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Management Strategy of Corporate Social Responsibility (CSR) in The Limestone Area of Mount Sadeng, Puger

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Abstract. The empowerment of coastal communities through the management of the Corporate Social Responsibility (CSR) program requires a kind of redesign with an approach that can better ensure community participation in determining the utilization and sustainability of program activities. This study aims to describe proactive CSR management by presenting participation in facilitating the needs of coastal communities. This study used a qualitative approach with descriptive methods to describe the management of CSR in the coastal area of the limestone area of Mount Sadeng Puger. Research informants include company CSR managers, community leaders and community assistance groups. The results describe that the source of CSR funding in coastal community empowerment programs is obtained from companies engaged in mining. The CSR program is managed through various forms of activities, including: involvement of coastal communities as workers in medium and large companies, providing health and education insurance, environmental improvement through reforestation and irrigation improvement, providing support / sponsorship in community activities and partnership programs. However, CSR management needs to be developed by providing training and assistance for the sustainability of the program so that it can build community independence.

1. Introduction

The economy in the modern era prioritizes the growth of the industrial sector in various fields. The rapid development of the industry brings positive and negative impacts. The positive impacts include reduced unemployment due to the absorption of human resources, especially local residents, to work in the industrial sector operating there, while the negative impacts include pollution caused by industrial operations. Industry is one of the efforts and hopes to improve people's welfare. In its development, it is not uncommon for the industrial sector to have goals that only prioritize the achievement of company profits. This is very reasonable in developing the position of the industrial world in the business world. However, it is not uncommon for this to have a very detrimental impact on all sectors, especially industries that run their business in the sector of natural resource utilization. Herlin [1] states that the negative impacts of industries, especially those that run businesses in the field of natural resource utilization, are intertwined with increasing environmental damage, from deforestation, air and water pollution, to climate change. If we look a little deeper, industrialization is not only beneficial in the field of human welfare, on the other hand it also brings disasters to living beings through environmental damage due to pollution, and so on. Thus, if a red line is drawn on the one hand with the sophistication of technology used by industry. Besides, creating an urban environment it can also damage the environment.

Indonesia has a diverse industrial sector, of course it has an impact on the socio-economic conditions of people's lives. Jember is located in East Java Province which has a coastal area in the southern part of Java Island. Geographically, the southern coastal area of Jember Regency has natural potential in the form of limestone mountains known as Mount Sadeng. Based on data from Badan Pusat Statistik Jember [2], Mount Sadeng is a potential industrial mining material in Grenden Village, Puger because its reserves reach 475,800,000 tons with a mine area of 183 hectares with super white or high grade quality. This limestone can be used as an industrial raw material. Companies that use Mount Sadeng as raw material include PT Semen Puger Jaya Sentosa and PT Semen Imasco Asiatic.



The existence of industrial companies in the area has an impact on the social, economic and cultural life of the surrounding community. Along the way, the activities carried out by the company intersect directly or indirectly with the community and the environment. In this case, Corporate Social Responsibility is regulated in Law of the Republic of Indonesia Number 40 of 2007 [3] concerning Limited Liability Companies, Article 74 of Social and Environmental Responsibility, which obliges companies to carry out social responsibility activities. Social and environmental responsibility is a form of company commitment to participate in sustainable economic development, and improve the quality of life and the environment that benefits internal and external companies, local communities, and society in general.

Corporate Social Responsibility (CSR) deals with community empowerment, because CSR programs are related to community needs and company goals. One of the success of a CSR program is related to how the CSR program can have a significant influence which in turn has a positive impact on the lives of people around industrial areas. If the local community considers that the company does not pay attention to its social and environmental aspects and does not directly feel its contribution or even feels the negative impact of the operation of a company, then this condition will create resistance in the community (social unrest). It is important to see the extent to which the CSR strategy leads to community empowerment, in relation to community participation which ultimately impacts the company and the community itself.

A cement industrial company located in The Limestone Area of Mount Sadeng, Puger, namely PT. Semen Puger Jaya Raya Sentosa and PT Semen Imasco Asiatic are companies that use limestone mining as raw material for their production. Mining is an effort to develop natural resources that have the potential to be utilized economically and optimally for the interests and prosperity of the people, through a series of exploration, exploitation and exploitation activities of mining products. As proof of professionalism and corporate social responsibility, PT. Semen Puger Jaya Raya Sentosa and PT Semen Imasco Asiatic organized CSR programs covering critical areas, namely basic economic, environmental and social needs. CSR that is held is part of the company's strategic plan which focuses on its implementation which is oriented towards economic growth through capacity building and community investment. Based on the description of the previous research, the researcher is interested in uncovering the management strategy of Corporate Social Responsibility (CSR) in the Limestone Area of Mount Sadeng, Puger, Jember.

2. Methods

This research uses a qualitative approach, because qualitative research can reveal real events in the field and can reveal hidden values. The type of research method used is descriptive, which as far as possible describes the actual phenomenon or event in the field. As a theoretical basis, Bogdan & Taylor [4] define qualitative methods as research procedures that produce descriptive data in the form of written or spoken words from people and observable behavior. This study seeks to obtain information about how to manage corporate social responsibility (CSR) strategies in empowering coastal communities in the limestone area of Mount Sadeng. Information was obtained through interviews with the CSR program manager, facilitators, and communities in Puger.

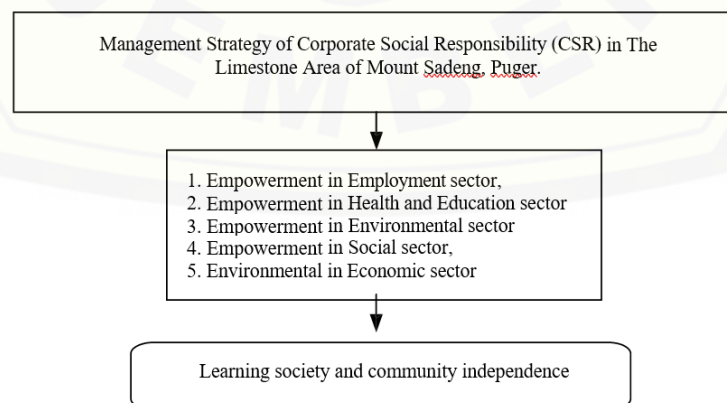


Figure 1. Research Focus

The research location is determined based on the following considerations: a) In connection with the existence of PT. Semen Puger Jaya Raya and PT Semen Imasco Asiatic in Puger, which have explored in Limestone area, have implemented community empowerment programs. B) Puger Kolun is a village located in the concession area of PT Semen Puger Jaya Raya and PT Semen Imasco Asiatic) which is a village impacted by the exploration management of the Limestone mining area.

Research informants using the Snowball technique, namely the CSR manager of PT. Semen Puger Jaya Raya and PT Semen Imasco Asiatic, facilitators, and communities. The data analysis technique was carried out qualitatively with model Miles and Huberman [4] data reduction procedures, data presentation and conclusion drawing, which can be explained as follows:

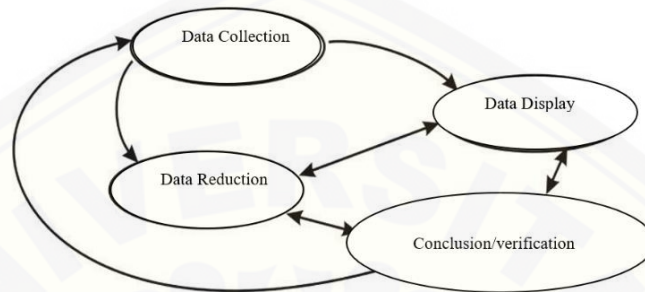


Figure 2. Interactive Model Analysis

a. Data Reduction

Data reduction as a process of selecting relevant themes, centered on implications, abstraction and transformation of raw data obtained from written notes in the field. Where this process aims to classify, direct, get rid of unnecessary, organize empirical material so that thematic categories can be obtained.

b. Data display

This activity is carried out by describing existing data in a simple, detailed, complete and integrative manner which is used as a policy to determine the next step whether the researcher is able to draw conclusions from existing data or whether the researcher still needs to retrace before withdrawing. Data display in the form of tables and images. For the implementation table and types of activities, the pictures are photos of the implementation of the empowerment program.

c. Conclusion/verification

This stage draws conclusions from the results of the data review. This review was not only carried out on written notes in the field, but was also carried out on the role of informants to test the correctness of the data, the suitability of the data and the robustness of the meaning that was born from the field data.

3. Results and Discussion

The CSR program implemented by the industrial company PT. Semen Puger Jaya Raya and PT Semen Imasco Asiatic are a form of community empowerment program. This is a form of corporate concern in taking a stand on the problems that arise from mining activities towards the surrounding community. Initially, most of it took place simply by providing voluntary assistance/charity sponsorship. In the modern era, the form of corporate attention is growing along with the many demands of the community around the mining area, so that through Corporate Social Responsibility (CSR) various community empowerment programs have been carried out with the aim of realizing community independence. Therefore a CSR management strategy is needed so that existing empowerment programs do not conflict and do not overlap with local government programs that have been implemented.

Economic development activities carried out through the Corporate Social Responsibility (CSR) program are aimed at supporting the economy of the community in general. This form of activity is carried out by business groups by building supporting facilities for economic activities and increasing community business capital. This of course still takes into account the socio-economic conditions of the Puger village community. The coastal potential of Puger is very effective for the development of lobster

and seaweed cultivation. Based on data from Puger Village [5], most of their livelihoods are in the fisheries and marine product processing sector, besides that they also work as traders.

The results of interviews and in-depth observations indicate that CSR management strategies can improve economic welfare. This can be seen from the CSR program management strategy implemented by a cement industry company in Puger Village that has recruited workers for the surrounding community, in this case the coastal community of Puger Village. Thus, the drive for economic prosperity through the CSR program will play a role in improving the existing community economy. Economic welfare will later have an important role in improving the welfare of the community. With the existence of a CSR program, namely employee recruitment for social welfare, it focuses on health insurance and education for the surrounding community. Environmental improvement is carried out by companies by checking the company's production emissions and carrying out reforestation. The CSR management strategy implemented by the company continues to provide voluntary assistance or charity, namely sponsorship and road repairs.

Community empowerment activities through the management of the company's CSR program in the Limestone area of Mount Sadeng, Puger are supported by internal and external factors consisting of support from the Jember Government, company support, community participation, community social relations, a culture of mutual cooperation, fulfillment of needs, facilities and infrastructure, development of funds, savings and loans and training. However, there are still obstacles both from internal and external factors, including low level of community education, lack of awareness of community ownership of facilities and infrastructure, lack of ability to assess group needs, and strong dominance. local elite.

Every company has a direct relationship with the community and the environment. Companies must have social concern and responsibility for the surrounding environment. Corporate Social Responsibility (CSR) is an activity that must be developed by every company, because the company's progress must be balanced with the empowerment of the surrounding community. Rudito and Melia [6], stated that through CSR activities, companies are expected to show concern and moral commitment to the interests of the community, regardless of the calculation of profit and loss for the company. Puger Village government communicative approach, trying to establish partnerships with companies related to the management of CSR programs. This condition is supported by the statement of Saidi and Abidin [7] that the implementation of corporate social responsibility in Indonesia by companies has the following model: 1) Direct involvement through foundations or corporate social organizations, 2) partnering with other parties and 3) supporting or joining with the consortium. These joint social responsibility activities are allocated to support community empowerment programs carried out by the government.

Based on the research results, it can be seen that there is a CSR management strategy that must be adapted to environmental conditions and the company. Companies that use or implement CSR programs have three important roles in their implementation, namely 1) promoting economic welfare, 2) environmental preservation, and 3) social responsibility. Elkington [8] introduced the Triple Bottom Line (TBL or 3BL) concept. Or also 3P - People, Planet and Profit. In short, the three pillars measure the value of a company's success by three criteria: economic, environmental and social. The TBL concept implies that the company must prioritize the interests of stakeholders (all parties involved and affected by the activities carried out by the company) rather than the interests of shareholders (shareholders). People emphasize the importance of company business practices that support the interests of the workforce. More specifically, this concept protects the interests of the workforce by opposing exploration that employs minors, payment of fair wages, safe working environment, and tolerable working hours. Not only that, this concept also asks companies to pay attention to the health and education of their workers. Planet means managing the use of energy properly, especially natural resources that cannot be renewed. Reducing production waste and reprocessing it into waste that is safe for the environment, reducing CO₂ emissions or energy consumption, is a practice that many companies apply in this concept. Luck here is more than just profit. Profits here mean creating fair trade and ethical trade in doing business.

The CSR strategy in relation to increasing economic welfare plays a role in improving the economy in community empowerment. According to Najib [9] Economic welfare is an economic condition to improve the quality of economic life through the use of owned resources. Then the improvement of the community's economy according to Sumodiningrat in Humaidi [10] is a way or effort made by the community in regulating the household economy so that it is better with the aim of

meeting the needs of life. Economic welfare within the company environment with the implemented CSR program is a collaborative effort and a form of corporate and community environmental responsibility. In this case the use of both existing human and natural resources. The CSR program carried out at a cement company in Puger Village is that recruitment for employees takes precedence, namely the community around the company.

The CSR strategy is related to promoting economic welfare to play a role in social welfare in community empowerment. According to Suharto in Ariefianto [11], social welfare is a social service. includes five forms, namely social security, health services, education, housing and personal social services. The CSR program with the recruitment of workers from companies is carried out from the beginning of the company. The benefits that you get will be many, both briefly or not. People feel that the labor recruitment program will certainly have an impact on improving the economy, because before working in a cement factory some did not work, some worked with a fairly low income.

The CSR strategy is related to environmental improvement, according to Prambudi in Anugrah [12], environmental preservation or environmental development aims to protect the ecosystem and environment from damage and minimize pollution due to company activities. The implementation of the CSR program cannot be separated from the environment, especially if the company uses raw materials from natural resources. This is in accordance with Law Number 40 of 2007. Cement companies in Puger Village have implemented CSR programs in the environmental sector, namely checking emissions caused by the company, greening and repairing road facilities damaged by heavy company vehicles. CSR programs in terms of checking emissions, because there are still a lot of taking and processing raw materials or burning raw materials. Generates air pollution that has the potential to disrupt the company's environment, society and the natural environment. The company minimizes this by working with laboratories at the Ministry of Environment, conducting routine checks every 3 months. With this inspection, the company has obtained a letter of approval from the Environmental Impact Analysis (AMDAL), Environmental Monitoring Plan-Environmental Management Plan (RKL- RPL), which is the standard for estimating the impact on a business or activity undertaken. come out in a certain environment.

According to Wood, in Hasan and Andriany [13], social responsibility can be realized by providing program assistance to the community that is tailored to the company's motives and community needs. Another form of implementing the CSR program is almsgiving, where companies provide assistance in the form of basic food assistance, annual holiday allowances (THR). The CSR management strategy is related to social responsibility, providing sponsorship by companies by prioritizing the areas around the company, namely Puger Kulon, Puger Wetan and Grenden. Sponsorship is sorted by company by looking at the submission of proposals. Companies prefer to provide sponsorship with the aim of meeting the needs of the wider community, not for specific individuals or groups

4. Conclusions

The source of the CSR program in the coastal community empowerment program in the limestone area of Mount Sadeng, Puger is obtained from companies engaged in mining. The CSR management strategy in the limestone area of Mount Sadeng Puger is carried out proactively in several fields, including: 1) manpower, namely involving coastal communities as workers in several business units, both medium and large scale; 2) Health and Education, namely the provision of health and education insurance, 3) Environmental, namely through greening and irrigation, 4) Social, namely the provision of financial assistance/sponsorship for community activities, and 5) Economy, namely through a partnership program in community development. entrepreneurship through Startup Capital. With the existence of a CSR program management strategy, it is hoped that the company and the community and the environment will have a balance in maintaining and improving the standard of living, especially for those who are directly affected.

The suggestion in this research is that stakeholders continue to optimize the CSR program management strategy by collaborating with the community so as not to cause social inequality. As well as planning and implementation must be adjusted to the needs of the community, the development of CSR management by providing training and assistance for the sustainability of the program so that it can build community independence.

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