

# Corporate social responsibility implementation on aviation company: a case study in Qatar Airways

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## Abstract

**Purpose:** The purpose of this research is to know the implementation of corporate social responsibility implementation in Qatar Airways and the impact of the corporate social responsibility on society and the environment.

**Research methods:** This research uses qualitative analysis techniques to analyze the implementation of the corporate social responsibility (CSR). The data source used is secondary data and is accessed through company documents, journals, books, articles, and websites.

**Results and discussion:** The research result of the CSR implementation in this airline is the application of triple bottom lines which is to align the economy, social, and environment but in the implementation of CSR has not given maximum attention to environmental aspects.

**Conclusion:** Qatar Airways applies triple bottom lines, namely harmonizing the economy, social and environment, but in implementing CSR it has not given maximum attention to environmental aspects.

**Keywords:** company social responsibility implementation, aviation company

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## Introduction

Current tourism development in Bali quite rapid, although for this pandemic period experienced a temporary stationary phase, the tourism industry in Bali is not just about hospitality, and MICE destination alone, but in this industry there are also transportation services and travel. Airlines are one of the transportation services in Bali, some of which are sub-branch offices of international airlines that have permission to fly and park in Ngurah Rai Airport, Bali.

Airline services from year to year are increasingly becoming the attention of the wider community. This can be seen from the intense competition in services, prices and promotions

offered by various airlines. The attractiveness of the aviation industry is quite large and promising. Some airlines have begun to divide up price classifications based on services provided such as full service airlines and low cost carriers, with competitive prices that differentiate them from the facilities they get. However, at present many airlines do not only see from the profit but also social responsibility to the surrounding community or it can be said as corporate social responsibility.

Corporate social responsibility or CSR aside from being a legal obligation, actually from that company has its own positive impact in the context of building a company's image reputation. Concern for social issues, both within the scope of activities that directly touch the community and activities related to environmental preservation undertaken by the company through CSR activities in turn bring good reputation and influence for the company, one of which can increase consumer or community loyalty towards the company. In its development, CSR has become a need that is felt jointly between the government, society and industry based on the principle of mutual development. Dwiyanti in 2018 indicate that the implemented CSR can have a positive impact to improve the company's good relations with the community, employees, and implementing CSR can maintain good relations between the hotel and surrounding communities and to increase hotel profits.

Philip Kotler and Nancy Lee define CSR as a corporate commitment to improve community well-being through discretionary business practices and contributions of corporate resources. Maignan & Ferrell defines CSR as "A business act in a socially responsible manner when its decisions and actions account for and balance diverse stakeholder interests". Furthermore, John Elkington defines CSR through the concept of "the Triple Bottom Line" which is that companies that conduct business should consider the 3Ps: Profit, People and Planet, i.e. companies do not only consider "single bottom line" solely from the aspect of responsibility economy for profit (Profit), but also pay attention to social responsibility related to the fulfillment of the welfare of the surrounding community (People) also actively contribute to the preservation and protection of the natural environment (the Planet-the Earth) (Sukihana, 2018).

Corporate social responsibility not only carries a positive reputation for the company, but also has positive implications for improving the welfare of the community, open employment opportunities through caring for "people" (surrounding communities), "planets" (the environment) and of course "profits" for company One of the international full service airlines that has implemented CRS is Qatar Airways, which has its main base at Hamad International Airport. Qatar Airways was established on November 22, 1993 and began operations on January 20, 1994. Initially the airline owned by members of the Qatari royal family but in April 1997, a new management under the leadership of Akbar Al Baker ran the airline. At present the composition of ownership of Qatar Airways is 50% by the Qatari government and the rest are private investors. At present, Qatar Airways serves 150 international destinations and is one of 5 airlines that get the status of five star airlines from Skytrax. Qatar Airways is also a member of the Arab Air Carriers Organization. Qatar Airways is the best airline in the world based on the assessment of Skytrax, where it won the World's Best Airlines award in 2011 and 2012. In 2013 Qatar airways placed second as the "World's best airline" and received an award as a business class airline the world's best version of Skytrax.

The purpose of this study is to determine the implementation of CSR or corporate social responsibility. And this study also analyzes the impact of implementing corporate social responsibility for the community and the environment.

## Research method

The data used in this study are qualitative data. Qualitative data is data in the form of information, such as types of CSR activities, general description of the company, implementation and other information used to discuss the formulation of the problem.

Source of data in this study is done through direct interviews with related parties, secondary data is data that is indirectly related to respondents and secondary data can be obtained from company documents, journals, books and articles and can be obtained by accessing sites or websites (Nada, Dharmawan, & Purwanti, n.d.).

## Results and discussion

The existence of a company is inseparable from the existence of roles and contributions for stakeholders. Local people are one of the stakeholders in a company. In the location where the company stands and operates, there are surrounding communities affected by these business activities, both positive and negative impacts. For that the company needs to give concern to the community around its business location. The company's concern is contained in a program that we are known as corporate social responsibility in developed countries, the CSR approach at the beginning of its development tends to be voluntary-based, so the definition of CSR also emphasizes commitment from the company and not a legal obligation.

John Elkington in Sakina defines the CSR through the concept of "Triple Bottom line" which is that companies doing business should consider 3Ps: Profit, People and planet. Until now, the concept of TBL was also put forward by several experts. In (Ariastini & Semara, 2019) in Andrew Savitz (2006) in Slaper and Hall (2011) stated that, TBL is the essence of sustainability by measuring the impact of organizational activities in the world, including profitability and shareholders, social, community and environment. Whereas Smith and Sharicz (2011) state that TBL is the result of an organizational activity that is voluntary or regulated by law, indicating the ability of an organization to maintain its proper business operations (including appropriate financial feasibility) while not negatively affecting social or ecological systems. TBL is an important element to be considered by the company. TBL can be a benchmark company, with not only paying attention to the economic side, but also positive and negative social and environmental highlights.

Stakeholder theory is a collection of policies and practices relating to stakeholders, values, fulfillment of legal provisions, community and environmental awards, and the commitment of the business community to contribute to sustainable development. Stakeholder theory states that companies not only carry out operational activities for their own interests, but on the other hand must pay attention to their stakeholders, namely investors, consumers, employees, local communities, government, and other parties (Dwiyanti & Mahyuni, 2019). The implementation of corporate social responsibility practices can be explained by stakeholder theory. Stakeholder theory says that the company is not an entity that only operates for its own interests, but the company must provide benefits for its stakeholders (Dwiyanti & Mahyuni, 2019), so the company realizes that the company's survival also depends on the company's relationship with the community and the environment in which the company runs each of its activities. In accordance with the contents of article 74 of the Republic of Indonesia Law No. 40 of 2007 concerning limited liability companies (*Undang-undang No. 40 Tahun 2007 tentang Perseroan Terbatas*), corporate social responsibility is one of the obligations that must be carried out by the company. Through this law, industries or corporations are obliged to implement it. The industry and corporation's role are to encourage healthy economic growth also by taking into account environmental factors.

To find out the implementation of CSR programs or corporate social responsibility on the Qatar Airways airline in detail, the authors conducted an interview method with those who were expected to be able to provide an overview of the CSR activities and activities carried out. The results of the interview are then added to the company's data. The results of the implementation of corporate social responsibility research on Qatar Airways are as follows:

#### *Qatar Airways supports the educate a child program*

Educate a Child is a global scale program that aims to significantly reduce the number of children around the world who do not have the right to enjoy school, counseling from His Excellency Sheikha Moza bint Nasser in Qatar as Special Envoy for Basic and Higher Education UNESCO, United Nations Millennium Development Goal Advocate and Global Education First Organizing Committee member from the UN Secretary General Ban Ki-moon.

Qatar Airways voiced its support for Educate A Child by signing a Memorandum of Understanding (MoU) with the program to provide high quality education to millions of children dropping out of school during the Plenary Session, in which financial donations are collected during flights and monetary contributions from airlines.

#### *Support the foundation of brain tumors in children*

Children Brain Tumor Foundation (CBTF) is an organization established in 1988 to improve the treatment, quality of life and long-term outlook for children with tumors of the brain and spinal cord. Diagnosis of brain tumors in children is the beginning of a long life process that requires daily attention and support from family and friends. CBTF is one of several organizations that works well with survivors and families to support them through ongoing attention during care and treatment. This organization also provides a bereavement support program for families.

The mission of the Children's Brain Tumor Foundation is to make sure this family does not feel alone and to gather research that this deadly disease can be cure. Qatar Airways supports this foundation by collecting profits per year to raise funds foundation.

#### *Orbis charitable trust*

Qatar Airways was once trusted as the Official Airline of Orbis UK, a charity to prevent blindness on a global scale, for a period of two years since September 2015. Orbis is an international NGO that changes the world by working to reduce blindness and visual impairment that can be avoided. There are 280 million people in the world who are blind or have vision problems, while as much as 80 percent of these eye conditions can be prevented or cured.

#### *Qatar charity*

Qatar Charity focuses on combating global poverty in vulnerable communities through its humanitarian and development programs.

#### *Dreama provides*

Support to orphans, through nursing homes and support services for children and foster families Qatar Airways Group provides general support and special projects for things such as equipment needs, recreational events and Gharangao celebrations.

### *Healthy and safe work*

Eliminate hazards and provide safe and healthy working conditions, provide training and awareness for all employees, and increase participation, consultation and communication, promote employee health and well-being, report and investigate all incidents related to health, safety and fire, measure performance against health and safety goals to drive continuous improvement, and comply with relevant legislative and regulatory requirements.

### *Discussion of research on corporate social responsibility implementation on Qatar Airways*

The company has helped programs for community empowerment, employees and the surrounding environment, community development in the fields of health, economy, social culture and environment. The implementation has been very helpful to the surrounding community and the benefits have been felt by the community and have been running effectively, but it needs to be followed up on several programs whose implementation is still running without any extra supervision from the company and some programs whose implementation is not yet on target according to the concept of community development which represents thoughts about community development in the context of human resource development towards independence.

The implementation of CSR in community development efforts can be seen from the activities that have been carried out in recent years. Qatar Airways has carried out various activities in various fields that have covered the scope of community development programs. This research is appropriate in Shabir (2014) research in (Kamidin, Hasan, & As' ad, 2019) where the CSR program in the form of a community service program has been very helpful to the surrounding community and has been felt by the community and has been effective.

### **Conclusions**

Based on the results of the research, it can be concluded that Qatar Airways applies triple bottom lines, namely harmonizing the economy, social and environment, but in implementing CSR it has not given maximum attention to environmental aspects. Generally, CSR Qatar Airways which consists of the company's CSR covering the social aspects, and health. CSR which includes employment includes health and safety. This is in line with what was mentioned in the journal (Wahyuningrum, 2014) which states that the CSR Program has both simultaneous and partial influence on Community Empowerment.

It should continue to run the CSR program well for long-term benefits and to maintain the image of the company on the public perception. CSR in order to give maximum attention to environmental aspects.

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