Business Review and Case Studies, Vol. 6 No. 3, December 2025
Permalink/DOI: http://dx.doi.org/10.17358/brcs.6.3.385
Available online at http://journal.ipb.ac.id/index.php/brcs
EISSN: 2721-6926

CORPORATE SOCIAL RESPONSIBILITY (CSR) STRATEGY IN THE OIL AND GAS SECTOR: INSIGHTS FROM PT MIGAS HULU JABAR OFFSHORE NORTH WEST JAVA (PT MUJ ONWJ)

Ubaydillah[1], Suhendi, Linda Karina Sari

School of Business, IPB University
Jl. Raya Padjajaran, Bogor 16151, Indonesia

Article history:

Received
6 May 2025

Revised
23 July 2025

Accepted
29 November 2025

Available online
31 December 2025

ABSTRACT

Background: Corporate Social Responsibility (CSR) has become a crucial component of business strategies, particularly in industries with significant environmental and social implications, such as oil and gas. PT Migas Hulu Jabar Offshore North West Java (PT MUJ ONWJ) manages a 10% Participating Interest (PI) fund to implement CSR programs aimed at driving socio-economic and environmental development. However, existing CSR practices in this sector often face challenges, such as weak stakeholder engagement, fragmented resource allocation, and limited sustainability, which create uncertainty in determining effective strategic priorities.
Purpose: This study aims to determine priority CSR strategies at PT MUJ ONWJ by evaluating key criteria and sub-criteria to ensure effective and sustainable impact through CSR initiatives.
Design/methodology/approach: The Analytical Hierarchy Process (AHP) was employed to assess four main criteria Economic, Social, Environmental, and Program Sustainability along with 12 corresponding subcriteria. Stakeholder alignment analysis was also conducted to measure consensus levels across different interest groups. Data were collected from nine purposively selected respondents, consisting of internal and external stakeholders, chosen for their expertise and direct involvement in Participating Interest (PI) management.
Findings/Result: The analysis identified Program Sustainability as the top priority (0.2769), followed by environmental (0.2494), economic (0.2441), and social (0.2296) aspects. Sub-criteria, such as Financial Continuity (0.3673) and Natural Resource Management (0.3995) were found to be the most influential. However, the low consensus value (W = 6%) indicates divergence in stakeholder preferences regarding CSR focus areas, reflecting differing priorities among internal company stakeholders, government authorities, and local communities. This suggests the need for more structured stakeholder engagement and consensus-building mechanisms to harmonize perspectives in strategic CSR planning.
Conclusion: The results underscore the importance of enhanced stakeholder engagement and strategic resource allocation in improving the effectiveness and sustainability of CSR programs in the oil and gas sector. Specifically, the AHP findings highlight Program Sustainability and Environmental Management as key priorities, providing a clear roadmap for PT MUJ ONWJ to allocate its participation interest (PI) funds more effectively toward financial continuity, innovation, and natural resource management in future CSR initiatives.
Originality/value (State of the art): This study offers a structured decision-making framework using AHP to prioritize CSR strategies in the context of Participating Interest management, providing valuable insights for CSR implementation in resource-intensive industries, especially in developing countries.

Keywords: analytical hierarchy process, corporate social responsibility, oil and gas industry, stakeholder engagement, sustainability

How to Cite:
Ubaydillah, Suhendi, & Sari, L. K. (2025). Corporate social responsibility (CSR) strategy in the oil and gas sector: Insights from PT Migas Hulu Jabar Offshore North West Java (PT MUJ ONWJ). Business Review and Case Studies, 6(3), 385. https://doi.org/10.17358/brcs.6.3.385

[1] Corresponding author:
Email: sbipbubaydillah@apps.ipb.ac.id

INTRODUCTION

Corporate Social Responsibility (CSR) has become a cornerstone of modern business strategies, providing organizations with an ethical framework to balance societal contributions and stakeholder interests (Boas & Machado, 2024; Rathobei et al. 2024). CSR, defined by the European Commission as an enterprise's responsibility for its societal impact, integrates social, environmental, and ethical considerations into operational and strategic decision-making processes. This approach not only drives positive societal outcomes, but also enhances organizational performance, as businesses that prioritize CSR are often viewed more favorably by stakeholders, including consumers and investors (Rosati et al. 2018; Flammer, 2018).

Owing to its significant environmental and social footprint, the oil and gas sector has faced considerable scrutiny regarding its CSR practices. Industrial activities frequently lead to ecological challenges such as habitat degradation, resource depletion, and greenhouse gas emissions, along with socio-economic issues, including community displacement and health concerns (Zhaglovskaya, 2019). These impacts highlight the necessity for robust CSR strategies to mitigate risks, build trust with stakeholders, and secure a social license to operate. Previous studies on CSR in the oil and gas industry have primarily emphasized environmental mitigation (Tayebi et al. 2022), stakeholder relations (Egbon et al. 2024), and community welfare (Ite, 2019). However, limited research has integrated a multi-criteria decision-making framework to systematically prioritize CSR strategies in the context of Participating Interest (PI) funds. Most studies focus on individual aspects, such as economic empowerment or pollution control, without offering a holistic prioritization model that balances the economic, social, environmental, and sustainability dimensions.

In Indonesia, the 10% participatory interest (PI) policy presents a distinctive framework for funding CSR initiatives. This policy mandates the allocation of oil and gas revenues to local government entities, facilitating socioeconomic and environmental development. PT Migas Hulu Jabar (MUJ), as the manager of PI funds in the Offshore North West Java (ONWJ) block, exemplifies how these funds can be leveraged to address local challenges while supporting corporate sustainability objectives. However, prior studies indicate persistent issues, such as weak stakeholder engagement, fragmented resource allocation, and limited strategic innovation, which hinder the optimization of CSR initiatives (Yang et al. 2021; Yousfi & Loukil, 2021). These challenges underscore the need for a structured prioritization framework to effectively align CSR programmes with community needs and environmental sustainability. From a statistical perspective, CSR evaluations in the oil and gas sectors are often fragmented and lack a structured approach to assess multiple criteria simultaneously. For example, while program outcomes are reported in annual performance documents, there is no quantitative prioritization model that can statistically measure relative importance or stakeholder consensus levels. This gap creates uncertainty in resource allocation and reduces the effectiveness of the program.

This study addresses these gaps by employing the Analytical Hierarchy Process (AHP) to develop a systematic framework for prioritizing CSR initiatives funded through the PI mechanism. AHP provides a robust decision-making tool that deconstructs complex problems into hierarchical criteria and sub-criteria, enabling stakeholders to systematically evaluate priorities. AHP was specifically chosen because it allows for the integration of both qualitative judgments and quantitative measurements, provides consistency checks to ensure the reliability of responses, and is particularly effective in multi-criteria and multi-stakeholder decision-making contexts such as CSR planning in the oil and gas sector.

This research focuses on four primary CSR criteria Economic, Social, Environmental, and Program Sustainability and their respective sub-criteria to assess PT MUJ ONWJ's CSR strategies. By identifying and ranking these priorities, this study seeks to provide actionable insights into optimizing CSR resource allocation in the oil and gas sector. Furthermore, these findings contribute to the broader discourse on CSR practices in resource-intensive industries by emphasizing the importance of innovation, financial continuity, and stakeholder engagement in achieving long-term sustainability. Given the increasing emphasis on long-term sustainability in corporate governance, Program Sustainability is expected to emerge as the most critical criterion in prioritizing CSR strategies. Although exploratory in nature, this assumption provides a guiding hypothesis to frame the analytical process.

Furthermore, these findings contribute to the broader discourse on CSR practices in resource-intensive industries by emphasizing the importance of innovation, financial continuity, and stakeholder engagement in achieving long-term sustainability. Specifically, this study explored the following questions: What are the critical criteria for prioritizing CSR programs funded through PI policy in Indonesia's oil and gas sector?; How can the AHP framework enhance decision-making processes for CSR resource allocation?; What strategies can improve the sustainability and impact of CSR initiatives managed by PT MUJ ONWJ?

METHODS

This study was conducted at PT MUJ ONWJ, located in Batununggal District, Bandung, West Java. The location was purposively selected based on its relevance as the center of the 10% participatory interest (PI) management owned by PT MUJ ONWJ, making it a suitable site for depicting the condition of PI management. The primary objective of this study was to determine priority corporate social responsibility (CSR) strategies and evaluate their economic, social, environmental, and sustainability impacts within the scope of the 10% PI policy. A purposive sampling technique was employed to select respondents based on their expertise (Ahmad & Wilkins, 2024). The research sample consisted of nine respondents, selected using purposive sampling based on their expertise and relevance to Participating Interest (PI) and CSR management. These included two internal experts (a shareholder of PT MUJ ONWJ and a CSR management expert) and seven external stakeholders (representatives from local communities, local governments of West Java and DKI Jakarta, SKK Migas, the Association of Oil and Gas Producing Regions and Renewable Energy [ADPMET], and community organizations). This composition ensured a diversity of perspectives from both internal company management and external institutions directly affected by CSR implementation.

Primary data were collected through a combination of in-depth interviews, direct observations, focus group discussions (FGDs), and structured questionnaires. The structured questionnaire consisted of three sections.

1. Demographic Information: To ensure diversity and representativeness among respondents.
2. Pairwise Comparison: Implementing Saaty's nine-point Likert scale to assess the relative significance of various criteria and sub-criteria.
3. Open-Ended Questions: To capture qualitative insights into the challenges and opportunities in CSR program implementation.

Secondary data were sourced from annual performance reports, financial reports, BPKP audit reports, the minutes of PI management meetings, and relevant scientific literature. These datasets were triangulated to provide a comprehensive understanding of the CSR management priorities.

The data collection process consisted of three main steps.

1. Preliminary document review of PI management reports and CSR program records to establish baseline information
2. Structured questionnaires and pairwise comparison surveys were distributed to 10 experts to capture both qualitative insights and quantitative weights for each criterion.
3. Validation through focus group discussions (FGDs), in which experts reviewed, refined, and reached a consensus on the criteria, sub-criteria, and hierarchical structure.

FGDs were conducted to validate the identified criteria and sub-criteria, ensuring their relevance to PT MUJ ONWJ's CSR objectives. The participants included CSR and economic experts, along with representatives from stakeholder groups. The FGD process is structured into the following stages:

1. Preliminary Discussion: Stakeholders discussed general challenges and opportunities in CSR management.
2. Criteria Validation: Participants reviewed and refined the criteria and sub-criteria to align them with organizational goals and stakeholder needs.
3. Consensus Building: Stakeholders collaboratively assessed the hierarchical structure of the Analytical Hierarchy Process (AHP) framework, ensuring a shared perspective on priority levels.

The FGD outcomes not only validated the AHP framework, but also highlighted contextual factors influencing CSR decision-making, such as stakeholder expectations and regional development goals.

The Analytical Hierarchy Process (AHP), first introduced by Thomas L. Saaty in the 1970s, was selected for its capability to analyze decision-making processes in complex situations involving multiple factors and perspectives by breaking them down into a structured hierarchy. Compared with other decision-making tools, AHP offers distinct advantages. For instance, while simple ranking or scoring methods, such as the Weighted Sum Model (WSM), provide straightforward prioritization, they often lack mechanisms to evaluate consistency in judgments. Similarly, methods such as TOPSIS focus on the distance from ideal solutions, but do not easily accommodate qualitative inputs. The Delphi method, on the other hand, is useful for expert consensus but does not provide structured quantitative weighting across multiple criteria. AHP was therefore selected because it combines qualitative and quantitative inputs, allows for consistency checks, and is particularly well suited for multi-criteria and multi-stakeholder contexts, such as CSR planning in the oil and gas industry, with a case study conducted at PT MUJ ONWJ. The decision-making hierarchy in this study is as follows.

1. Goal: Optimizing CSR resource allocation for sustainable development.
2. Criteria: Economic, Social, Environmental, and Program Sustainability.
3. Sub-criteria: Factors such as job creation, community welfare, cultural preservation, natural resource management, and financial continuity.

Pairwise comparisons were conducted to evaluate the relative importance of the criteria and sub criteria. Respondents assigned weighted scores using Saaty's nine-point scale. Priority weights were calculated and consistency of responses was assessed using the Consistency Ratio (CR). A CR value below 0.10 indicated acceptable consistency. For additional validation, the Coefficient of Agreement (W) is calculated as follows:

Mean Score (U)

The mean score (U) is calculated using the following formula:

$$U = \sum Tp/p \text{ ……. } (1)$$

Where Tp represents the total score for each respondent and p denotes the number of participants.

Sum of Squared Deviations (S)

The formula used is:

$$S = \sum (Tp - U)^2 \text{……..…. } (2)$$

Representing variability in individual scores.

Maximum Possible Sum of Squared Deviations (MaxS)

This formula is expressed as follows:

$$MaxS = (\sum(pn - U)^2 \text{…….....(3)}$$

Coefficient of Agreement (W)

The formula used is:

$$W = S / MaxS \text{ ……..…. } (4)$$

Values closer to 1 indicate strong agreement.

Rationale for Method Selection

AHP was chosen over the other decision-making methods because of its ability to incorporate both qualitative and quantitative inputs. Unlike simpler ranking or scoring methods, AHP allows for

1. Hierarchical Structuring: Breaking down complex problems into manageable levels.
2. Stakeholder Involvement: Integrating diverse perspectives into the decision-making process.
3. Consistency checks: This ensures the reliability of responses through CR and W validation metrics.

This research was guided by the hypothesis that "the prioritization of CSR programs based on economic, social, environmental, and sustainability criteria significantly enhances the effectiveness and alignment of CSR initiatives with stakeholder expectations." This hypothesis was formulated based on the theoretical foundation that multi-criteria decision-making frameworks, such as AHP enable more objective and comprehensive prioritization of CSR programs, ensuring balanced consideration of stakeholder interests and sustainability principles.

The framework of this study illustrates the relationship between the 10% Participating Interest (PI) policy as a funding source for Corporate Social Responsibility (CSR) and the systematic decision-making process using the Analytical Hierarchy Process (AHP) method. This process begins with the identification of problems and criteria, the development of a hierarchical

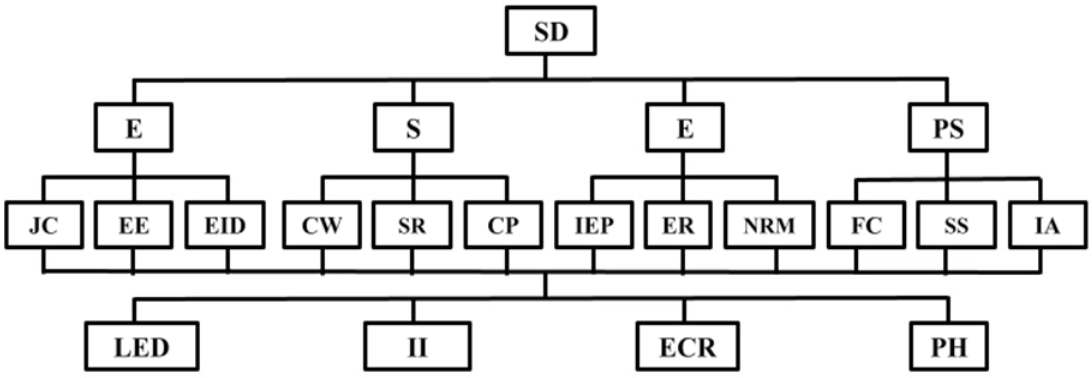
structure, weighting through pairwise comparison, and concluding with the determination of optimal CSR strategy priorities.

RESULTS

Overview Result

This research commenced with an extensive review of the relevant literature to define the key criteria and sub-criteria essential for prioritizing CSR management strategies. This review provides a conceptual basis to ensure that all significant aspects influencing CSR initiatives are thoroughly considered. The hierarchical structure is illustrated in Figure 1. The identified criteria and sub-criteria include: economic criteria, which include job creation, economic empowerment, and infrastructure development; social criteria, which emphasize community welfare, stakeholder relationships, and cultural preservation; environmental criteria, which involve natural resource management, pollution control, and rehabilitation initiatives; and Program Sustainability criteria, which focus on financial stability, innovation, and stakeholder engagement. Table 1 presents literature supporting this topic.

This study employs a hierarchical structure to systematically evaluate the prioritization of Corporate Social Responsibility (CSR) programs. The overarching objective was to optimize the allocation of CSR resources to support sustainable development based on four main criteria: Economic, Social, Environmental, and Program Sustainability. Subsequently, each of these criteria is further broken down into specific subcriteria. Four strategic alternatives Local Entrepreneurship Development, Infrastructure Improvement, Environmental Conservation and Rehabilitation, and Public Health were initially proposed by the authors based on a literature review and company reports, and subsequently validated and refined by experts during focus group discussions (FGDs). This ensured that the alternatives were both theoretically grounded and contextually relevant to PT MUJ ONWJ's CSR objectives.



SD: Strategy Determination

Code Description Criteria
- E : Economic
- S : Social
- E : Environmental
- PS: Program Sustainability

Code Description Sub-Criteria
- JC : Job Creation
- EE: Economic Empowerment
- EID: Economic Infrastructure Development
- CW : Community Welfare
- SR: Stakeholder Relations
- CP: Cultural Preservation
- IEP: Impact of Emissions and Pollution
- ER: Environmental Rehabilitation
- NRM: Natural Resource Management
- FC: Financial Continuity
- SS : Stakeholder Support
- IA: Innovation and Adaptation

Code Description: Altenative
- LED: Local Entrepreneurship Development
- II: Infrastructure Improvement
- ECR: Environmental Conservation and Rehabilitation
- PH : Public Health

Figure 1. Hierarchical tree

Table 1. Validation of variables

Criteria	Sub-criteria	Supporting Literature
Economic	Job Creation	Kalhoro et al. (2018); Sinha, (2024)
	Economic Empowerment	Katamba et al. (2024); Ablo, (2020); Lizarzaburu et al. (2024); Chipriyanov (2024)
	Economic Infrastructure Development	Osemeke et al. (2016); Oruwari (2022); Nanziri & Abban (2023)
Social	Community Welfare	Ite, (2019)
	Stakeholder Relations	Egbon et al. (2024)
	Cultural Preservation	Hassan et al. (2023)
Environmental	Impact of Emissions and Pollution	Tayebi et al. (2022); Guerrero-Martin et al. (2023)
	Environmental Rehabilitation	Dhanda & Malik, (2020); Haroon et al. (2025)
	Natural Resource Management	Tayab, (2024);
Program Sustainability	Financial Continuity	Deviarti et al. (2021); Adamkaite et al. (2023)
	Stakeholder Support	Niyommaneerat et al. (2023); Nurdin, (2025); Khodaparast, (2022)
	Innovation and Adaptation	Cherepovitsyn & Rutenko, (2023)

Data processing in this study utilized the Super Decisions 2.10 software and Microsoft Excel, applying the Analytical Hierarchy Process (AHP) method. This approach enables a comprehensive assessment of the prioritization of each element in the CSR strategy. The results, including the weighted priorities for the criteria and sub-criteria of PT MUJ ONWJ's CSR strategy, are detailed in Table 2.

Based on the analysis in Table 2, the Program Sustainability criterion emerged as the top priority in the CSR strategy, with the highest weight (0.2769). This finding aligns with those of Ateeq et al. (2024) and Imashev et al. (2024), who emphasized the importance of sustainability practices in corporate strategies. Among the sub-criteria, Financial Continuity (0.3673) has the highest weight, reflecting stakeholders' focus on financial continuity as a critical foundation for maintaining effective CSR programs. This is consistent with Deviarti et al. (2021), who identify stable funding as a crucial factor in sustaining CSR programs, particularly in resource-intensive industries such as oil and gas. Furthermore, Innovation and Adaptation (0.3509) underscore the need for flexible approaches to address dynamic challenges, supporting the findings of Cherepovitsyn et al. (2023), who highlight the role of innovation in CSR.

The Environmental criterion ranked second with a weight of 0.2494, highlighting the urgency of managing environmental impacts within CSR strategies. This result is supported by Androniceanu (2019), who stresses the need to integrate environmental considerations into CSR strategies to achieve sustainable development. Among the sub-criteria, Natural Resource Management had the highest weight (0.3995), reflecting the importance of sustainable resource management in mitigating the negative environmental impacts of the industry. This was followed by Environmental Rehabilitation (0.3240), and the Impact of Emissions and Pollution (0.2765).

Economic criterion (0.2441), although ranked third, underscores the significance of Economic Empowerment (0.3733) and Job Creation (0.3464) in fostering community resilience. These findings align with those of Naufal et al. (2019), who documented the substantial socioeconomic benefits of CSR programs focused on employment and community development. However, the lower priority given to Infrastructure Development (0.2803) contrasts with (Gea et al. (2022), who find that improving local infrastructure often has the most direct impact on CSR resource allocation.

The Social criterion had the lowest weight (0.2296), with the sub-criterion Community Welfare (0.3886) being the top priority. This result is supported by Hasan (2018), who emphasized the importance of community welfare in CSR programmes within the oil and gas sector. This was followed by Cultural Preservation (0.3252) and stakeholder relationships (0.2862).

Table 2. Weights of indicators

Criteria	Criteria weight	Rank	Sub-criteria	Sub-criteria weight	Rank
Economic	0.2441	3	Job Creation	0.3464	2
			Economic Empowerment	0.3733	1
			Economic Infrastructure Development	0.2803	3
Social	0.2296	4	Community Welfare	0.3886	1
			Stakeholder Relations	0.2862	3
			Cultural Preservation	0.3252	2
Environmental	0.2494	2	Impact of Emissions and Pollution	0.2765	3
			Environmental Rehabilitation	0.3240	2
			Natural Resource Management	0.3995	1
Program Sustainability	0.2769	1	Financial Continuity	0.3673	1
			Stakeholder Support	0.2818	3
			Innovation and Adaptation	0.3509	2

Stakeholder Alignment and Rater Agreement

The analysis of stakeholder alignment revealed significant variations in priorities, as indicated by the low Coefficient of Agreement (W) of 6% (Table 3). This highlights differing perspectives among stakeholders, including representatives from PT MUJ ONWJ, local governments, SKK Migas, community groups, and other parties involved.

Based on Table 4, the Sustainability and Economic criteria demonstrated a higher alignment, both receiving a 7% agreement rate. This suggests that stakeholders broadly recognize the importance of ensuring financial continuity and fostering economic empowerment in CSR initiatives. In contrast, the alignment was notably lower for the environmental (3%) and social (5%) criteria. The limited agreement on these dimensions reflects divergent views on the prioritization of ecological conservation and societal welfare. These findings underscore the need for structured dialogue and collaborative workshops to reconcile differing perspectives and build consensus among stakeholders, ensuring that CSR strategies align with shared goals and effectively address pressing challenges.

Analysis of Sub-Criteria

The analysis of the sub-criteria provided nuanced insights into the specific priorities of each main criterion. Based on Table 5, the economic sub-criteria emerged as a significant area of agreement, with Economic Empowerment receiving the highest stakeholder consensus at 15%. This reflects the strong emphasis on programs that enhance local economic capacity and foster long-term community resilience. Job Creation (6%) and Infrastructure Development (9%) followed, highlighting the importance of addressing unemployment and improving the essential services to support local development.

The social Sub-Criteria demonstrate varying levels of stakeholder alignment. While Community Welfare was recognized as critical (2%), its low agreement suggests differing views on addressing societal needs. Stakeholder Relations (2%) and Cultural Preservation (9%) also showed limited alignment, underscoring the need for inclusive engagement processes and stronger integration of cultural values into CSR initiatives.

The environmental Sub-Criteria indicated Natural Resource Management (5%) as the primary focus, reflecting the importance of sustainable practices in balancing industrial activities with ecological preservation. However, divergence in stakeholder priorities was evident for emissions and pollution management (1%) and Environmental Rehabilitation (2%), highlighting the need for enhanced collaboration to effectively address environmental impacts.

The Program Sustainability Sub-Criteria revealed Financial Continuity as the most prioritized aspect (8%), emphasizing the necessity for stable funding mechanisms to ensure the longevity of CSR programs. Innovation and Adaptation (2%), and Stakeholder Support (3%) were also noted, albeit with lower levels of agreement, suggesting opportunities to strengthen dynamic strategies and collaborative efforts.

Table 3. Rater agreement results based on Criteria

Respondents	Economy	Social	Environment	Program Sustainability
R1	3.50	1.50	3.50	1.50
R2	1.50	4.00	3.00	1.50
R3	3.00	1.00	3.00	3.00
R4	2.50	2.50	2.50	2.50
R5	2.00	2.00	2.00	4.00
R6	2.50	2.50	2.50	2,50
R7	1.50	1.50	3.00	4.00
R8	2.50	2.50	2.50	2.50
R9	1.50	1.50	3.50	3.50
R10	2.50	2.50	2.50	2.50
Total	23.00	21.50	28.00	27.50
W	6%			

Table 4. Rater agreement results based on sub-criteria

	Economic Sub-criteria	Social Sub-criteria	Environmental Sub-criteria	Program Sustainability Sub-criteria
Rate Agreement	7%	5%	3%	7%

Table 5. Rater agreement results based on strategy alternatives

	Rate Agreement
Job Creation	15%
Economic Empowerment	6%
Economic Infrastructure Development	9%
Community Welfare	2%
Stakeholder Relations	2%
Cultural Preservation	9%
Impact of Emissions and Pollution	1%
Environmental Rehabilitation	2%
Natural Resource Management	5%
Financial Continuity	8%
Stakeholder Support	3%
Innovation and Adaptation	2%

These findings highlight the critical need for targeted interventions and structured dialogue to address disparities in stakeholder priorities, ensuring that CSR initiatives align with shared goals and deliver balanced economic, social, and environmental benefits.

PT MUJ ONWJ consistently demonstrates its commitment to managing a 10% participatory interest (PI) fund through various Corporate Social Responsibility (CSR) programs aligned with sustainable development principles. The implementation of these CSR programs includes allocating a portion of a company's revenue to generate tangible impacts in three key areas: social, economic, and environmental. One significant contribution of PT MUJ ONWJ is its involvement in social and environmental responsibilities during the YYA-1 oil spill. Additionally, during the COVID-19 pandemic, the company provided financial assistance to the Cikalong Wetan Regional General Hospital (RSUD) in West Java and distributed 6,000 food packages to communities across 15 districts and cities in West Java. Examples of CSR initiatives include entrepreneurship training in various regions, support for local industry development, health-focused social initiatives, and environmental conservation programs, such as mangrove planting and biogas-based waste

management. These efforts underscore the company's focus on making direct and meaningful contributions to community welfare and environmental sustainability.

Based on the analysis using the Analytical Hierarchy Process (AHP) method, Program Sustainability emerged as the highest priority with a weight of 0.2769, indicating that program continuity is the most critical aspect of PT MUJ ONWJ's CSR planning. Among the sub-criteria, Financial Continuity (0.3673) was the primary focus, emphasizing the importance of stable funding to sustain programmes. An analysis of the implemented programs shows that most PT MUJ ONWJ's initiatives such as entrepreneurship training and local industry development align with this priority. However, there is potential for improvement in programs focusing on environmental aspects, which ranked second, with a weight of 0.2494. The sub-criterion of Natural Resource Management, with the highest weight under the environmental criterion (0.3995), has not been fully reflected in existing programs, particularly in efforts to mitigate the impact of oil and gas exploration and promote sustainable natural resource management. Although current environmental programs, such as mangrove rehabilitation and biogas-based waste management, have been implemented, their scale remains limited and the environmental impacts of oil and gas operations have not been fully addressed.

These findings are consistent with those of previous studies that emphasize the importance of financial continuity and long-term sustainability in CSR planning. Deviarti et al. (2021) also identify financial stability as a key determinant for maintaining CSR programs in the oil and gas industry, while Ateeq et al. (2024) and Imashev et al. (2024) highlight sustainability practices as a strategic priority for corporate development. The prioritization of environmental criteria in this study further supports the findings of Androniceanu (2019) and Guerrero-Martin et al. (2023), who stress that environmental considerations are central to CSR in resource-intensive industries. Conversely, the relatively lower weight assigned to social criteria contrasts with Hasan (2018), who argued that community welfare is often the dominant aspect in the CSR programs of oil and gas companies. This divergence may be explained by differences in the local policy context and the unique role of Participating Interest (PI) funds in Indonesia.

The study also revealed significant disparities in stakeholder alignment, as indicated by the low Consensus Coefficient (W = 6%). The most notable differences in priorities were observed in the Environmental and Social criteria, which had low consensus levels of 3% and 5%, respectively. These findings reflect differing perceptions among stakeholder groups such as local governments, communities, and oil and gas operators regarding CSR priorities. To address this issue, a more inclusive approach, such as regular forums or workshops involving all relevant stakeholders, is required. This approach can enhance consensus and ensure that CSR programs address local needs comprehensively.

Based on the AHP analysis results, PT MUJ ONWJ should develop more targeted CSR programs that prioritize Financial Continuity and environmental aspects. First, local relationship-based programs should be strengthened to improve the economic capacity of communities. Second, a greater allocation of funds for environmental programs, such as mangrove ecosystem rehabilitation, pollution control, and emissions management, can support the company's sustainability efforts. Third, active stakeholder engagement through regular forums or workshops is essential to aligning perspectives on CSR program priorities. This approach is expected to enhance the alignment of programs with community and environmental needs, while reinforcing the long-term sustainability of the initiatives.

Managerial Implications

The findings of this study suggest that PT MUJ ONWJ and other PI fund managers should adopt a balanced CSR approach that integrates the economic, social, environmental, and sustainability dimensions. The AHP results emphasize the need for multi-criteria decision making to ensure that CSR investments provide both short-term community benefits and long-term sustainability outcomes.

Priority should be given to programs, such as Local Entrepreneurship Development (LED) and Infrastructure Improvement (II), which strengthen local economies and support regional growth. Furthermore, integrating environmental and sustainability criteria highlights the importance of continuous monitoring and evaluation using AHP-based systems for transparent and consistent decision making.

Finally, involving stakeholders through Focus Group Discussions (FGDs) enhances legitimacy and ensures that CSR programs remain relevant to community and environmental needs. Therefore, continuous stakeholder engagement is recommended to maintain adaptive and accountable CSR implementation.

CONCLUSION AND RECOMMENDATIONS

Conclusions

The sustainability of CSR programs is paramount in the planning and execution of CSR initiatives by PT Migas Hulu Jabar Offshore Northwest Java (PT MUJ ONWJ). This study highlights that financial continuity, innovation, and stakeholder support are essential to ensure the long-term success and impact of CSR programs. By focusing on sustainability, PT MUJ ONWJ can manage resources more efficiently to meet social, economic, and environmental goals in a balanced manner. Directing CSR funds toward strategic initiatives, such as mangrove ecosystem rehabilitation and pollution management, is critical for addressing the environmental consequences of oil and gas operations. Although the company has made significant strides in improving community welfare and promoting environmental sustainability, the scope and scale of environmental programs must be expanded to mitigate the broader impacts of industrial activities. Furthermore, enhancing stakeholder engagement through inclusive forums and workshops is necessary to align priorities and improve CSR program effectiveness, particularly to address social and environmental challenges.

From a managerial perspective, these findings suggest that CSR decision-makers at PT MUJ ONWJ should prioritize the establishment of sustainable funding mechanisms to guarantee financial continuity while also allocating larger portions of Participating Interest (PI) funds to environmental initiatives such as natural resource management and pollution control. Managers are advised to integrate AHP-based prioritization into annual CSR planning processes, ensuring that program selection is data-driven rather than ad hoc. In addition, structured stakeholder engagement forums should be institutionalized to reduce divergence in stakeholder preferences and build a stronger consensus around CSR priorities. By applying these managerial strategies, PT MUJ ONWJ can enhance the effectiveness of its CSR initiatives and strengthen its social license to operate in the oil and gas sector.

Recommendations

It is recommended that PT MUJ ONWJ prioritizes CSR strategies, focusing on financial continuity and environmental sustainability. To improve program effectiveness, greater investments in environmental initiatives, particularly mangrove rehabilitation and pollution control, should be made. Furthermore, the development of local relationship-based programs can boost community economic resilience. Enhanced stakeholder engagement through regular consultations and workshops should be pursued to align priorities and foster collaboration among all parties. This approach will help ensure that CSR initiatives are aligned with the local community's needs and environmental goals. Future research should explore the integration of environmentally friendly technologies into CSR programs to further enhance their sustainability. Longitudinal studies are recommended to assess the lasting impacts of these initiatives on community welfare and environmental resilience.

In addition, this study demonstrates the suitability of the Analytical Hierarchy Process (AHP) as a decision-support tool in CSR strategic planning. AHP's ability to integrate qualitative and quantitative inputs, incorporate diverse stakeholder perspectives, and provide consistency checks makes it a robust framework for prioritizing CSR initiatives in complex, multi-stakeholder environments, such as the oil and gas sector. Therefore, future CSR managers and policymakers are encouraged to adopt AHP or similar multi-criteria approaches to ensure more systematic and transparent decision-making.

FUNDING STATEMENT: This research did not receive any specific grants from funding agencies in the public, commercial, or not-for-profit sectors.

CONFLICTS OF INTEREST: The authors declare no conflict of interest.

REFERENCES

Ablo, A.D. (2020). Enterprise development? Local content, corporate social responsibility and disjunctive linkages in Ghana's oil and gas industry. Extractive Industries and Society, 7 (2), 321-327. https://doi.org/10.1016/j.exis.2019.09.003.

Adamkaite, J., Streimikiene, D., & Rudzioniene, K. (2023). Impact of social responsibility on corporate financial performance in the energy sector: Evidence from Lithuania. Corporate Social Responsibility and Environmental Management, 30 (1), 91-104. https://doi.org/10.1002/csr.2340.

Ahmad, M., Wilkins, S. (2024). Purposive sampling in qualitative research: A framework for the entire journey. Quality & Quantity, 1-19. https://doi.org/10.1007/s11135-024-02022-5.

Amoah, P., & Eweje, G. (2024). Examining the social sustainability strategies of multinational mining companies in developing countries. Social Responsibility Journal, 20(3), 568-584. https://doi.org/10.1108/SRJ-11-2022-0480.

Androniceanu, A. (2019). Social responsibility is an essential strategic option for sustainable development in the bio-economy. WWW Amfiteatrueconomic Ro, 21(52), 503. https://doi.org/10.24818/ea/2019/52/503.

Ateeq, A., Alaghbari, M.A., Milhem, M., Alzoraiki, M., & Ateeq, R.A. (2024). Sustainability in the Modern Workplace: A Conceptual Exploration of Eco-friendly Strategies and Corporate Responsibility. In: Hamdan, A., Harraf, A. (eds) Business Development via AI and Digitalization. Studies in Systems, Decision and Control, 538. Springer, Cham. https://doi.org/10.1007/978-3-031-62102-4_8.

Boas, F.R.V., & Machado, C. F. (2024). Social responsibility as a lever in a circular economy. Circular Economy and Manufacturing, 217-238. https://doi.org/10.1016/B978-0-443-14028-0.00011-6.

Cherepovitsyn, A., Kazanin, A., Rutenko, E. (2023). Strategic Priorities for Green Diversification of Oil and Gas Companies. Energies, 16(13), 4985. https://doi.org/10.3390/en16134985.

Chipriyanov, M., Chipriyanova, G., Krasteva-Hristova, R., Atanasov, A., Luchkov, K. (2024). Research the impact of Corporate Social Responsibility on economic growth and inequality: methodological aspects. Journal of Risk and Financial Management, 17 (12): 546. https://doi.org/10.3390/jrfm17120546.

Deviarti, H., Razman A. L. A., Tze San, O., & Maelah, R. (2021). Management Accounting Change and CSR Budgetary Control of an Oil and Gas company in a Crisis: A Literature Review. In Proceedings of the 2021 12th International Conference on E-business, Management, and Economics (ICEME '21). Association for Computing Machinery, New York, NY, USA, 622–626. https://doi.org/10.1145/3481127.3481130

Dhanda, K.K. & Malik, M. (2020). Carbon management strategy and carbon disclosures: An exploratory study. Business and Society Review 125 (2), 225-239. https://doi.org/10.1111/basr.12207.

Egbon O., Nwoke U., Agbaitoro G. (2024) Corporate social responsibility practices in the Nigerian oil industry: New legal direction and implications for reporting. In: Corporate Social Responsibility disclosure in developing and emerging economies' institutional, governance, and regulatory issues. CSR, Sustainability, Ethics & Governance (CSEG), Part F. Springer, Cham, 3-20. https://doi.org/10.1007/978-3-031-61976-2_1.

Flammer, C. (2018). Competing for government procurement contracts: The role of corporate social responsibility. Strategic Management Journal, 39(5), 1299-1324. https://doi.org/10.1002/smj.2767.

Gea, I. V., Saleh, M., Suharto, R. B. (2022). Peranan corporate social responsibility (CSR) terhadap tingkat pembangunan desa. INOVASI: Jurnal Ekonomi, Keuangan Dan Manajemen, 18(3), 551-560. https://doi.org/10.29264/jinv.v18i3.11545.

Guerrero-Martin, C.A., Ortega-Ramírez, A.T., Rodríguez, P.A.P., López, S.J.R., Guerrero-Martin, L.E., Salinas-Silva, R., Camacho-Galindo, S. (2023). Analysis of environmental sustainability using a weighting matrix in the oil and gas industry. Sustainability 15 (11). https://doi.org/10.3390/su15119063.

Haroon, M., Ullah, M., Li, Z., Zhu, S., Wang, J., Hsueh, C. P. E. (2025). Impact of emerging technologies on corporate social responsibility in the mining industry. Resources Policy, 102. https://doi.org/10.1016/j.resourpol.2024.105454.

Hasan, S. (2018). Model Komunikasi Pada Program Csr Pemberdayaan Wirausaha Muda Perusahaan

Migas. INJECT (Interdisciplinary Journal of Communication), 3(1), 59-82. https://doi.org/10.18326/inject.v3i1.59-82.

Hassan, Q. M., Khudir, I. M., & Olawuyi San, D. S. (2023). Regulating corporate social responsibility in energy and extractive industries: The case of international oil companies in a developing country. Resources Policy, 83. https://doi.org/10.1016/j.resourpol.2023.103607.

Imashev, A., Turekulova, D., Mukhambetova, L., Niyazov, M., Saimagambetova, G., & Yerkulova, G. (2024). Strategic management of companies'sustainable development Montenegrin Journal of Economics, 20 (3), 275-286. https://doi.org/10.14254/1800-5845/2024.20-3.20.

Ite U. E. (2019). Sustainability assurance and evaluation for effective Corporate Social Responsibility communication. Society of Petroleum Engineers (SPE) Nigeria Annual International Conference and Exhibition (NAIC). https://doi.org/10.2118/211934-ms.

Kalhoro, M., Naqvi, I.B., Kalhoro, S., Soomro, M. M., and Buriro, N. H. (2018) Promoting CSR practices in Oil and Gas Industrial Clusters: An approach for regional growth. International Business Information Management Association Conference, 1-14.

Katamba, D., Amerit, B., Basuuta, M., Tumwine, S.B., & Muhammed, N. (2024). An Analysis of Corporate Social Responsibility (CSR)-Related Objectives Enshrined in the "National Oil and Gas Policy for Uganda, 2008": A Policy Perspective Paper. In: Idowu, S. (eds) Key Initiatives in Corporate Social Responsibility. CSR, Sustainability, Ethics & Governance. Springer, Cham, 171-190. https://doi.org/10.1007/978-3-031-61976-2_10.

Khodaparast, N. (2022). Transnational Corporate Social Responsibility in the Oil and Gas Industry: From Soft Law to Mandatory Rules. Journal of East Asia and International Law, 15 (1), 77-92. http://dx.doi.org/10.14330/jeail.2022.15.1.04.

Lizarzaburu, E., Burneo, K., Chávez, M., & García-Gómez, C.D. (2024). Social Effect, and Corporate Social Responsibility: An Analysis of the Oil Sector in an Emerging Market. Review of Development Finance, 14 (2), 65-77. https://hdl.handle.net/10520/ejc-rdfin_v14_n2_a4.

Nanziri, L.E., & Abban, G. (2023). Corporate Social Responsibility of multinational corporations in the oil and gas sector: Evidence from sub-Saharan Africa. Sustainability Management in the Oil and Gas Industry: Emerging and Developing Country Perspectives, 208-222. http://dx.doi.org/10.4324/9781003309864-18.

Naufal, F., Laut, L., & Jalunggono G. (2019). Analysis Pengaruh Program Corporate Social Responsibility (CSR) PT. Pertamina Persero Terhadap Peningkatan Pendapatan Dan Pemberdayaan Masyarakat Desa Kalidonan Kabupaten Cilacap. Directory Journal of Economic 1(1), 88-99. doi:10.31002/dinamic.v1i1.

Niyommaneerat, W.; Suwanteep, K.; Chavalparit, O. (2023). Sustainability indicators to achieve a circular economy: A case study of renewable energy and plastic waste recycling corporate social responsibility (CSR) projects in Thailand. Journal of Cleaner Production 391. https://doi.org/10.1016/j.jclepro.2023.136203.

Nurdin M. H., Adwani, Sanusi, & Azhari Y. (2025). Oil and gas management and Corporate Social Responsibility models based on existing laws. Yuridika, 40(1), 45–66. https://doi.org/10.20473/ydk.v40i1.45821.

Oruwari, H. O. (2022). Corporate Social Responsibility: A Paneacea for Sustainable Development in the Niger Delta Region of Nigeria. Society of Petroleum Engineers (SPE) Nigeria Annual International Conference and Exhibition (NAIC). https://doi.org/10.2118/211934-ms.

Osemeke, L., Adegbite, S., Adegbite, E. (2016). Corporate Social Responsibility Initiatives in Nigeria. In: Idowu, S. (eds) Key Initiatives in Corporate Social Responsibility. CSR, Sustainability, Ethics & Governance. Springer, Cham, 357-375. https://doi.org/10.1007/978-3-319-21641-6_17.

Rathobei, K.E., Ranängen, H., & Lindman, Å. (2024). Exploring broad value creation in mining: CSR and stakeholder management in practice. Extractive Industries and Society, 17. https://doi.org/10.1016/j.exis.2024.101412.

Rosati, F., Costa, R., Calabrese, A., & Pedersen, E. (2018). Employee attitudes towards corporate social responsibility: A study on gender, age, and educational level differences. Corporate Social Responsibility and Environmental Management, 25(6), 1306-1319. https://doi.org/10.1002/csr.1640.

Saaty, T. & Vargas, L. 2012. The Analytic Hierarchy Process. Second. USA: Springer. http://www.

springer.com/series/6161.

Sinha, S. N. (2024). Strategic Corporate Social Responsibility at ITC: A Stakeholder Model. Asian Journal of Management Cases. https://doi.org/10.1177/09728201241259812.

Tayab, M., Al Suwaidi, H., Lari, M., Kumar, P., Shah, V. (2024). Navigating through operation excellence, process safety, and sustainability in upstream and downstream segments of oil and gas operations with resilience and responsibility to prevent incidents. Society of Petroleum Engineers-ADIPEC) https://doi.org/10.2118/222010-MS.

Tayebi, M., Bemani, A., Fetanat, A., & Fehresti-Sani, M. (2022). A decision support system for sustainability prioritization of air pollution control technologies in energy and carbon management: Iran's oil and gas industry Journal of Natural Gas Science and Engineering, 99. https://doi.org/10.1016/j.jngse.2022.104416.

Yang, Z., Su, H., & Sun, W. (2021). Can Strategic corporate social responsibility Drive Corporate Innovation?. South African Journal of Business Management, 52 (1). https://doi.org/10.4102/SAJBM.V52I1.257.

Yousfi, O., & Loukil, N. (2021). Why should firms achieve strategic CSR activities?. Local Governance and Regional Development: Current Perspectives, Peter&Lang, 61-75.

Zhaglovskaya, A. (2019). Environmental components as a factor in an economic security organization. International Multidisciplinary Scientific GeoConference Surveying Geology and Mining Ecology Management: SGEM, 19 (5.3), 801-809. https://doi.org/10.5593/sgem2019/5.3/S21.101.