

IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) CONCERNING ADVANTAGE ALLOCATIONS TO IMPROVE COMPANY REPUTATION IN PT PUPUK KUJANG CIKAMPEK

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ABSTRACT---This study aims to determine, analyze and explain the Implementation of Corporate Social Responsibility as part of the company's profit allocation to improve the company's reputation at PT Pupuk Kujang Cikampek. This research is expected to be able to contribute to the development of science in management science with the application of the implementation of corporate social responsibility to the community. This research is a qualitative descriptive study with case study method through in-depth interviews about the Implementation of Corporate Social Responsibility at PT Pupuk Kujang Cikampek, with informants or key informants consisting of management, beneficiaries, coaches, distributors, and experts . The results of the study conducted by interviews, then analyzed with standard deviations obtained several criteria that the implementation of CSR about the allocation of benefits criteria is good ($S = 0.7173 - 0, 8846$); Based on research by conducting interviews with very good criteria for the implementation of CSR, have seen indications of the importance of "policy" as an important part of the implementation of CSR through distribution of part of the company's profits that have been implemented by PT Pupuk Kujang Cikampek. This is supported by the results of the SWOT analysis with the highest IFAS value of = 0.668. So it can be concluded that in addition to Triple Bottom Line as the basic concept of CSR (Profit, People, and Planet), the company's management policy is the base practice of the company's strategy to enhance reputation.

Keywords---Corporate Social Responsibility, Company Reputation.

I. INTRODUCTION

The basic concept of CSR implementation by companies, is philanthropic / charity (philanthropy) to the community environment in which the company operates, and this is partial in which the company wants to do good to the poor

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communities around the company, this can develop into community development, which can be measured with an increase in the quality of life of the people ..

Following is the normative basis of CSR implementation implemented by a company, which include the following:

Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility on the basis of considerations to carry out article 74 paragraph (4) of Law No.

The Article 15 of Law Number 25 Year 2007 concerning Investment is affirmed: every investor is obliged to apply the principles of good corporate governance and carry out corporate social responsibility, to keep creating harmonious, balanced, and in accordance with the environment, values, norms, and local culture. The provisions as mentioned above, it appears that the basis of CSR is: "corporate code of conduct" and this becomes a necessity for the need for signs of business ethics, in order to create ethical business practices (Hendrik Budi Untung, 2009: 22).

Whereas the review in the Law on State Owned Enterprises and subsequently will be written with SOEs, that in article 2 juncto article 66 paragraph (1) of Law Number 19 Year 2003 juncto Article 8 Decree of the Minister of State Enterprises Number 236 of 2003 concerning the Partnership Program sourced from an allowance for profit after tax of 1% to 3%.

Friedman (1970) said: "Only humans have responsibilities. Business as a whole cannot be said to have responsibilities, even if companies have responsibilities that are just economic responsibilities not social responsibilities. Corporate responsibility generates maximum profits for shareholders. Even to the extreme, Friedman calls corporate social responsibility: "a threat to free market capitalism".

Porter and Kramer (2002: 5) (www.policy.hu/suharto/.../PSICSRComDev.pdf), say: Economic and social objectives "separate and contradictory" are wrong views. The company does not function separately from the surrounding community. In fact, a company's ability to compete is highly dependent on the circumstances in which it operates. The Corporate Social Responsibility Pyramid developed by Archie B. Carrol must be understood as a whole. Conceptually CSR is a corporate concern based on three basic principles known as the "triple bottom lines", or "3P", namely:

1. Profit.

The company must remain oriented to look for economic benefits that allow it to continue to operate and develop.

2. People.

The company must have concern for human welfare. some companies develop CSR programs such as providing scholarships to students around the company, establishing education and health facilities, strengthening local economic capacity, and there are even companies that design various social protection schemes for local residents.

3. Planet.

The company cares about the environment and sustainable biodiversity. Some CSR programs that are based on this principle are usually in the form of greening the environment, providing clean water, improving housing, developing tourism (ecotourism).

The term 3P has been popularized by John Elkington (1997) through his book "Cannibals with forks, the Triple Line of Twentieth Century Business".

Formulation of the Problem

How is the CSR program implemented by PT Pupuk Kujang Cikampek, Karawang Regency, West Java Province, which has been given to the community of the company, related to the amount of the company's profit level allocation (profit).

Research Purposes

To find out, analyze, and explain the implementation of the CSR program at PT Pupuk Kujang Cikampek that has been given to the community environment of the company, related to the amount of the company's profit allocation (profit)

II. Literature Review

Theory of CSR Social Responsibility)

John Elkington (1997) quoted by Hasibuan and Sedyono (2006: 73) states that CSR is divided into three main components, namely: people, profit, and planet. These three components are now often used as the basis for planning, disclosure and evaluation of CSR programs, which became known as the triple bottom line.

1. People: A business must be responsible for advancing and social welfare and all its stakeholders. Type of activity: philanthropy is done sincerely to build society and human resources.

2. Profit: Companies must not only have benefits for their organizations but must be able to improve economic progress for their stakeholders. Types of activities: company actions to engage directly in the community to strengthen economic security. Example: SME coaching, capital and credit assistance, empowering local workers.

3. Planet: Companies must be able to use natural resources very responsibly and protect the environment and reduce the amount of production waste. Type of activity: Application of a clean, safe and responsible production process. Examples: waste management, tree planting, environmental campaigns.

CSR is a form of corporate concern based on three basic principles (3P) as outlined above.

III. Research Methods

To analyze the company's strategy, the researchers subjectively with a SWOT analysis consulted with management, with weight and rating calculations in the SWOT analysis using FGD-Focus Group Discussion. (Freddy Rangkuti, 2014: 29).

Strategic factors have been identified, then compiled IFAS (Internal Strategic Factor Analysis Summary) table to identify internal factors, and EFAS (External Strategic Factor Analysis Summary) to identify external factors where in the table there are several factors has been identified will be given a weighting and rating.

Table 1. IFAS Internal Factor

Factor Strategi Internal	Value	Rating	Value x Rating	Coment
Strength				
Weakness				
Total				

Source : Rangkuti (2006:25)

IFAS Internal Factors		EFAS External Factors	
Strength	Opportunity
Weakness	Threat
Result	Result

After the strategy factors the IFAS

internal are included in (Internal

Strategic Factor Analysis Summary) table, formulating these internal strategic factors within the framework of strength and weakness.

Table 2. EFAS External Factor

Factor Strategi External	Value	Rating	Value x Rating	Coment
Opportunity				
Threats				
Total				

Source : Rangkuti (2006:24)

After the internal strategy factors are included in the IFAS (External Strategic Factor Analysis Summary) table, formulating these external strategic factors within the framework of opportunity and threats

The amount of IFAS (Internal Factor Summary) and EFAS (External Factor Summary) factors that have been analyzed based on the results of multiplication between factor weights and ratings, will then be included in the Cartesian diagram, described as follows:



Picture 1. Analisis SWOT Model

Next, an overview of the organization's position will be made according to the following table concept:

Table 3. Organization Position

IV. Research Results and Discussion

Referring to the formulation of this research problem, interviews were then conducted with several informants including company leaders, experts / experts and also triangulating experts so that they get expert judgment in this study. The results of interviews with several resource persons are presented through a SWOT analysis and translated into organizational positions.

The results of the calculation and weighting of the SWOT analysis are as follows:

Tabel 4. Value Score Factor *Internal Factor Analysis Summary* (IFAS)
 Implementation CSR PT Pupuk Kujang Cikampek year 2018

No	Factor Internal	Value	Rating	Score
	Strength			
1	Profit allocation	0,125	3	0,375
2	Community program	0,125	3	0,375
3	Community development	0,125	3	0,375
4	Management policy	0,167	4	0,668
	Total	0,542		1,793
	Weakness			
1	Price product low	0,125	- 3	-0,375
2	Community cost low	0,083	- 2	- 0,166
3	Cummunity development low	0,125	- 3	- 0,375
4	Turn over management fast	0,125	- 3	- 0,375
	Total	0,458		- 1,291
	Grand Total	1,00		0,502

Source : primary data, analysis (2019)

The factor score is obtained from the weight multiplication results with the rating, so the results of the calculation of the total strength factor score is 1.793; and Total weakness factor score is - 1,291.

Based on the calculation of factor scores, the organizational position is 0.502. Meaning: CSR implementation, there are still factors that need to be further improved, except for the partnership program which already has a score of 0.668 (above the value of the organization's position)

The implementation of CSR as mentioned above is in accordance with the propositions in this study, so it can be concluded that it was carried out due to good policies or policies from the company's management and this is the findings of this study (the highest IFAS analysis result = 0.668).

The reason for the importance of policy or policy as a strategy in implementing CSR by a company, because so far:

1. The absence of good policies oriented towards empowerment in implementing CSR has several consequences, for example the implementation of CSR is just generosity.
2. Unclear mechanism for companies to implement CSR is one of the main consequences.
3. This has an impact on the uncoordinated implementation of CSR which in the end the targets and utilization of CSR activities carried out by each company become unclear.
4. The lack of CSR implementation policies also affects the non-optimal implementation of CSR and other activities in poverty alleviation.
5. The involvement of companies is still relatively low in CSR activities, even though there are laws that require companies to carry out corporate social responsibility.

Tabel 5. Value Score Factor- *External Factor Analysis Summary* (EFAS)
 Implementation CSR PT Pupuk Kujang Cikampek year 2018

No	Internal Factor	Value	Rating	Score
	Opportunity			
1	Program CSR lebih efisien	0,115	3	0,345
2	CSR dekat masyarakat	0,115	3	0,345
3	Pemanfaatan SDM	0,155	4	0,620
4	Meningkatkan reputasi	0,155	4	0,620
	Total	0,540		1,930
	Threats			
1	Tax	0,153	- 4	- 0,612
2	Community service	0,115	- 3	- 0,345
3	Community development gas	0,077	- 2	- 0,154
4	Non government organization	0,115	- 3	- 0,345
	Total	0,460		- 1,456
	Grand Total	1		0,474

Sumber : primary data, analysis (2019).

The factor score is obtained from the weight multiplied by rating, so the calculation results are as follows:

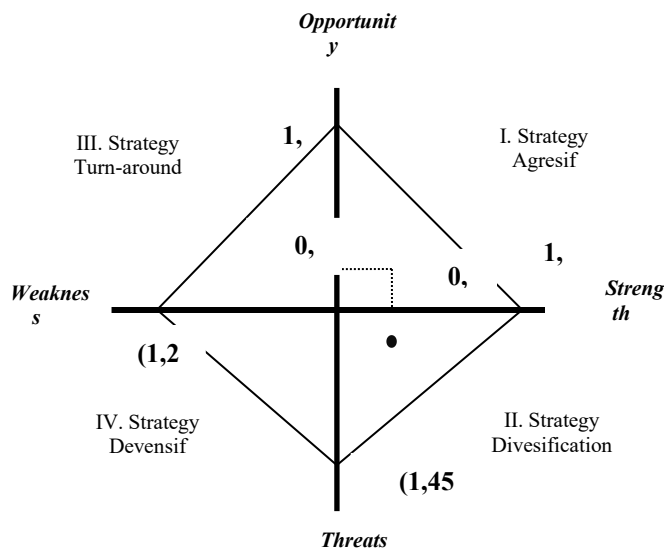
1. Total chance factor score 1,930; and threat factor scores - 1,456.
2. The position of the organization is 0.474. Meaning: for CSR implementation, it needs to improve on factor values below 0.314, such as: For Opportunities: CSR programs become more efficient; CSR programs are closer to the community. For threats: People can be spoiled; Community development does not correlate with gas; and irresponsible CBOs.

Based on the analysis results as mentioned above, it can be described as the current organizational position:

Tabel 6. Organization Position

IFAS Internal Factors		EFAS External Factors	
Strength	1,793	Opportunity	1,930
Weakness	(1,291)	Threats	(1,456)
Results	0,502	Results	0,474

Based on the results of the analysis, the data is then entered into the cartecius net diagram, which can be shown in the following figure:



Picture 2 Diagram Cartecius
 Analisis data Primary,2019

V. Recommendation

CSR implementation will run even better, if a company uses policies that are oriented to the welfare of society, so that it can improve the company's reputation.

VI. Conclusions

The implementation of PT Pupuk Kujang Cikampek's CSR, related to how the level of profit (profit) for community empowerment (people), and environmental preservation (planet) for the implementation of CSR, so far considered good, but there are still aspects that are not optimal, including:

1. Allocation of company profits for the implementation of CSR programs by PT Pupuk Kujang Cikampek, its management has not been entrusted to third parties, for example special institutions that are trusted or appointed by the government (based on information from environmental community leaders).

2. Community empowerment that has been carried out by PT Pupuk Kujang Cikampek through a partnership program, is still limited to capital loan assistance for small entrepreneurs (based on information from management).

3. Environmental preservation that has been carried out by PT Pupuk Kujang Cikampek is only limited to planting trees, but air pollution is sometimes still felt by the environmental community in the form of unpleasant odors from the production process (based on information from the environmental community).

4. The selection of strategies for implementing CSR programs, based on the results of the largest calculations is in quadrant I (1,793, and 1, 930). This means that PT Pupuk Kujang Cikampek must provide support for aggressive strategies in which strategies are beneficial to the organization in making use of existing opportunities, as well as maximizing company profits through the implementation of CSR programs.

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