



Community Empowerment-based Corporate Social Responsibility Program in Panglima Raja Village

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ABSTRACT

Corporate social responsibility is an obligation that must be fulfilled by every company so that it can have a good impact on the community in the surrounding environment, PT Syams Arief Shumun is a subsidiary engaged in the processing of oil palm and natural resource processing in Kampar Regency. This company has 3 community-based CSR programs, first, Economic Empowerment. Second, Environmental Empowerment and Third, Social Empowerment. This study uses a qualitative approach with descriptive methods and data collection through observation, interviews and literature studies related to CSR and community empowerment, informant determination techniques through purposive sampling and data analysis using data triangulation.

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1. INTRODUCTION

Community empowerment is one of the efforts to improve community welfare, through several activities including increasing community initiatives and self-help, improving the environment and housing, developing village economic enterprises, developing Village Financial Institutions, and activities that can increase the community's ability to increase their production (IBRAHIM, 2020). According to Isbandi (2010) Empowering the community is an effort to increase the dignity and dignity of the grass root layer, who are currently unable to escape the trap of poverty and underdevelopment (Karim, 2020). In other words, empowering is enabling and empowering the poor. Empowerment includes not only strengthening individual members of society but also its institutions (Agarwal, 2020) (Heckert et al., 2019).

Likewise, the renewal of social institutions and their integration into development activities and the role of society in them. Empowerment in Perhentian Raja sub-district, Pantai Raja Village, Kampar Regency is a corporate social responsibility in an effort to improve the living standards of the surrounding community, this is in line with Law no. 40 of 2007 in Indonesia, namely with the company's awareness of the welfare of the community. Companies in Indonesia have been required to carry out Corporate Social Responsibility activities, especially when they want to go global or just

collaborate with companies from developed countries. Usually what prospective business partners ask is what Corporate social responsiveness programs have been implemented (Zhu & Lai, 2019).

At first glance, the view that the business world has a responsibility beyond just increasing economic prosperity is not something new (Stahl et al., 2020). The role of organizations producing goods and services for the market has always been linked to social, political and even military aspects (Chappell & Guerrina, 2020). Companies must also have a social responsibility to comply with legal policies and public policies. Public policies explicitly regulate the social domain that companies respond more specifically to, such as occupational health and safety, consumer protection, worker social security and environmental preservation and so on (McBride et al., 2019) (Rasyid, et al, 2015).

According to (Sopyan, 2014), companies should be able to change economic institutions that simply maximize the profits of social institutions. Until the 1980-1990s, the discourse on CSR continued to develop. This thinking is sharpened by (Marnelly, 2012) which states that management must have responsibility for the profession, the company and employees as well as responsibility for the economy and society. In the early 1980-1990 years, discussions were about the concept of Corporate Social Responsibility to philanthropic terms and community development for corporate social responsibility activities. In 1993 an Environmental Summit was held in Rio, this meeting emphasized the concept of Sustainability Development as something that must be considered, not only by the State but by companies with stronger capital power (Rahmadani, 2018).

The concept of corporate social responsibility or Corporate Social Responsibility (CSR) arises as a result of the fact that basically the natural character of every company is to seek the maximum possible profit regardless of the welfare of employees, the community and the surrounding environment. Along with the increasing awareness and sensitivity of company stakeholders, the concept of social responsibility appears to be an inseparable part of the company's survival in the future (Satrio, 2015).

CSR is not just a charity program, but CSR must also be sustainable, as the definition of Holme and Watts (1999) in (Aditya, 2019) "making good business sense" explains that: Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Therefore, the business world, which has only provided assistance, has become socially responsible for the community and the surrounding environment. Although it must be admitted, there are still many companies that are trapped in the concept of partial CSR (Contini et al., 2020) (Zelazna et al., 2020).

The activities carried out are not sustainable, and place the community as an object for the company's interests only, so it is not surprising that many people consider that CSR practices carried out by corporations are still limited to "Promotion" which is carried out to maintain an image of good relations with the public and as a campaign medium for obtain operating permits for businesses or to silence people who do not agree with the company's operational activities (da Silva Junior et al., 2019) (Palazzo et al., 2020) (Suhadi, 2014).

Triyono (2014) in ISO 26000 places CSR as an integrated and holistic approach, as well as the dependence between the scope of CSR and the company's core business. The scope of CSR to become a standard for ISO 26000 is the environment, community involvement and development, human rights, labor practice, fair operating practice and consumer issues. In line with ISO 26000, PT Syams Arief Shumun carries out a social responsibility for the community around the company's area, to be precise in Pantai Raja Village, Perhentian Raja District, Kampar Regency, Riau Province. This community empowerment carried out by PT Syams Arief Shumun is a collective effort of the community and several stakeholders in planning social, economic and environmental empowerment. Initially, before there was CSR assistance from PT Syam Arief Shumun, the community only received assistance but there was no follow-up. Based on population data from the Perhentian Raja sub-district.

Table 1. Poverty Data of Perhentian Raja District, Kampar Regency

No.	Village	Large	Population	Poor Citizens
1	Hangtuah	24,765 h2	3,566 inhabitants	36 kk
2	Kampung Pinang	24,877 h2	4,980 inhabitants	30 kk
3	Raja Beach	31,932 h2	2,970 inhabitants	47 kk
4	Damn Kubang	26,890 h2	3,900 inhabitants	37 kk

Source: Village Data 2020

Seeing the potential that exists in Pantai Raja Village, Perhentian Raja District, Kampar Regency, PT Syams Arief Shumun has coordinated with the village government to establish this village as a fostered citizen and recipient of the CSR program. This is done by PT Syam Arief Shumun to empower local communities with social, economic and environmental development. The target of this CSR activity focuses on the community at the local level and is in accordance with the concept of Participation Rural Appraisal, which is to develop local capacities in sharing, improving and analyzing their knowledge about life and conditions and planning. The program is in accordance with the empowerment statement according to (Suharto, 2009)

Empowerment refers to the ability of people, especially vulnerable and vulnerable groups, to (a) have access to productive sources that enable them to increase their income and obtain the goods and services they need, and the services they need (b) participate in the development process and the decisions that affect them (Aziz et al., 2020).

These community empowerment efforts can be seen from the functions and objectives of the Corporate Social Responsibility program. Through the Corporate Social Responsibility program, the people of Pantai Raja village get assistance from PT Syam Arief Shumun to be empowered in the social, economic and environmental fields. Seeing the existence of PT Syams Arief Shumun's CSR activities, the researcher is interested in further examining, "How is the relationship between the implementation of PT Syams Arief Shumun's CSR program in community empowerment with company profits in Pantai Raja Village, Perhentian Raja District, Kampar Regency"

2. RESEARCH METHOD

The method that researchers will use is a descriptive analysis method to describe qualitatively. According to Nazir (2011) descriptive analysis which aims to explain relationships, test hypotheses, make predictions and get the meaning and implications of a problem to be solved (Bzdok & Ioannidis, 2019). Whereas in quantitative, researchers look for a relationship and correlation between the implementation of CSR programs on community empowerment and company profits.

3. RESULTS AND DISCUSSIONS

The CSR program is developed as a community empowerment-based program that adopts participatory planning or planning from below (Sulaiman et al., 2019). The formulation of a CSR activity plan was carried out after the results of the survey were made of socialization activities and activities to get to know the village itself (MDS), this was disclosed by the informant himself, so the implementation of the activities was formulated as follows:

1. Client System
In this activity, the client system is the recipient of CSR programs in the social, economic and environmental fields.
2. Target System
Target systems are people who are made targets of change or used as media that can influence the process of achieving goals. In this activity, the target system is the stakeholders (government, institutions, community organizations, community organizations, and CSR program recipients) who are in the company environment and the people of Pantai Raja Village.
3. Change Implementing System

The system for implementing change is to provide assistance for a year, provide business capital assistance, social assistance, health and environmental infrastructure improvement. In this activity, the system for implementing change is PT Syams Arief Shumun.

4. Activity System

People who are experts in their field, the activity in question is based on community empowerment, the aim of which is to increase the dignity of the weak community.

3.1 Community empowerment

PT Syams Arief Shumun tries to understand the condition of the surrounding community and makes every effort possible to help the needs of the community which do require training and cooperation from other parties to help and empower the local community so that the community can feel positive about the company's empowerment. The company's way of empowering local communities is by providing various kinds of activities, trainings and skills for the community.

Principle *Sustainable Development* (Sustainable Development) carried out by PT Syams Arief Shumun in accordance with the company's CSR goals and does not take away the rights of the community in the future. Therefore, companies are obliged to work together to create sustainable programs or projects for the community as a future relationship.

Sustainable development program or *sustainable development program* which refers to the concept of Triple Bottom Lines (Profit, People and Planet) based on PRA (Participation Rural Appraisal). Is a program that focuses on community needs, for example:

3.2 Joint Business Group Training and Development Program (KUBE)

KUBE is a business activity designed to be run together. However, the income of each individual involved in KUBE does not necessarily have the same amount because it is influenced by the contribution of each member in being involved in KUBE activities. The contribution of these members is related to the intensity of gathering in meetings and workmanship. So far, operating income in KUBE has been divided according to the profits but according to working hours. In this KUBE there are several types, namely:

a. Productive Economic Business Assistance

This assistance is in the form of providing capital and intensive assistance, this business consists of cassava chips and oil palm seedlings. This productive economy business provides assistance in the form of kitchen utensils and cash. Each individual is given a capital of Rp. 1,500,000, but Rp. 200,000 is deducted for compulsory savings and capital for savings and loan cooperatives, from which marketing operational costs are spent. Profit sharing is usually done by giving 5% of every profit earned or there are also those who apply the selling price themselves from the producer and the accommodation is borne by themselves, everything is up to the members' agreement.

b. Integrated Workshop Program

This program is an on-the-job training program for 1 year for the community to create reliable personnel in the workshop sector so that they are absorbed by the existing workshop business or establish their own workshop business. This program is opened free of charge for the youth of Pantai Raja Village.

3.3 Social Empowerment Program

In this field, PT Syams Arief Shumun provides health and education assistance, such as: Providing additional food for toddlers to reduce hunting nutrition, health education and free medical treatment in collaboration with sub-district health centers, for toddlers there are additional foods such as quail eggs, milk and peanut porridge green, according to the needs of the toddlers themselves, while for free health checks in collaboration with regional hospitals, the costs are borne by companies checking blood sugar, diabetes and all kinds.

PT Syams Arief Shumun's CSR made a strategic plan, one of which is in the field of education which aims to increase the human development index in Pantai Raja village, provide scholarships to reduce dropout rates, provide facilities for poor citizens to study, as well as regular youth development

programs such as training related to education, namely the Emotional Spiritua Quotent (ESQ) Teen Basic Training which is given to junior high and high school students who receive the scholarship program. The purpose of this training is to create emotional and mental stability for the younger generation, along with the growth of their knowledge.

3.4 Environmental Empowerment Program

One of the things that the company does through this environmental sector is building various infrastructure, such as the provision of clean water, construction and renovation of houses of worship and the hardening of main roads that are affected by the activities of the Ring 1 regional company.

Based on the way of empowerment and strategic planning carried out by PT Syams Arief Shumun, it can be seen that there is direct participation from the community. CSR activities carried out by the company have a general goal of building infrastructure and improving the quality of life in the economic, social and environmental fields in Pantai Raja Village.

3.5 Company Profits

In carrying out its social responsibility, the company focuses on three things, namely,

- a. Economically the company creates growth and profit between 2 parties.
- b. The company is socially responsible for the employees and the people of Pantai Raja Village.
- c. Environmentally, the company maintains its operational area

This CSR implementation directly contributes to the company, the contribution is in the form of non-material benefits that make the company feel closer to the community, this is in accordance with the statement of informant 1:

- a. Reducing the risk and accusations of improper treatment received by the company. Companies that carry out their social responsibility consistently will get broad support from the community / community who have benefited from various CSR activities.
- b. CSR can function as a protector and help companies minimize the negative impacts caused by conflicts with the community. Likewise, when a company is exposed to oblique news, even when the company does the company, it is easier for the public to understand and forgive.
- c. CSR that is implemented consistently will be able to improve and strengthen the relationship between the company and its stakeholders, have a concern for the parties who have contributed to the smooth running of various activities and the progress they have made. This results in stakeholders being happy and feeling safe in establishing a relationship with the company.

3.6 Monitoring and Evaluation

Activities and monitoring and evaluation cannot be separated from the stages of a program. Monitoring the CSR program is an activity to see the types of activities in the community empowerment program in the economic, social and environmental fields, including the use of methods and media whether they support the process of implementing the CSR program in accordance with the plan / objective. This is as expressed by informant 3:

"Monitoring that I do is to monitor the development of community empowerment activities in the economic, social and environmental fields, what activities can increase the potential and be implemented directly by the residents, which I do in direct discussions with the program recipient groups, including whether the activities used are effective or not. like a planned goal".

Monitoring activities in the CSR program were carried out by 2 facilitators and LPM Pantai Raja village. Monitoring activities carried out by the facilitator routinely once a month are carried out by visiting groups of program recipients, or representatives of program recipients. This was disclosed by informant 3 which was supported by informant 4's statement:

"I regularly go to homes, or members' meetings, or also go directly to the fostered places. In addition to seeing the progress of activities, I also discuss what problems have been encountered and what they have felt. Such as KUBE monitoring, scholarships, mechanic training, ESQ training and many more, so that all meet wil goals".

The purpose of the semester evaluation is to provide an overview what has been done and at the same time provide motivation to the CSR program recipient groups to be able to develop their full potential. One of the motivations for this is through meetings and examples of successful people in order to increase people's income. This is in accordance with the statement by informant 1:

"Apart from conducting semester evaluations, we also constantly motivate groups of program recipients, namely by meeting and examples of successful people."

Meanwhile, the annual evaluation is carried out with representatives from each group of CSR program recipients, the CSR Team, Facilitators, and the village government. the duration of time that is carried out in this annual evaluation is around 2-3 hours. The process of implementing the evaluation activity begins with holding a presentation from the CSR Team and the facilitator, then a discussion activity will be carried out. The residents were also divided into 3 groups to discuss together the programs of the CSR recipient groups in the economic, social and environmental fields. after that the group did a percentage of the results per group and individually after that it was continued with the discussion together. The annual evaluation of the CSR program has been carried out twice, namely by evaluating activities and evaluating facilitator assistance. The annual evaluation which is held in the first year is carried out with residents, while the second annual evaluation is carried out internally.

From the results of the mentoring evaluation, it can be seen that the implementation of the program so far has been going well, even though the economic, social and environmental conditions have not improved significantly. However all are in the learning process and at the stage of improvement.

Community empowerment-based CSR programs are an effort to improve the quality of life, the implementation of CSR programs in the form of empowering the community through its activities.

"Empowerment, namely providing resources, opportunities, knowledge and skills to citizens to increase their ability to determine their own future and participate in influencing the lives of their people"

Empowerment is building power by encouraging, motivating and raising awareness of the potential that is owned and efforts to develop it, followed by strengthening the potential or power of the community (Sidiq, 2020). The CSR program of PT Syams Arief Shumun has also taken empowerment efforts in building community power. This can be seen from the role of the facilitator and the activities carried out by PT Syams Arief Shumun. In building community power, increasing awareness of its potential and efforts to develop it are carried out in the form of knowing the village itself (MDS) and formulating and implementing activities carried out by the community themselves.

4. CONCLUSION

The implementation of this CSR program is one of the community empowerment efforts carried out by PT Syams Arief Shumun in improving the quality of life for Pantai Raja villagers in the economic, social and environmental fields. This is in the form of community assistance activities where the community's understanding is enhanced in utilizing CSR programs to improve welfare, facilitated to identify needs and interests in the community. The implementation of CSR activities which consists of the socialization stage, the stage to get to know the village itself, the activity planning stage, the activity implementation stage and the monitoring and evaluation stages, where the implementation of these stages is in accordance with the procedures designed by the company and the community. However, the results of monitoring and evaluation were carried out and based on residents' responses, The implementation of the CSR Program has a relationship with Company Profits, this can be seen in the non-material benefits obtained by PT Syams Arief Shumun, where the company becomes more harmonious due to CSR.

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