Research Article

Transforming the Millennium Development Goals (MDGs) to Social Development Goals (SDGs) in Manufacturing Companies

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Abstract.
This study aims to analyze the transformation of the millennium development goals (MDGs) into social development goals (SDGs) in manufacturing companies in Banten Province. The specific objectives of this study are to analyze the relationship: 1) Environmental transformation with sustainable practices (E-MDGs); 2) Social transformation with sustainable practices (S-MDGs); 3) Transformation of governance with sustainable practices (G-MDGs); 4) Overall ESG transformation with existing manufacturing company sustainability practices in Banten Province and provides a framework for understanding sustainable transformation processes (MDGs-SDGs).

The data analysis technique used in this research is descriptive and inferential non-parametric statistics using SPSS v 25 and SEM-AMOS v25 analysis tools. The SDGs analysis was carried out using 14 criteria, and the MDGs 8 criteria. Primary data was obtained by interviewing and distributing questionnaires to 103 respondents via a Google form. The results of this study show that manufacturing companies in Banten Province have already implemented sustainability programs, most of which are still in line with the MDGs.

Keywords: transformation, environment, social, governance, sustainability

1. INTRODUCTION

Our focus is mostly on environmental, social, and governance criteria related to the millennium development goals (MDGs). Given the frequent financial scandals, as part of corporate strategy and in response to pressure from authorities, NGOs, and stakeholders, more and more companies are now complying strictly with environmental, social, and other local regulations. The company wants to give all stakeholders a clear picture of its corporate responsibility practices and efforts. As a result, corporate disclosures on environmental, social, and governance aspects have evolved in multiple dimensions...
over the past two decades. In addition, more and more companies are now involved in a broad range of ESG disclosure activities, and this important issue has become a topic of much attention [1].

The urgency of this research is based on the important role of the SDGs, which are an inseparable part of running a business and the interrelated individual elements. As every leader knows that managing the SDGs requires mastering the rule of law and the spirit, such as confronting violations before they occur, or ensuring transparency and dialogue with regulators instead of submitting formal reports and letting the results speak for themselves. The preparation of the SDGs itself has several challenges because there are still several items of the MDGs target that have not been achieved and must be continued in the SDGs. All the goals, targets, and indicators in the SDGs document also need to consider the current changing global situation [2]. Given the importance of the role of the SDGs in recent years, it is necessary to analyze the transformation of the millennium development goals (MDGs) to social development goals (SDGs).

2. LITERATURE REVIEW

2.1. Sustainability

The basic notions of sustainability are "sustainability" and "ability," a real term that generally means "capacity to sustain." Sustainability can mean the capacity to endure and adapt, prompting questions about the conditions that need to exist and must be maintained. The development of sustainability has been defined as "meeting the needs of today’s (humans) without compromising the ability of future (human) generations to meet their own (human) needs" [3]. Sustainability management is the formulation, implementation, and evaluation of decisions and actions related to environmental and socio-economic sustainability [4]–[8].

Therefore, it is the sustainability principle that guides those businesses need to do more than minimize losses or eliminate negative externalities and should proactively maximize their positive impacts on society and the environment, usually at the expense of short-term profitability, and businesses need to move from the business case to sustainability to a sustainable business model. Then a sustainable company is an organization that pursues a viable and profitable business model to maximize social and environmental welfare.
2.2. Transforming

Transformation is a change, namely a change to a thing or situation [9]. Impact of portfolio views how investment portfolios have an impact, especially negative impacts, on the environment and society. Sustainable investment initially uses this perspective, and most communities, regulators, or NGOs see it from this perspective. The aim is that investment and business do not harm the community, nor damage the environment. While the impact on portfolio sees the opposite, how environmental and social issues have an impact, positive or negative, on the investment portfolio. For example, if the company does not care about the impact of pollution, it will ultimately have financial consequences for the company, whether from society, regulators, consumers, or changes in the business landscape [10].

Currently, the focus of ESG is still dominated by European countries. But the wind will blow where other countries including China, Japan, and later Asia and Southeast Asia will inevitably have to adapt to ESG, this is the key to success in maintaining sustainable commodity revenue. The results of a survey conducted related to Environmental Social, and Governance (ESG) prove that more than 50 percent of respondents stated that if the company can control sustainable commodity revenue factors, the increase in long-term returns in business will be much better [11]. The business committed to a wide range of stakeholders, including customers, employees, suppliers, communities, and, of course, shareholders, and investment has seen a meteoric rise.

2.3. Millennium Development Goals (MDGs)

The Millennium Development Goals (MDGs) are the eight international development goals for 2015 that were set after the United Nations Millennium Summit in 2000. Businesses need to move from the Business Case for Sustainability to a Sustainable Business Model. Sustainable Enterprises are organizations that pursue viable and profitable business models to maximize social and environmental well-being. Sustainable development has been defined as “meeting the (human) needs of the present without compromising the ability of future (human) generations to meet their own (human) needs” [12].

Sustainability management is the formulation, implementation, and evaluation of decisions and actions related to environmental and socio-economic sustainability [4]. As the report acknowledges, the lack of international support to ensure progress towards the 8 Millennium Development Goals (MDGs) includes: reducing poverty and social
exclusion, achieving equitable primary education, gender equality and empowering women, reducing child mortality, improving maternal health, combating HIV/TB disease, ensuring environmental sustainability, and partnerships for development.

2.4. Transforming Millennium Development Goals (MDGs) to Social Development Goals (SDGs)

The Millennium Development Goals (MDGs) are eight international development goals for 2015 that have been set after the United Nations Millennium Summit in 2000. These are based on the OECD DAC International Development Goals agreed upon by the Minister of Development in "Shaping the 21st Century Strategy". All 191 member states of the United Nations and at least 22 international organizations and at least 22 international organizations are committed to helping achieve the following Millennium Development Goals by 2015. The MDGs have eight goals as measured by 21 targets. The Sustainable Development Goals (SDGs) are a collection of 17 interrelated global goals designed to be a “blueprint for achieving a better and more sustainable future for all”.

The SDGs were established in 2015 by the United Nations General Assembly and are intended to be achieved by 2030. The SDGs were developed in the Post-2015 Development Agenda, the future global development framework to succeed the MDGs ending in 2015.

The following is an illustration of the transformation from the Millennium Development Goals (MDGs) to Social Development Goals (SDGs) with 5 criteria, namely goals, targets, indicators, priority areas, main areas, and scope based on the agreement between world countries in Paris in 2015, and targets to be achieved by 2030 to achieve zero-emission clean air by 2050.

2.5. Social Development Goals (SDGs) in Islamic Concept

Through the Qur’an, Islam expressly hints about eradicating poverty as mentioned in many cases, especially in terms of al-faqîr and al-miskîn [13]. Islam views environmental management as the responsibility of humans as God’s caliph on earth (Surah Al-Baqarah: 2). As a result of the absence of an ethical and critical attitude in the development of science and technology, culture and development, have brought humanitarian implications that will negatively affect the future of mankind. In his position as an agent of
change, in addition to humans moving as personal beings, they are also part of the community and society [14].

"Indeed, Allah does not change the condition of a people until they change what is in themselves..." (Surah Al-Ra’id: 11). This verse talks about the concept of societal change, which according to Quraish Shihab, is interpreted as a process of change that gives humans the position of being the agents of change.

Based on this description, the hypothesis can be formulated as described in the following research paradigm:

1) Environmental transformation with sustainable practices (E-MDGs);
2) Social transformation with sustainable practices (S-MDGs);
3) Transformation of governance with sustainable practices (G-MDGs);
4) Overall ESG transformation with the sustainability practices of existing manufacturing companies in Banten Province.
3. RESEARCH METHOD

The research method used is a survey method, namely research conducted on large and small populations, but the data studied are data from samples taken from that population, so that relative incidence, distribution, and relationships between variables are found. This type of research is causal associative with quantitative data, using a descriptive and verification approach, namely, to describe things that are happening today and to test the truth of existing science. In this study, the data used are secondary data obtained from various literature and reference sources regarding employee perceptions of the implementation of sustainability in the transformation from millennium development goals to social development goals in manufacturing companies in Banten Province. The primary data collection process uses online media with group discussion forums (FGD) and questionnaires using a google form with the link: bit.ly/3LGS6b3-angketSDGs). In general, the validity of nonparametric statistics does not depend on the specific probability model of the population, with analysis tools using SPSS v 25 and SEM-AMOS v25. The SDG's analysis was carried out using 17 criteria and the Millennium Development Goals (MDGs) with 8 criteria.

The object of analysis in this study is the manufacturing companies in Banten Province as many as 5 companies and the unit of analysis is 25 employees who work at each of these companies whose criteria have been determined. The sampling technique used is purposive sampling with the following criteria: a working period of more than 1-year, permanent employees of the company, HRD or Production staff, limitations of distance, and time for researchers. Based on these criteria, of the 125 population, only 103 employees meet the criteria to be sampled. So, by considering the representativeness of the population, the number of samples is determined to be 103 employees. The entire population that meets the criteria is used as a sample. From the results of the analysis that the coefficient value of the validity of the question items on all MDGs variables shows valid results $r_{\text{count}} > r_{\text{table}}$, except item no. 6 is declared invalid because $r_{\text{count}} < r_{\text{table}}$. And the coefficient value of the validity of the question items on all SDGs variables shows valid results except items no. 1 and 6 are declared invalid. A questionnaire is said to have good reliability because if the Cronbach's Alpha value is $> 0.60$. By looking at the Reliable Statistics table, it is known that the Cronbach’s Alpha value of all the reliability tests of the MDGs variable = 0.411 $< 0.60$ so it can be stated that the questionnaire is not reliable. A questionnaire is said to have good reliability because if the Cronbach’s Alpha value is $> 0.60$. By looking at the Reliable Statistics table, it is known that the
Cronbach’s Alpha value of all SDGs variable reliability tests = 0.802 > 0.60 so it can be stated that the questionnaire is reliable.

4. RESULT AND DISCUSSION

4.1. Characteristics of Respondents

The following will describe the data on selected respondents from employees who work in manufacturing companies in Banten Province. The respondent’s data is grouped by gender, position/section, and length of service.

Based on the results of the questionnaire, it was found that the majority of respondents were male, considering that manufacturing companies employ more male employees in their companies. Based on the results of the questionnaire, it was found that the majority of respondents were in the production department because most of the employees were directly related to the sustainability implementation process from the impact of its production. Based on the results of the questionnaire, it was found that the majority of respondents have worked for more than 5 years, so they better understand and know the implementation of sustainability programs carried out by the company.

5. Result

The results of respondents’ responses to the questionnaires that have been distributed will be carried out descriptive analysis first to determine employee perceptions of the implementation of the MDGs and SDGs carried out by manufacturing companies in Banten Province. The following is the result of the recapitulation of respondents’ responses regarding the perceived Millennium Development Goals (MDGs):

Based on table 1 above, it can be explained that on average employees and companies support the implementation of sustainability programs regarding the Millennium Development Goals (MDGs) ranging from programs to reduce poverty, gender equality, provide proper education for employees and the surrounding community, provide clinics
TABLE 1: Recapitulation of Respondents’ Responses To the MDGs.

<table>
<thead>
<tr>
<th>Pertanyaan</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company support in helping to reduce poverty</td>
<td>103</td>
<td>3</td>
<td>4</td>
<td>3.24</td>
<td>.431</td>
</tr>
<tr>
<td>The number of promotion opportunities for men and women provided by the company</td>
<td>103</td>
<td>3</td>
<td>4</td>
<td>3.41</td>
<td>.494</td>
</tr>
<tr>
<td>Company support in promoting better education</td>
<td>103</td>
<td>2</td>
<td>4</td>
<td>3.06</td>
<td>.639</td>
</tr>
<tr>
<td>Company support in preventing child mortality</td>
<td>103</td>
<td>3</td>
<td>4</td>
<td>3.08</td>
<td>.269</td>
</tr>
<tr>
<td>The company’s concern for maternal health</td>
<td>103</td>
<td>3</td>
<td>4</td>
<td>3.48</td>
<td>.502</td>
</tr>
<tr>
<td>The company’s attention to the surrounding environment</td>
<td>103</td>
<td>3</td>
<td>4</td>
<td><strong>3.50</strong></td>
<td>.502</td>
</tr>
<tr>
<td>The company’s commitment to cooperate with other parties</td>
<td>103</td>
<td>3</td>
<td>4</td>
<td>3.42</td>
<td>.496</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>103</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed 2022

health to prevent child mortality, maintain the health of pregnant and lactating mothers, maintain environmental cleanliness, and establish cooperation with other parties in the context of implementing community welfare programs. Social efforts carried out by the organization to improve the welfare of the community are in line with the needs of the family and society [15]. Improving people's quality of life through economic capital, human capital, social capital, and security capital [15].

Based on table 2, it can be seen that the implementation of the Social Development Goals (SDGs) programs carried out by manufacturing companies has been realized. It is proven that the company has provided equal opportunities for women as a form of gender equality. The company has tried to help improve the community’s economy by empowering it to meet the needs of the community. In line with [16] business and social welfare services as the goals and targets of the SDGs. conduct socialization about healthy lifestyles to the surrounding community, provide educational assistance in the form of scholarships for underprivileged communities, improve sanitation and drainage in the company environment, manage consumption patterns by saving on the use of work equipment, manage environmentally friendly production processes, maintain living ecosystems on water and land, establish partnerships with other parties, maintain a healthy, clean and conducive work environment, provide protection and justice for employees and the community for their rights, use environmentally friendly energy, provide jobs and decent wages for employees [17], encourage economic growth of local governments and communities, strive to create product innovations to develop industry, and maintain the feasibility of existing infrastructure.
Table 2: Recapitulation of Respondents’ Responses To SDGs.

<table>
<thead>
<tr>
<th>Pertanyaan</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company efforts in implementing gender equality</td>
<td>103</td>
<td>1</td>
<td>2</td>
<td>1.74</td>
<td>.442</td>
</tr>
<tr>
<td>The company’s efforts to meet the needs of the community</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>2.10</td>
<td>.858</td>
</tr>
<tr>
<td>The company’s efforts to improve a better healthy life</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>2.00</td>
<td>.420</td>
</tr>
<tr>
<td>The company’s efforts to improve education</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>1.82</td>
<td>.751</td>
</tr>
<tr>
<td>Company efforts in sanitation planning</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>2.07</td>
<td>.866</td>
</tr>
<tr>
<td>The company’s business in managing consumption</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>2.00</td>
<td>.420</td>
</tr>
<tr>
<td>Company efforts in managing production</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>1.77</td>
<td>.744</td>
</tr>
<tr>
<td>Company efforts in dealing with climate change</td>
<td>103</td>
<td>1</td>
<td>2</td>
<td>1.09</td>
<td>.284</td>
</tr>
<tr>
<td>The company’s efforts in preserving life in water</td>
<td>103</td>
<td>1</td>
<td>2</td>
<td>1.50</td>
<td>.502</td>
</tr>
<tr>
<td>The company’s efforts to maintain life on land</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>1.35</td>
<td>.763</td>
</tr>
<tr>
<td>The company’s efforts in building co-worker relationships</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>1.23</td>
<td>.581</td>
</tr>
<tr>
<td>The company’s efforts to maintain a good environmental peace</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>1.49</td>
<td>.752</td>
</tr>
<tr>
<td>The company’s efforts to provide a sense of fairness</td>
<td>103</td>
<td>2</td>
<td>3</td>
<td>2.24</td>
<td>.431</td>
</tr>
<tr>
<td>Company efforts in creating strong institutions</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>2.22</td>
<td>.463</td>
</tr>
<tr>
<td>The company’s efforts to use clean and friendly energy</td>
<td>103</td>
<td>1</td>
<td>2</td>
<td>1.83</td>
<td>.373</td>
</tr>
<tr>
<td>The company’s efforts to provide decent work</td>
<td>103</td>
<td>2</td>
<td>3</td>
<td>2.16</td>
<td>.364</td>
</tr>
<tr>
<td>The company’s efforts to encourage economic growth</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>1.41</td>
<td>.760</td>
</tr>
<tr>
<td>Enterprises in product innovation</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>2.22</td>
<td>.463</td>
</tr>
<tr>
<td>The company’s efforts in developing the industry</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>1.86</td>
<td>.578</td>
</tr>
<tr>
<td>Company efforts in maintaining infrastructure</td>
<td>103</td>
<td>1</td>
<td>3</td>
<td>1.66</td>
<td>.858</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>103</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.1. The transformation of the millennium development goals (MDGs) to social development goals (SDGs);

Part I

Based on the results of the analysis, it can be seen from table 3 standardized regression weight below:

From the table, it can be seen that the dimensions of the Millennium Development Goals that cannot be transformed into Social Development Goals are people’s dignity to peoples because the effect is 0.113 < 0.165, this illustrates that one’s dignity is a principle factor for the MDG’s that cannot be directly changed. Because it concerns
people’s dignity even though it has been supported by the company to improve their welfare. The next factor is people to people -0.034 < 0.165, this is because people or employees who work feel that there is no difference in their welfare in terms of MDG’s and SDG’s. then on the peoples factor to peace and justice -0.024 < 0.165, the low effect of the transformation is because people who work feel that the change to SDG’s will not affect calm and peaceful conditions and does not provide a sense of justice for employees. And the factor of people’s dignity to prosperity 0.123 < 0.165, this will also not be able to bring significant changes to their welfare in alleviating poverty. Thus, only 3 dimensions and MDG’s factors can be transformed into SDG’s. Furthermore, judging from the results of the correlation calculation, it is found that only the dimensions of people’s dignity with peoples who have a strong relationship of 0.407 or 40.7% can be transformed to SDG’s, and the planetary dimension with partnership of 0.523 or 52.3% can be transformed to SDG’s. The complete results can be seen in table 4 below.

The transformation of MDG’s to SDG’s in the dimension of people’s dignity is in terms of no more poverty and gender equality. Then the planet (the earth we live in) in terms of maintaining clean water and good sanitation (clean water and sanitation), has
a responsibility to consume and produce by paying attention to its waste so as not to pollute the environment (responsible consumption and production), anticipating climate change by reforesting (climate action), maintain the life of biota in the water (life below water), and preserve the life on land (life on land). Then the planet can also transform to SDG's with regard to partners to achieve common goals (partnership for the goals), and create peace, security, justice and form strong institutions or institutions [17].

Furthermore, the partnership dimension in the MDG's can transform to SDG's in terms of eliminating poverty and hunger, creating a healthy and good lifestyle, then providing a better level of education for employees and the surrounding community. Maintain peace and uphold justice by establishing strong institutions. Then provide affordable and environmentally friendly energy and resources, provide decent jobs for the community and better economic growth, develop industrial innovation, increase production capacity, and reduce imbalanced production and pollution, create independent and sustainable cities and communities that are sustainable, healthy and clean. ESG/CSR profile and activities are shown to be strongly related to the firms market, leadership and owner characteristics as well its risk, performance and value, there still exist conflicting hypotheses and results that we show are not resolved, leading to continued questions and a need for more research [18]. Meanwhile, the people dimension in the MDG's cannot be transformed to SDG's because it has a negative effect of -0.03 and -0.02. Likewise, there is no mutual influence between people's dignity, partnership, and planet. There is no reciprocal relationship between peoples and the partnership and the planet. But people's dignity has a reciprocal relationship with people, and the planet has a reciprocal relationship with partnerships. The importance of the sustainability indices and ESG agencies is increasing in terms of encouraging the implementation of responsible corporate policies [19]. This means that maintaining one's honor will relate and relate to societies and protecting the planet cannot be done alone but must work together with other parties to achieve common goals. For more details, see Figures 5 and 6 below.

Based on the analysis of research results on the transformation of Millennial Development Goals (MDGs) to Social Development Goals (SDGs), it can be concluded that manufacturing companies in Banten Province already have and implement sustainability programs, most of which are still within the corridor of goals with the Millennium Development Goals target (MDGs), almost all manufacturing companies in Banten Province are still in the process of preparing and adjusting to the target goals of the Social Development Goals (SDGs), because the sustainability program has only been running for the last 8 years on average, the transformation process from MDGs to SDGs is
for manufacturing companies in Indonesia. Banten Province is still far from optimal, due to limited human resources, knowledge, and minimal budget allocation. A CSR and Public Policies report, most ESG agencies take into account the following fields: company data, basic company information, social initiatives, corporate governance, clients, employees, environment, controversial business activities and relationships with investors and suppliers [20].

To achieve the target of implementing sustainability programs, the company cannot run alone, it requires collaboration with stakeholders who always accompany and supervise the implementation process of the sustainability program. It takes commitment from the management of the company and the community in every implementation of the sustainability program and feedback from the community. The implementation of the Social Development Goals (SDGs) is a necessity to become a credible, accountable, and go green company. An overview of the implementation of changes to the MDG's to SDG's from 2000 to 2030, as shown below.
6. CONCLUSION

Based on the analysis of research results on the transformation of Millennial Development Goals (MDGs) to Social Development Goals (SDGs), it can be concluded: Manufacturing companies in Banten Province already have and implement sustainability programs, most of which are still within the corridor of goals with the Millennium Development Goals (MDGs) targets. Almost all manufacturing companies in Banten Province are still in the process of preparing and adjusting to the target goals of the Social Development Goals (SDGs) because the sustainability program has only been running for the last 8 years on average. The transformation process from MDGs to SDGs for manufacturing companies in Banten Province is still far from optimal, due to limited human resources, knowledge, and minimal budget allocation.

To achieve the target of implementing sustainability programs, the company cannot run alone, it requires collaboration with stakeholders who always accompany and supervise the implementation process of the sustainability program. It takes commitment from the management of the company and the community in every implementation of the sustainability program and feedback from the community. Implementation of Social Development Goals (SDGs) is a necessity to become a credible, accountable, and go green company.

References


