

## Enhancement of Sustainable Rural Community Empowerment through Policy Implementation on Corporate Social Responsibility

Hafiz Elfiansya Parawu\*

Public Administration, Muhammadiyah University of Makassar, Jl. Sultan Alauddin No.259, Gn. Sari, Rappocini, Makassar City, South Sulawesi 90221, Indonesia

**\*Corresponding author**  
*Hafiz Elfiansya Parawu*

### Article History

*Received: 12.07.2018*

*Accepted: 24.07.2018*

*Published: 30.07.2018*

### DOI:

10.21276/sb.2018.4.7.16



**Abstract:** This study aims to analyze Corporate Social Responsibility (CSR) policy implementation on Semen Bosowa Maros (SBM) Ltd. in promoting community empowerment in Baruga village. The study took place in the area of operation of SBM Ltd. in Baruga village applying qualitative research with a case study approach. Sources of data in the study consisted of primary and secondary data. The result of analyzed CSR policy implementation research SBM Ltd. in the village Baruga based on the content and context of the policy suggests that the implementation of CSR policies SBM Ltd. still dominantly implemented in the form of charity and humanitarian assistance (charity and philanthropy) But in the form of a sustainable community empowerment must increasingly be made enterprising and enhanced to promote to be more capable of establishing communities' independency, welfare, and empowerment around the company's operations, in particular Baruga village community.

**Keywords:** Policy implementation, corporate social responsibility, empowerment of rural communities.

### INTRODUCTION

The company is essentially a part of society and environment whose existence will not be separated from the society and the environment, so it should, if the development of a company noticed the development of society and the environment around the company's operating area, not just the pursuit of profit (profit) alone.

The concept of Triple Bottom Lines or 3P (Profit, Planet, People) initiated by Elkington in 1998 in his book *Cannibals with Forks: The Triple Bottom Line in 21st Century Business*, affirms that good companies not only pursue the profit (profit) also have a concern for the sustainability of the environment (planet) and people's welfare (people) in a sustainable [1].

This close relationship between the company, the society and the environment is what underlies the birth of the Law of the Republic of Indonesia Number 40 Year 2007 regarding Limited Liability Company and Government Regulation of the Republic of Indonesia Number 47 Year 2012 on Social and Environmental Responsibility of Limited Liability Company, where corporate social and environmental responsibility limited is what is better known as the term Corporate Social Responsibility (CSR). The hope of stipulating this policy is certainly for the company in running its business activity is not pursuing profit only, but also obliged to do social responsibility and environment continuously specially in area of company operation [2, 3].

CSR or corporate social responsibility is also a form of community empowerment which is carried out continuously by the private sector which is believed to be a strategic approach to poverty alleviation in Indonesia [4, 5]. The results of the implementation of CSR policy in Indonesia are in fact not so encouraging when associated with the aspect of community empowerment around the company's operations area. There are still many large companies spending money on various social activities without a clear focus, direction, and program sustainability [1]. Community empowerment programs or activities, more ironically, not a few are used as fields of manipulation and corruption [6]. Many companies claim to have practiced community empowerment, when all they do is simple, charitable, non-empowering programs, and nothing more than abort obligations.

Implementation of CSR policies based on community empowerment has also been implemented by Semen Bosowa Maros (SBM) Ltd. as one of private sector in Eastern Indonesia since 1990 in the form of community development through Comdev Division which since 2015 has been changed into Environment and Community Development Department. The main

area targeted by CSR based on community empowerment is SBM Ltd. in Baruga Village, Bantimurung District, Maros Regency. This research uses Grindle model [7], to analyze the implementation of CSR policy of SBM Ltd. in improving community empowerment in Baruga Village, Bantimurung District, Maros Regency. The selection of the Grindle model is based on the existence of policy content variables and implementation contexts that may include all variables put forward by other policy implementation models.

Based on the description of the background that has been raised, it appears that the continuous improvement of rural community empowerment can be done through the implementation of CSR policy. The purpose in this study, is to know the implementation of CSR policy at SBM Ltd in improving the community empowerment of Baruga Village in a sustainable manner.

## RESEARCH METHODS

Location of research on Semen Bosowa Maros (SBM) Ltd. in Baruga Village, Bantimurung District, Maros Regency. This type of research is a type of qualitative research. This research approach is done by case study approach. Sources of data in this study there are 2 namely primary and secondary data. The focus of research in this study, is the implementation of CSR policies SBM Ltd. in improving community empowerment in Baruga Village, Bantimurung District, Maros Regency. Data collection techniques through in-depth interviews, observation, and documentation. Data validation is done by extending observations, increasing research persistence, and source triangulation. The main instrument in this study is the researcher himself who is a key instrument (key instrument). Data analysis technique used in this research is interactive analysis technique from Miles and Huberman [8], that is data reduction, *data display*, and conclusion (verification).

## RESULTS AND DISCUSSION

Implementation of CSR policy at SBM Ltd. in improving community empowerment in Baruga Village, Bantimurung District Maros Regency in this research is analyzed based on Grindle policy implementation model can be described as follows:

### Policy content variable

#### Interest affected

This aspect relates to parties whose interests are influenced by the policy implementation of CSR at SBM Ltd. which ideally is a party whose interests are affected by a policy must be able to accommodate the purpose of the policy. The main target of CSR policy implementation of SBM Ltd. is the poor and environment of Baruga Village. Form of assistance in the implementation of CSR policies Dominant SBM Ltd is still realized in the form of charity and

philanthropy, such as village infrastructure development activities, providing employment, and socio-religious activities. In the form of community empowerment activities have also been implemented but not yet become the main program. Thus, the implementation of CSR policies of SBM Ltd. has not fully managed to accommodate a number of public interests, especially those related to community empowerment.

Concern of the SBM Ltd. in accommodating the interest of the community of Baruga Village in every CSR activity undertaken should be further improved. SBM Ltd. through the Environment and Community Development Department should be more sensitive and care about the needs and interests of the community through the implementation of its CSR policies, both in the form of assistance and social contributions, especially on sustainable community empowerment activities, as well as issues related to the handling of pollution and factory waste and availability of clean water in Baruga Village.

### Type of benefits

This aspect relates to the type of benefits that the target group gains in implementing CSR policies SBM Ltd. where ideally a policy implementation should be able to provide collective benefits to the target group in order to gain support from the target group's participation. Implementation of CSR policy of SBM Ltd. is expected to provide benefits in improving the welfare and empowerment of the community and preserve the environment in Baruga Village. So far, the policy implementation of CSR SBM Ltd. has given a number of benefits to the community, but not fairly and equitably perceived by the entire village community Baruga, primarily classified as a family disadvantaged.

Implementation policy CSR of SBM Ltd. in Baruga Village, although it has given some benefits to the people of Baruga Village but should be attempted so that the equalization of the benefits of empowerment can be enjoyed more equitably and equitably by the community, especially for the people in the pre-prosperous category. Environment and Community Development Department of SBM Ltd. should immediately coordinate with village officials and TPKS-BB partners so that data collection on the community, especially for the underprivileged family can be done appropriately, so that the main purpose of CSR policy implementation of PT. SBM in order to provide large and wide benefits for the empowerment of the community Baruga Village can be realized

### Extent of change envision

This aspect relates to the expected changes of CSR policy implementation of PT. SBM, where ideally a policy implementation should lead to better policy changes to the policy target group. Hope of CSR policy

implementation of SBM Ltd. is to provide a better change in improving the welfare and empowerment of Baruga Village community. However, the achievement of the desired changes from the policy implementation CSR of SBM Ltd. seems to have not succeeded in giving a significant change effect on improving the welfare and empowerment of Baruga Village community.

If only during this policy implementation CSR of SBM Ltd. focuses more on community empowerment activities in a sustainable manner, it is likely to succeed in giving effect to changes in improving people's welfare and empowerment in Baruga Village. Implementation of CSR policy of PT. SBM which is now starting to conduct community empowerment activities in a sustainable manner, should be intensified and enhanced in order to provide a number of skills that can support the economy of Baruga Village community, so that finally realized the impact of changes on improving the welfare and community empowerment in a sustainable.

#### **Site of decision making**

This aspect relates to the position of policy maker in the implementation of PT CSR policy. SBM, where ideally centralized decision-making will facilitate the implementation of public policy. In the policy implementation CSR of SBM Ltd. the parties involved in the proposed CSR program PT. SBM is the Head of Baruga Village and partner of TPKS-BB. Owner of the main capacity in determining the program to be implemented in the implementation of CSR policy SBM Ltd. is centralized to top management who follow up its decision to finance to be implemented by Environment and Community Development Department and TPKS-BB partners.

The determination of CSR activities to be implemented, we recommend the Environment and Community Development Department, Semen Bosowa Maros Ltd. and TPKS-BB can be facilitators or facilitators who can mobilize people to make changes and initiate activities that suit their own needs. It is the people themselves who ultimately decide on a program or activity that suits their needs. Environment and Community Development Department of PT. Semen Bosowa Maros and TPKS-BB simply propose the community's proposal to top management SBM Ltd.

#### **Program implementor**

This aspect relates to the clarity of the program implementer in the implementation of PT CSR policy. SBM, where ideally the policy implementor should be clear and known by the policy target group. policy Implementation CSR of SBM Ltd. in improving the community empowerment Baruga Village has involved a number of related parties, starting the PT. SBM, TPKS-BB partners, village officials, sub-districts, and districts, as well as some

villagers of Baruga Village. The implementors involved have understood their respective duties and responsibilities and are well-known to the public.

The implementors involved have understood their respective duties and responsibilities in implementing CSR policies of SBM Ltd. The ability of program implementers to understand their duties and responsibilities will affect the success of a program implementation. The more the policy implementers have a good aspect of cognition, then the implementation of such a policy will have great potential to achieve success [9, 10].

#### **Resources committed**

This aspect relates to adequate resource support in the policy implementation CSR of SBM Ltd. SBM, where ideally is adequate resource support is essential in the implementation of public policy. Implementation CSR of SBM Ltd. in improving the empowerment of the community of Baruga Village has provided human resources support and adequate facility resources. However, it has not provided adequate funding support, either in the form of financial aid or other forms.

Policy Implementation CSR of SBM Ltd. in improving community empowerment Baruga Village, has not provided adequate financial resources support. This is revealed from the existence of some villagers Baruga who still often complain of delay in assistance and the lack of openness from the company related to the allocation and utilization of their CSR funds in every year to the public (public). Problems of financial resources support that have not been sufficient to cause delay in CSR assistance SBM Ltd. to the people of Baruga Village, of course must be addressed immediately, because it will hamper the implementation of policy.

#### **Variable implementation context**

##### **Power, interest and strategy of actor involved**

This aspect relates to the capabilities, interests, and strategies of actors involved in the implementation of CSR policies. SBM. The well-structured powers, interests, and strategies of policy actors are more likely to enable successful policy implementation. Implementation of CSR policy of SBM Ltd. in improving the community empowerment Baruga Village has involved the actors implementation that has a good level of ability, has involved the actors implementations that show interest in supporting and successful implementation of CSR policies PT. SBM, and always implement the implementation strategy by involving the active role of various parties, especially community participation.

Environment and Community Development Department of SBM Ltd. always implements several approach strategies for the implementation of CSR

policy in Baruga Village to achieve the goal. Strategy by forming partnerships with TPKS-BB, encouraging citizen participation, and targeting mothers in community empowerment programs in the form of Palawija (rice replacement plants) cultivation in the yard, are some of the most successful approaches. Empowerment is related to economic development that encapsulates social values. This concept reflects a new paradigm of development, which is "people-centered, participatory, empowering, and sustainable [11, 12].

#### **Institution and regime characteristic**

This aspect is related to the characteristics of the government and the institution in power in the implementation of CSR policies of SBM Ltd. The alignment of the ruling institutions and rulers against policies will drive the success of a policy. In the implementation of CSR policy SBM Ltd. Regional Government of Maros Regency and SBM Ltd. itself is enough to show their alignment and commitment, but the partisanship and commitment to the community and the environment around the area of operations of this company should still be improved and realized, especially on the implementation of CSR policies based on community empowerment in a sustainable manner. The better the characteristics of SBM Ltd. related concern and care to the community and the environment around the company's operations area, it will further support the successful implementation of CSR policies SBM Ltd. and will automatically also improve the quality of life of people and the environment in Baruga Village and surrounding areas.

#### **Compliance and responsiveness**

This aspect relates to the level of compliance and responsiveness of the policy implementers in the implementation of PT CSR policy. SBM. Implementation of policies can be successful if there is compliance and responsiveness of the implementors. Implementation of CSR policy of PT. SBM in improving the empowerment of Baruga Village community seems that the policy implementer has shown good level of compliance and responsiveness. Responsiveness of personnel of Environment and Community Development Department SBM Ltd. TPKS-BB partners, and parties involved in CSR activities, have shown an active and responsive attitude to the needs of the people of Baruga Village. This attitude should be improved, especially on community empowerment activities in a sustainable manner.

#### **CONCLUSION**

The results of CSR policy implementation of SBM Ltd. in Baruga Village, Bantimurung District, Maros Regency, analyzed based on content and policy context, indicates that CSR policy implementation of SBM Ltd. has been done quite well in the form of charity and philanthropy, but in the form of sustainable community empowerment should be increasingly intensified and enhanced in order to be more able to

establish, welfare and empower the community around the company's operation area, especially the community Baruga Village. Now, it is time for local governments, communities, and related elements to continue to encourage and motivate the SBM Ltd. to continue to improve its CSR activities based on community empowerment in a sustainable manner.

#### **REFERENCES**

1. Suharto, E. (2010). CSR & COMDEV Investasi kreatif perusahaan di era globalisasi. *Bandung: Alfabeta*.
2. Drumwright, M. E. (1994). Socially responsible organizational buying: environmental concern as a noneconomic buying criterion. *The Journal of Marketing*, 1-19.
3. Urip, S. (2010). *CSR strategies: corporate social responsibility for a competitive edge in emerging markets*. John Wiley & Sons.
4. Dobers, P., & Halme, M. (2009). Corporate social responsibility and developing countries. *Corporate social responsibility and environmental Management*, 16(5), 237-249.
5. Wahyuningrum, Y. (2014). Pengaruh Program Corporate Social Responsibility Terhadap Peningkatan Pemberdayaan Masyarakat (Studi pada Implementasi CSR PT. Amerta Indah Otsuka Desa Pacarkeling Kecamatan Kejayan Kabupaten Pasuruan). *Jurnal Administrasi Publik*, 2(1), 109-115.
6. Mardikanto, T., & Soebiato, P. (2012). *Pemberdayaan masyarakat dalam perspektif kebijakan publik*. Alfabeta.
7. Grindle, M. S. (2017). *Politics and policy implementation in the Third World* (Vol. 4880). Princeton University Press.
8. Huberman, M., & Miles, M. B. (2002). *The qualitative researcher's companion*. Sage.
9. Aladwani, A. M. (2001). Change management strategies for successful ERP implementation. *Business Process management journal*, 7(3), 266-275.
10. Spillane, J. P. (2000). Cognition and policy implementation: District policymakers and the reform of mathematics education. *Cognition and instruction*, 18(2), 141-179.
11. Brown, L. D. (1985). Brown, L. David, "People-Centered Development and Participatory Research," *Harvard Educational Review*, 55 (February, 1985), 69-75.
12. Chambers, R. (1995). Poverty and livelihoods: whose reality counts?. *Environment and urbanization*, 7(1), 173-204.