<ul style="list-style-type: none"> • Programs that address community needs 	<ul style="list-style-type: none"> • Solid relationships and problem-solving abilities 	<p>Company: Sustainability of the CSR program for BMT and scholarships, increased social cohesion among CSR partners, and improved public image through successful and sustainable programs.</p>
	<ul style="list-style-type: none"> • Responsible exit strategy 		

Table 1. Sustainability Strategies for Corporate Social Responsibility (CSR) Programs.
 Source: Researcher's data processing, 2024

Post-Exit Engagement

Engagement After Exit: From Assistance to Partnership

Despite exiting and removing the term “CSR assistance”, the relationship between Koperasi Swadaya Pribumi and PT Holcim did not come to an end. From 2013 to 2017, PT Holcim treated the cooperative as a partner and involved them in CSR program collaborations. After exiting from Koperasi Swadaya Pribumi, the Comrel Team developed other programs, such as Posdaya, in five villages. These Posdaya initiatives included pillars focusing on the economy, social environment, and education. At that

time, PT Holcim positioned Koperasi Swadaya Pribumi not only as a partner for distributing scholarship programs but also as a partner for Microfinance Institutions within Posdaya and as a distributor of CSR assistance to villages in the form of goods rather than cash. This synergistic process exemplified the company's engagement to remain connected and mutually support existing programs, ensuring the sustainability of both the Posdaya Program and other CSR initiatives while maintaining the viability of Koperasi Swadaya Pribumi. This connected exit, which created shared value sustainably, represented a responsible exit for PT Holcim. The concept of creating shared value, introduced by Porter and Kramer (2011), became familiar and was adopted by PT Holcim in 2013, given that the company's owners hail from Switzerland, where there is a well-established understanding of CSR concepts (Porter & Kramer, 2011). Furthermore, the top-level management, or directors from Switzerland, took the time to visit and engage with the leaders of Koperasi Swadaya Pribumi during their trips to Indonesia, demonstrating their commitment to the surrounding community. Although PT Holcim had not yet formally adopted an exit strategy, their actions aligned with existing exit strategy approaches, such as a gradual phase-down of material assistance and a phase-over transition of program downstream roles to Koperasi Swadaya Pribumi in the context of scholarships and Posdaya.

Engagement After Exit: From Partner to Vendor

In 2017, a change in the Comrel manager at PT Holcim coincided with the company's implementation of a Community-Based Organizer (CBO) policy. This policy mandated that the company work with vendors sourced from empowerment groups or local communities surrounding the company. This initiative stemmed from the awareness of top-level management, corporate CSR teams, and the Comrel manager to adopt contemporary CSR concepts, particularly creating shared value. PT Holcim recognized the evolving nature of CSR, prompting the company to embrace this idea and establish a CBO policy that favored local communities. Historically, hundreds of the company's vendors were predominantly owned by capitalists outside of Ring 1, which diminished the positive economic impact of the company on the surrounding communities. Through the CBO policy, the company aspired for the community to develop in tandem with its own business growth. This policy was subsequently advanced by the CSR manager to re-engage Koperasi Konsumen Swadaya Pribumi Klapanunggal (KKSPK) and elevate its status from partner to vendor for the company, particularly in relation to procurement processes and refinancing.

“I was appointed as the Comrel manager at that time, and I studied the concept of Creating Shared Value (CSV). I realized that our partner organizations could be integrated into our business value chain on a larger scale, and I saw potential in KKSPK because it was already self-sufficient. I also knew that they had assets worth billions, but we were only involving them as a channel for distributing scholarships at that time. Ultimately, we advocated to leadership on how to elevate our partnership with them. KKSPK

was well-suited for refinancing, and our needs in Comrel revolved around refinancing, which we had been managing through other vendors. Why not collaborate with KKSPK, which is genuinely our partner? With the Community-Based Organization (CBO) concept, we established a policy regarding CBO, and it was successfully implemented. I emphasized that while KKSPK once needed the company, now the company needs you.” — Interview with the Comrel Manager (2017-2020) (ED)

The opportunity to become a company vendor was positively embraced by KKSPK. The Procurement Department subsequently provided an assessment form detailing the qualifications needed to become a Community-Based Organization (CBO). PT Holcim facilitated knowledge transfer through discussions and meetings with KKSPK to outline the data required to meet these qualifications. Some of the qualifications included organization structure, resource persons, financial performance, disciplinary procedures, integrity, beneficiary satisfaction, experience in delivering similar projects, and references. In 2018, KKSPK was successfully certified as a CBO or company vendor. In the initial phase, KKSPK began working on refinancing projects from the CSR department, serving as the main financing party for CSR activities at PT Holcim. As KKSPK took on the role of refinancing for CSR programs, both the company and the beneficiaries of other CSR programs experienced positive impacts, as the financing needs of the programs could be disbursed quickly, allowing CSR activities to be implemented according to their timelines.

“The difference between KKSPK and previous vendors is that the disbursement is much faster. So, if there is a monitoring and evaluation event for the CSR program or if there is a sudden event that needs funding, we can get an advance from KKSPK first. The company can later reimburse them, so we don’t have to wait for CSR funds to be released. This way, the programs can proceed more quickly.” — Interview with CSR Beneficiary from Another Program (AA)

Shortly after the implementation of the CBO policy, PT Holcim was acquired by PT Semen Indonesia (a state-owned enterprise) and rebranded as PT Solusi Bangun Indonesia Narogong Plant in 2019. Despite the transition from PT Holcim to PT SBI, the CBO policy continued to be enforced across all PT SBI sites, as only the shareholders changed while the Indonesian management remained intact. PT SBI also connected KKSPK with other departments, the PT SBI headquarters, CSR Corporate, and even other PT SBI sites. This connection was a privilege afforded to CBO vendors, as procurement and refinancing projects expanded across all departments and sites within PT SBI. Once KKSPK became a CBO vendor, it gained access to projects throughout the company’s business processes, providing significant power that greatly impacted KKSPK’s revenue growth and capacity for self-sustainability. The expansion of cooperative business into the real sector has driven rapid growth, increasing capital turnover and diversifying into other ventures, such as the ‘Bumi Mart’ minimarket established in 2018 and the recent culinary business ‘Steak & Ramen’ launched in 2024 (Figure 4).



Figure 3. Development of Cooperative Business Units: Minimarket and Culinary Ventures. *Source:* Researcher Documentation, 2024

In the midst of increasingly competitive lending and borrowing business environments, the CBO policy offered a fresh opportunity for KKSPK to maintain its operations. Particularly during the COVID-19 pandemic in 2019, when many cooperatives, including BMT Centers, struggled to survive, KKSPK managed to endure through its real sector engagement as a CBO vendor for PT SBI.

“The challenges in the financial services sector are becoming more intense, as banks are now directly engaging with the community. Financing through banks also involves administrative processes and monthly profit-sharing, with margins being very slim—only about 2%. We cannot sustain ourselves by relying solely on savings and loans. To secure our existing resources, we sought to tap into SBI’s opportunities in the real sector, which proved to be more lucrative, as long as we adhered to the regulations. Our growth accelerated significantly after becoming a vendor for SBI.” — Interview with Program Treasurer (DT)

In line with this statement, the policy from the Cooperatives and MSME Office of Bogor Regency indeed directs cooperatives to develop in the real sector:

“The Bogor Regency cooperative office is indeed directing cooperatives toward the real sector. This is because the real sector impacts not only the finances or financing of the cooperatives but also contributes to the welfare of the community, reduces poverty, decreases unemployment, enhances the economic competitiveness of the community, and ensures that income is not solely derived from savings and loans.” — Interview with the Bogor Regency Cooperatives Office (RN)

After KKSPK transitioned to operate not only in savings and loans but also in the real sector, the management felt that the cooperative's institutional framework was no longer relevant. In 2020, the cooperative underwent a transformation from a Sharia Savings and Loan Cooperative to become the Koperasi Konsumen Swadaya Pribumi Klapanunggal (Self-Reliant Consumer Cooperative of Klapanunggal). This institutional

change did not imply leaving from the savings and loan model; rather, savings and loans continued to exist but with a revised ratio of 60:40 changing to 50:50 between savings and loans and the real sector. The cooperative's shift into the real sector was aimed at preserving its savings and loan operations and the benefits for all recipients involved while simultaneously expanding the advantages derived from the real sector (such as absorbing community labor and increasing cooperative income margins/SHU). The addition of business activities in the real sector led to rapid development for the cooperative, enhancing capital circulation and branching out into other businesses, such as the 'Bumi Mart' minimarket and culinary ventures like 'Ramen'.

The involvement of KKSPK in the company's business chain did not stop at the refinancing level; it also opened up access to other business processes within the company, specifically reclamation. This idea originated from the Quarry, Safety, and Comrel Departments, which initiated a sustainable reclamation system by involving the surrounding community in reclamation activities (such as planting and maintenance). In previous years, reclamation work was carried out by external vendors, yielding suboptimal results. In 2019, KKSPK was selected as a vendor through a tender process to manage reclamation efforts. The success in this tender was achieved through a metamorphosis and transfer of knowledge from various departments at PT SBI to KKSPK until it met the qualifications required as a reclamation vendor in accordance with standard operating procedures (administrative requirements from Procurement, SCR from CSMS, and Health and Safety protocols). Even as a vendor, the CBO, as part of the local community, received privileges to access the necessary knowledge, supported by KKSPK's internal factors, which included actively asking questions and a willingness to learn new things. KKSPK even demonstrated awareness by recruiting reclamation experts and independently equipping its management with reclamation certifications without assistance from PT SBI. Currently, the KKSPK manages a 13-hectare reclamation area and employs four local community members for the activities of cultivating, planting, and maintaining citronella and teak wood (Figure 4).



Figure 4. Nursery and Reclamation Outcomes Managed by KKSPK. *Source:* Researcher Documentation, 2024



Figure 5. Cooperative Location Change. Past (Mosque Courtyard) Present (Their Own Building). Source: Company's Document, 2006. *Source:* Researcher Dokumentation, 2024

Over the 19 years, the transformation of BMT into KKSPK has not only resulted in an increase in the total number of members, reaching thousands, and total assets amounting to billions of rupiah, but has also led to a transformation of values. During the engagement process with the company, KKSPK unconsciously observed and emulated positive practices from the corporate social responsibility activities conducted by PT SBI. In its Articles of Association, KKSPK allocates a percentage of its surplus for social and educational activities benefiting the surrounding community, such as providing assistance for sacrificial animals, supporting orphans and the needy, conducting training for employees and members, and encouraging members to contribute their savings to environmental initiatives like tree planting (Serbu Pacu/ a thousand trees for grandchildren). KKSPK has also adopted governance practices implemented by PT SBI, including the establishment of oversight mechanisms and participation in PT SBI's audit processes to ensure the transparency and accountability of a healthy cooperative.

Periode	Problems	Engagement	Community's Internal Factor	Sustainability Impact
Engagement After Exit: From Assistance to Partnership (2013-2017)	New programs required learning from best practice programs that were successful.	Positioned as a partner for Islamic Microfinance Institutions and scholarship programs.	Readiness of the organization to synergize and alternate in assisting other CSR programs.	KKSPK: Maintained the core business of KKSPK (savings and loans) while developing other business units in the real sector (PT SBI Vendor, Bumi Mart, Ramen Shop).

Sustainable Procurement: From Partner to Vendor (2017-2024)	<p>-The CBO policy required the company to have vendors from community groups.</p> <p>- The savings and loans business became increasingly competitive, especially during the pandemic, necessitating efforts to save the core business unit (savings and loans) by seizing opportunities in the real sector.</p>	<p>Koperasi Simpan Pinjam Swadaya Pribumi became involved as a refinancing vendor.</p> <p>Koperasi Konsumen Swadaya Pribumi was engaged as a reclamation vendor.</p> <p>Governance of CBO vendors: Oversight and audits.</p>	<p>The savings and loans cooperative transitioned into a consumer cooperative.</p> <p>Capacity to seize opportunities in the real sector.</p> <p><i>Copy Paste:</i> community social responsibility practices.</p>	<p>Community: Job absorption into KKSPK, faster fund disbursement processes, product payments, and CSR program implementation (stable cash flow). KKSPK provided a learning space and tutors willing to assist, and CSR programs were channeled through villages according to needs.</p> <p>Company: Sustainability of business processes (CSR, reclamation, procurement, etc.), improved company image through community involvement in business processes, and a CSR support (KKSPK) ready to serve as the value chain for nascent CSR programs.</p>
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Table 1. Post-Exit Engagement of the Company's CSR Program. *Source:* Researcher's data processing, 2024

Discussion

This research is challenging because it requires engaging stakeholders to revisit memories from 19 years ago while reflecting on the strategies and engagement practices employed by the company that have allowed the program to continue to this day. This case study highlights several important points for discussion regarding the concept of exit strategy, which has been widely utilized by both researchers and CSR practitioners.

This discussion is organized around three key themes: (1) the implementation of exit strategy, (2) the role of Creating Shared Value (CSV) in sustaining post-exit

relationships, and (3) the risks and limitations associated with maintaining engagement after program exit. This thematic structure aims to ensure analytical clarity while linking empirical findings to relevant theoretical frameworks, including empowerment theory, CSV, and sustainable procurement principles.

First, regarding the implementation of exit strategy, this study highlights that conventional approaches—commonly framed through Phase-Over, Phase-Out, and Phase-Down as established by Gardner et al. (2004) and Rogers and Macias (2004)—are insufficient to explain long-term sustainability (Gardner. et al., 2005; Rogers & Macías, 2004). The findings demonstrate that sustainability is strongly influenced by earlier stages of intervention, identifying two additional temporal phases: Phase-In and Phase-Up, as illustrated in Figure 6 and further detailed in Table 2.

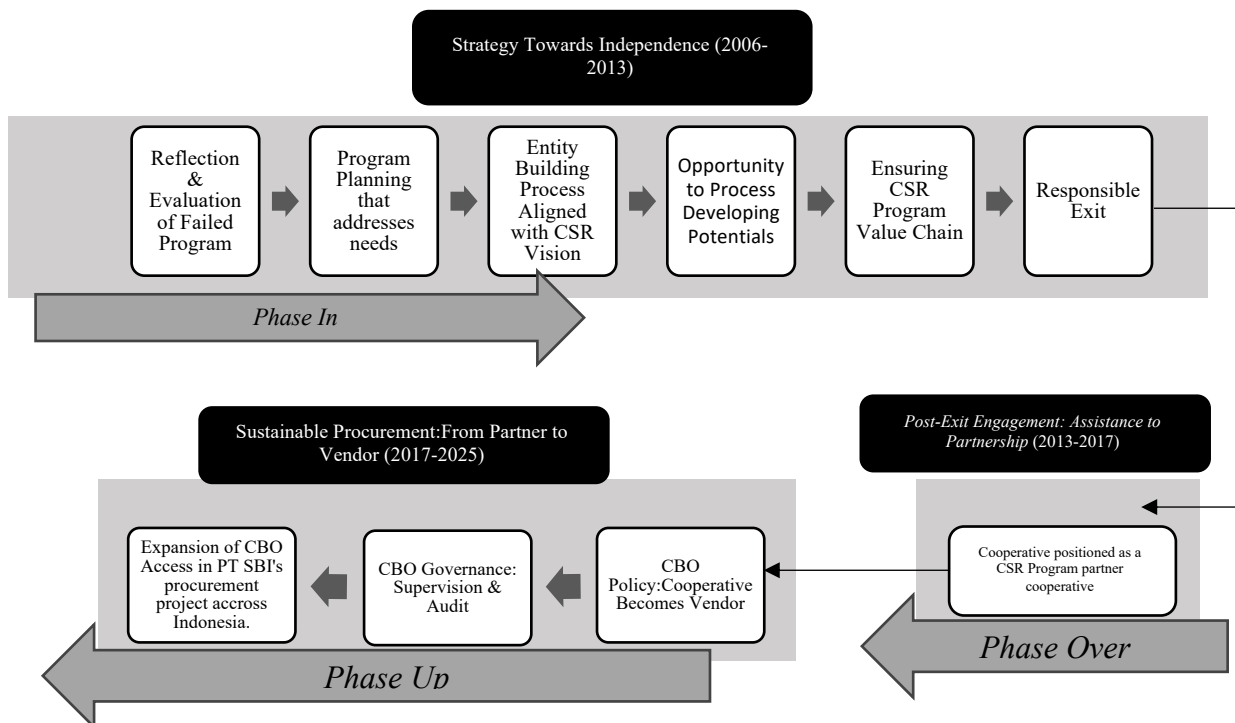


Figure 6. PT SBI's Exit Strategy Approach. Source: Researcher Analysis, 2025

As depicted in the framework, Phase-In represents the 'Pre-intervention' foundation (2006-2013), focusing on initial engagement and vision alignment to foster a sense of ownership from program inception. This stage involves a critical cycle of reflecting on failed programs and entity building to ensure the program addresses actual community needs. Following the Responsible Exit, the process evolves into Post-Exit Engagement (2013-2017), where the community organization—in this case, the cooperative—is positioned as a strategic partner. Finally, the Phase-Up stage (2017-2025) shifts the trajectory toward Sustainable Procurement, transforming the community from

a mere partner into a formal vendor. This stage, which transcends the standard handover process, aligns with empowerment theory by providing the community with the governance structures, audit mechanisms, and expanded market access necessary to manage their own resources independently. Consequently, these findings suggest that an exit strategy should be understood as a continuous, evolutionary process rather than a mere disengagement mechanism.

Category	Phase	Description	Key Focus
Conventional Approaches (Gardner et al., 2004; Rogers & Macias, 2004)	Phase-Down	Gradual reduction of program activities over a specific period.	Activity reduction
	Phase-Out	Withdrawal of provided resources without a formal transfer of responsibility.	Resource withdrawal
	Phase-Over	Transfer of program responsibility and management to another entity or community.	Handover of responsibility
Researcher's Findings (New Dimensions)	Phase-In	The initial 'Pre-intervention' stage involving assessment, stakeholder identification, and vision alignment.	Foundation & Ownership
	Phase-Up	The 'Post-intervention' stage of scaling up and empowering groups through enhanced access and authority.	Sustainability, Scaling Up

Table 2. Comparison of Exit Strategy Approaches. *Source:* Researcher's data processing, 2025

Second, the findings demonstrate that the sustainability of post-exit relationships is closely linked to the implementation of Creating Shared Value (CSV). This supports the argument by Porter and Kramer (2006; 2011) that social and economic objectives can be integrated within corporate strategy (Porter & Kramer, 2006). In the case of PT Holcim, later continued by PT SBI, such integration was evident even before CSV was formally conceptualized, for instance through long-term scholarship programs initiated in 2006. The establishment of Community-Based Organizations (CBOs) as part of the company's operational ecosystem represents a concrete institutionalization of this

approach. This practice is also consistent with ISO 20400 on Sustainable Procurement, which emphasizes the integration of social and environmental considerations into procurement processes through principles such as accountability, transparency, ethical behavior, and respect for human rights. By positioning community groups as vendors within the company's value chain, the program moves beyond traditional CSR and enables economic scaling. Empirically, this transformation is reflected in the shift from beneficiary to strategic partner, where community groups not only sustain their own livelihoods but also contribute to the company's operational efficiency. In some cases, community-managed activities such as organic fertilizer production have generated significant cost savings for the company, while also strengthening social acceptance and reducing resistance toward corporate operations. This indicates that CSV functions not merely as a conceptual framework, but as a practical mechanism for sustaining mutually beneficial relationships beyond program exit.

Third, despite these strengths, maintaining post-exit engagement also introduces several risks and limitations that need to be critically acknowledged. One key concern is the potential emergence of new forms of dependency. While the company has deliberately avoided direct financial assistance to maintain community independence, there are indications that dependency may shift in the opposite direction, where the company becomes reliant on the cooperative as a flagship program for recognition and program continuity. This dual dependency can create vulnerabilities, including social jealousy and unequal program development across communities. Another limitation lies in the difficulty of replicating success. The cooperative model has not been easily reproduced in other CSR programs, largely because replication efforts tend to focus on institutional form rather than the underlying sustainability strategy. In addition, documentation practices remain limited, as companies often prioritize outcome reporting over process documentation, thereby constraining opportunities for learning and scaling. From an organizational perspective, sustainability is also highly dependent on leadership values and vision, making leadership transition a critical challenge. Changes in management can influence CSR direction and priorities, highlighting the need for a clear and institutionalized roadmap for exit and post-exit engagement. Furthermore, the role of the cooperative as a CBO should be expanded beyond economic functions toward acting as an empowerment hub that actively facilitates the development of new community groups, ensuring the continuity and diffusion of benefits.

In a broader perspective, these findings can also be understood through the lens of an ecosystem approach (Reficco & Vernis, 2010), where long-term relationships between companies and communities are maintained through continuous interaction within a shared value chain. The ability of the cooperative to remain resilient during external shocks, such as the COVID-19 pandemic, illustrates how sustained access to economic opportunities—particularly through vendor relationships—can strengthen financial stability and community resilience. This reinforces the idea that post-exit engagement is not a form of prolonged dependency, but rather a strategic partnership within an interconnected socio-economic system.

Overall, this study contributes to both academic and practical discussions by reframing exit strategy as a dynamic and continuous process rather than a terminal stage of CSR programs. The introduction of phase in and phase up provides a conceptual extension to existing frameworks, while the integration of CSV and sustainable procurement principles offers practical insights for designing long-term, adaptive, and ecosystem-based CSR strategies. By critically addressing both the strengths and limitations of the case, this study demonstrates that sustainable CSR requires not only effective program design but also ongoing relational engagement that balances independence, mutual benefit, and institutional resilience.

Despite its insights, this study is limited by its single-case design focused on one specific cooperative. Consequently, the findings regarding the lifecycle approach may not be directly generalizable to different industrial sectors or geographical contexts without further empirical adjustment.

Conclusion

This study demonstrates that the long-term sustainability of the KKSPK cooperative is not solely the result of prolonged assistance, but rather the outcome of a strategically designed and continuously managed CSR approach. In this context, *independence* is defined not merely as the absence of external support, but as the capacity of community institutions to autonomously manage resources, access markets, and make strategic decisions. Likewise, *responsible exit* is understood not as a complete withdrawal, but as a deliberate transition process in which the company ensures institutional readiness, sustained access to opportunities, and the integration of community initiatives into broader economic systems.

The findings highlight that PT SBI's approach enables a transition from dependency to equal partnership. This transition is achieved through two key mechanisms. First, the reconfiguration of exit strategy as a continuous process that begins at program inception, rather than at the point of withdrawal. The introduction of *phase in* and *phase up* extends existing exit strategy frameworks by emphasizing early-stage alignment, participatory design, and capacity strengthening as critical foundations for sustainability. Second, the implementation of Creating Shared Value (CSV) through Community-Based Organization (CBO) policies enables post-exit engagement by embedding community groups within the company's value chain. This approach not only sustains economic viability but also transforms beneficiaries into strategic partners who contribute to both social and business outcomes.

By focusing on these mechanisms, this study contributes to CSR theory by reframing exit strategy as a dynamic and lifecycle-based process, rather than a terminal stage. It also enriches the literature on empowerment by demonstrating that sustainable outcomes depend on the transfer of access, authority, and opportunity—not merely skills or financial support. Building on this perspective, the study further argues that this concept can be reconceptualized as a sustainability strategy encompassing the entire program lifecycle: early-stage engagement (*phase-in*), capacity scaling (*phase-up*), and

sustained relational engagement beyond formal exit. In the Indonesian context, where CSR practices often remain compliance-driven or short-term, these findings offer an alternative model that integrates empowerment, CSV, and sustainable procurement into a coherent long-term strategy.

From a practical perspective, the study provides insights for companies seeking to design more effective CSR programs. It suggests that sustainability requires not only strong community institutions, but also continued relational engagement that maintains access to economic opportunities without creating dependency. The findings also indicate that post-exit engagement, when strategically managed, can strengthen both community resilience and corporate performance. However, this study is not without limitations. The findings are based on a single case study, which may limit generalizability across different sectors or socio-economic contexts. In addition, the study primarily emphasizes process and qualitative outcomes, leaving room for further research to explore the quantitative impact of CSV-based CSR strategies. Future studies are encouraged to examine the replicability of the *phase in* and *phase up* framework, as well as to investigate how post-exit engagement can be sustained across different leadership contexts and institutional settings.

Overall, this study positions CSR not as a finite intervention, but as an evolving partnership embedded within a lifecycle approach to sustainability. Moving beyond exit strategy, it reframes the concept within CSR practices into a broader sustainability strategy that extends across program phases. This sustainability strategy highlights the importance of maintaining relational continuity, institutional capacity, and economic integration. This approach is particularly relevant for community-based cooperative models, where long-term collaboration and adaptive capacity are essential to achieving mutually beneficial outcomes for both companies and communities. Nevertheless, further research is needed to deepen the conceptual and empirical understanding of sustainability strategy across diverse CSR contexts, sectors, and institutional settings.

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The authors made substantial contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

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The authors declare no competing interest.

Additional information

No additional information related to this research.

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