

CHAPTER I

INTRODUCTION

A. Background

Recently, Corporate Social Responsibility (CSR) has increased significantly. The increasment of social problems have placed CSR as a concept that is expected to be able to provide an alternative breakthrough in reducing poverty. Elkington explained the good CSR including three principals : profit, people, and planet. With the existence of CSR, it can be expected that the company not only has focuses to create maximum profits, but also plays an active role in community development and preserves the environment. (Untung:2014)

There is specific law that regulates the companies responsibility. According to Government Regulation number 47 year 2012 about Social and Environment, responsibility of company is the social and environmental responsibility as referred to in Article 2 which is an obligation for the Company to carry out its business activities in the field and / or relating to natural resources based on the Law.

CSR is defined as one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is engages in open and free competition without deception or fraud. Moreover, ensuring the business organization to make a positive impact to the society and environment with a bases on international norms and legal laws whilst maximizing the values to the shareholders and

investor are need to being measured. The various CSR approaches all lead to some type of corporate activity integrated into the organization's business model whereby the business would ensure its adherence to law, ethical standards, and international social norms (i.e., expected patterns of behavior) and would include businesses accepting responsibility for the impact of their activities on environment, communities, employee, and all relevant members in public sphere, (Friedman:1970).

With those elaborations, the CSR principle are closely related to the sustainable development and communities welfare. CSR commonly measures those issues with a community development principle through a programs which able to empower the community.

According to Widiyanarti (2005), approach of CSR should be done in a holistic way which means the approach by the corporate should not be intended merely as a business activity, but also as a movement from charity to a social responsibility emphasized in perpetual society development. The point is helping the society to develop their own sustainable capability in economy, socio-culture, and environment; and therefore the corporate will be able to continually grow with supportive society. In this context, social responsibility is delineated as a long-term investment for the corporate.

Implementation of social responsibility in Indonesia are different from one to another as they depend on policies, visions & missions, and cultural-matters in each corporates. A synergy between corporate, government, and society is a compulsory in order to succeed the corporate's existence as a cohesion with

favorable value. To develop quality human resources, the first step is to be concerned of society education level. CSR as an organizational communication will draw on optimal result if it's maintained consistently for the interests of external public. As well as previously stated points, CSR has a function to minimize negative impacts caused by operational activities and maximize the positive outcome for the society.

The company as a legal entity should implementing Corporate Social Responsibility practice. In fact, there are still several companies implementing corporate social responsibility only voluntary that has no ongoing commitment. Corporate social responsibility is not just a form of philanthroist from the company alone, but currently social responsibility has become a strategy in business. In Indonesia corporate social responsibility is mandatory for all companies. Besides fulfill obligations to the state, social responsibility done as one of the business strategies. If the company carry out social responsibility so reciprocity received by company is the good name of the company in the eyes of the public or consumers and have complied with state regulations.

a. General Information of Dumai City

Dumai is a city in Riau Province, Indonesia, around 188 Km from Pekanbaru City, the capital city of Riau province. Recorded in history, Dumai is a small hamlet east on The East Coast of Riau Province which is now starting to stretch into pearls in Sumatra island.

Dumai City is the result of expansion from Bengkalis Regency. It was inaugurated as City on April 20, 1999, with Law No. 16 of 1999. At the beginning

of the formation, Dumai City only consisted of 3 Subdistricts, 13 Sudivisions and 9 villages with a population of only 15,699 with density of 83.85 people / km².

Based on the results of the complete enumeration of the 2010 Population Census (SP2010) residents of Dumai City until May 31, 2010 amounting to 253,178 people with an average rate of population growth in 2016 which is 169 people/km². Sub-district expansion occurred in 2012. In 2013, the districts with the highest population density here Dumai Kota District with 3,216 people/km², whereas the lowest population density was in Medang Kampai District with 30 people/km².

Located in a rich natural resources, makes this city get involved with lot of mining companies. The largest one is the government-owned companies, PT Pertamina Refinery Unit II Dumai. From several companies being involved with the society, there is no doubt that companies involving is important in terms of empowering the society.

Equipped with a large location of factory, PT Pertamina Dumai is needs to be responsible to empower the society especially those who are located in the Ring I location. Those several areas including the Tanjung Palas subdistrict, Jayamukti subdistrict, and Teluk Binjai subdistrict. These subdistrict are the most impacted areas caused by the factory's activities. Thus, PT Pertamina Dumai is focusing to empower people in this location.

In terms of regulation of CSR, the government of Dumai city regulates all for all companies that run their activities in Dumai based on Mayor regulation number 15 year 2016. This regulation is stated that the CSR activity essentials are

need to synchronize the companies internal matters with the city's strategical issues. Moreover, the government which the supporting actor are responsible to guide and maintain in running the CSR activities based on its related departement.

b. CSR Programs implemented by PT Pertamina RU II Dumai

As a business entity on the field of energy & mineral resources, PT Pertamina is well-known as an Indonesian prominent corporate that consistently respect the values of Good Corporate Governance encompassing responsibility to the environment in every business development it builds. PT Pertamina has an obligation to take social responsibility of society that its existence is assumed to give positive values to the society life, so that the society can acquire benefits of its existence in their surroundings.

Social responsibility implementation of PT Pertamina is a reflection of values and corporate culture integrated with todays and upcoming corporate business strategy, which provides benefits to PT Pertamina, as well as its shareholders and stakeholders. Given the real condition of society, the implementation of social responsibility is now more prioritized to help the government and society in solving social problems around the area of operations of the corporate. However, the implementation of social responsibility activities are controlled entirely by the corporate through its Public Relations division.

Barometer of the success of social responsibility activities undertaken can be viewed from two sides namely, the corporate and the society. As for the corporate, corporate identity development is one thing to be prioritized.

Meanwhile, there should be an improvement in the quality of society life seen from the perceived improvement of the education. It is therefore important for corporate to measure the success of an evaluation of social responsibility activities undertaken by the Public Relations (PR). One important measure of success is if the social responsibility activities manage to give a positive short-term impact such as improvement in the level of society education as well as the long-term goal: to create quality human resources.

The CSR program is also the company's contribution to compliance efforts global scale such as ISO 26000 (CSR) whose scope of implementation is wider and deeper. These efforts encourage companies to implement CSR programs that are based on four categories, namely Charity, Infrastructure, Capacity Building and Community Empowerment which encourage the society welfare economically, socially and environmentally.

The CSR programs in Pertamina RU II Dumai have been implemented in a participatory manner since in preparing strategic plans, annual plans, and social mapping with a good communication system that exist since 2010. In fact, the communities are involved in a participatory manner on various occasions which to increase community involvement and an active participation in the programs. Through participatory assistance, it is expected the community can always apply this new knowledge to the surrounding environment. Furthermore, through CSR activities, the company image will gain the positive form within its society able to expand the market place, invite new investors, and realizes the shareholder-friendly company.

Since the implementation of CSR programs done by PT Pertamina (Persero) RU II Dumai, the surrounding communities start to grow in a massive way. From the life supporting aspect such as education and health are provided through many ways of empowering activities, starting from a relation with government and ending with the communities. Recently, many successful programs are already accomplished by CSR PT Pertamina (Persero) RU II Dumai. All those programs are involving many stakeholders to run the activities from the government to the experts. By involving this concept, the process of the program is run in an easy way and the goals that have been set before will be reached.

B. Research Question

From the background of the above problems the author describes the problem: "how is the communication strategy that is implemented by corporate social responsibility in PT Pertamina (Persero) Refinery Unit II Dumai in empowering the society of Dumai Timur regency?"

C. Research Objective

This study is aimed to answer the question above which is to describe the communication strategy in corporate social responsibility programs in PT Pertamina Refinery Unit II Dumai in empowering the society of Dumai Timur regency.

D. Literature Review

The concept of corporate social responsibility is being understood as a more “human” in which an organization is viewed as agent of moral. Thus, even without suited with a rule of law, business organization will respect the morality (Nursahid, 2006).

Corporate social responsibility activities are undertaken by the organization, and the communication is undertaken by the company with the society. A CSR activities if done consistently and continuously could prevent a possibility of corporate crisis with the outcome is a improved corporate reputation and corporate image in a long-term relationship with the communities. A survey are necessarily conducted to raise a fund, desire, and interest of the society. Communication channels are also useful to create a long-term relationship with the society. The advantages of creating a good long-term relationship between the company and the society is to gain the public trust in the corporate that drives the future investment prospects and establishes a prosper life for the surrounding society. (Rahman,2009).

To carry out CSR, there is needs a program. The program is a set of activities designed for achieve certain goals (Suharto, 2010: 92). Suharto explained that the design of a CSR program includes at least five steps as follows :

1. Engagement

Engagement as an initial approach to community to have good communication and relationships that can be conducted by means of socialization regarding the development plan of CSR program. The main purpose of this step is to build awareness, and understanding, acceptance.

2. Assesment

The second step is assessment carried out by identifying problems and needs of the community that will be used as the basis for formulating the program.

3. Planning

The third step is the plan of action, namely formulating an action plan. The program that will be implemented should pay attention to the aspirations of the community (stakeholders) on one side and mission company including shareholders on the other hand.

4. Action and Facilitation

This step elaborates the action of the program based on the plan that has been formulated before.

5. Evaluate

Evaluating is being the references of how far the program would be run and analyze how is the program process whether the program has a impact, succeeds, or even fails. This analysis could be a refference as the next-period program.

Companies that are established in a region and are in the middle people who benefit from the results of their business run should change this way of thinking now. The company is no longer just an entity selfishness or exclusivity from the environment community, but as a mandatory legal entity do socio cultural adaptations to the environment in which they are located, and can be held accountable just like a legal subject on generally (Azheri, 2012).

A key point is that CSR is an evolving concept that currently does not have a universally-accepted definition. Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society.

The CSR also emphasizes the important role of corporate communication in establishing and maintaining transparent and open dialogues with diverse stakeholders to increase ethical and socially responsible courses of action for various issues (Kirat, 2015)

Corporate social responsibility also take incharge with the sustainable economic and social development. It will improve the quality of life as well as the company development since the fundamental aspect of company activities are being conducted. CSR is a unique activity because it considers the implementation of the society around the company. This makes the CSR

has the opportunities to realize an inclusive society in participating the goal achievement (Untung, 2008).

Corporate Social Responsibility is counted as the commitment of the company to contribute the world business by realizing the sustainable economic development through balancing the CSR activities with the environment, social, and economic aspect. Some expertises agreed that recent social problems are being complexed and put the CSR as the activity that provide an alternative breakthrough in the community empowerment especially the poors (Putri, 2007).

Corporate social responsibility is not being intended as a profit-gainer activity since the concept is to enhance the company image within the society. Thus, the relationship are expected to be kept in a good path. It shown that the awareness need to be focused if the company does not aim solely on the profit, but also preserve the social and environmental aspect (Harijono, 2007).

There are two indicators of success namely, companies, and communities. From the company side, the way of view by the society should be improved. Meanwhile, for the communities, there should be an improvement in the quality of life. Therefore, it became a primary aspect that the company should vision the CSR activities both quantitively and qualitatively. It is caunted as a succeed if the beneficiaries become independent and less relying on others (Situmeang,2013).

The Corporate social responsibility models that commonly applied in Indonesia according to Susiloadi (2008) are as follows:

1. The social responsibility are carried out directly by the company. The CSR activities are conducted by the company and the company directly organize their own without any intermediaries. It could be taken by the “person in charge” system.
2. Social responsibility also could carried by the organization under the comapany itself or a group that is formed separately from the parent organization but still have a responsibility to the board of director. The company provides a initial funding or routine funds that can be used for the operations matters.
3. The company conducted a collaboration or partnership with the other parties. It could be government agencies, NGOs, universities, consultants in fund management or in social activities.
4. Several companies joined in a consortium to conduct the CSR programs. This method need to set up the supporting members or a social institution for specific purposes. A trusted consortium will seek a companies and then develop the programs that been agreed before.

According to Mualidin, Dewanto, Suryono, and Mutiarin (2016) the form of cooperation between the company and the government is in the form of coordination and facilitation. Where, the local government provides data related to the map of the area or target program which will facilitate the CSR forum to carry out CSR programs. Because according to the provision that the government should not accept money from the company, so the role of the

regional government is only coordinating and facilitating. Whereas for the facilitation of the regional government only to provide meeting places.

According to Zelko and Dance in Muhammad (2008) the organizational communication is an interdependent system that includes internal and external communications. Internal communication is the communication within the company as the communication from subordinates to superiors and vice versa. While the external communication is the communication by the company to the external environment in the form of the relation with the public.

Public relation is a form of communication that is planned, either inside and outside, between the organization and the the audience to achieve specific goal by the mutual understanding. In achieving the goals, all the progress should be measured in a crystal clear. This way clearly refute the misconception that believe PR as an abstract activity (Jefkins, 2003).

The role of Public Relation explained by Cutlip, Center and Broom in Ruslan (2008) are as follows :

1. As a communicator between the company represented by the public.it means PR tka in part as a communicator in company communication activities.
2. Fostering relationship, which meansfostering the positive communication, mutual benefit, and relationship with the public. Particularly, in the developing the mutual trust, mutual benefit together between the company with the public.

3. Backing up management role means it is inseparable from management and functioned as the attached to the management functions. To achieve this goal, it took four steps namely, planning, organizing, actuating, and controlling. Then, it is followed by other elements which are involved in two-ways communications to support activities on other departments.
4. Establishing company image means that the role of PR is trying to create a good image for the company. To create a good image within the society is a primary goal in PR at the end of the work program.

One of the elements that makes up the company image is responsibility by supporting noble goals, and showing environmental responsibility and social responsibility. That company respond well to its external environment and do things the right one will foster a positive image of the company. A well-appreciated company is by the community to build an image with develop integrated practices with social considerations and economy into the Public Relations strategy, in which the company not only does good action, but also must taking right action. In doing so the company should apply with initiate policies that reflect core values considering the mutual welfare of investors, customers, and employees who encourage the birth of care towards the development of local communities, which guarantees quality and environmental stability, goods and services. To build the good image, the company needs to take appropriate action against environmental welfare while still empowering local community.

E. Theoretical Framework

1. Communication Strategy

Communication strategy is a blend of communication planning with communication management to achieve the goals. Communication strategies must be able to show how operationally practically must be done, in the other word, this approach can vary depending on the situation and conditions. (Rusdianto,2013). Furthermore, there has 3 main goals of communication strategy that elaborated according to Onong Effendy :

- a. Make sure that the message are delivered to the communicant
- b. If the messege has been understandable, then the communicant must be guided to avoid the missunderstanding.
- c. Lastly, the act will be conducted.

The company that implementing the CSR strategy should be has a good relationship with the media. As the actor that connecting to the society about all the programs, then, the implementation of informing, responding, and involving must be covered. Hence, the obstacles and challenges will be easy-recognizing.

A good communication strategy need to be analyze those several aspects to maintain the process were goes smoothly. Including the supporting aspects that assiting the company's programs. Also the challenges aspects that need to be addressed to avoid the unnecessarily events. It will be better to observe the communication components with their supporting and resistor aspects (Rusdianto,2013). Meanwhile, According to (Effendy, 2009), communication

strategy, is a concept is needed by taking supporting factors and inhibiting factors. It would be better if in that strategy the components of communication including the supporting factors and inhibiting factors were considered in each of these components:

a. Identifying the target.

Before conducting the communication, we should know who is the target. This aspect is counted as one of the important phases in communication process. We should know how is the target's character in terms to classify the suitable communication medium. Furthermore, identifying the target will deliver the possibility does the target only needed to be informed, or pursue several action.

b. Selecting the media

In the communication process, it would not avoid the chances to applied one or more communication media. It depends on several aspects such, the goals, message that will be delivered, and applied techniques. Common medias that have been used are letter and newspaper. It could be useful as the documentation and be deeply-investigate. Other than that, Aural media is also popular to be implemented. This media usually is done to visually-attracting.

c. Framing the message essential

In several times, misscommunication occasionally happened while in the communication process. It makes the essential and purpose of the message are not delivered. Many aspects consider the

message is not delivered, such as connotative interpretation. It needs to be avoided in case the communicant to miss-translating the message. In case there is only the suitable statement, the communicator needs to explain it broader to get a true interpretation.

d. Communicator's role

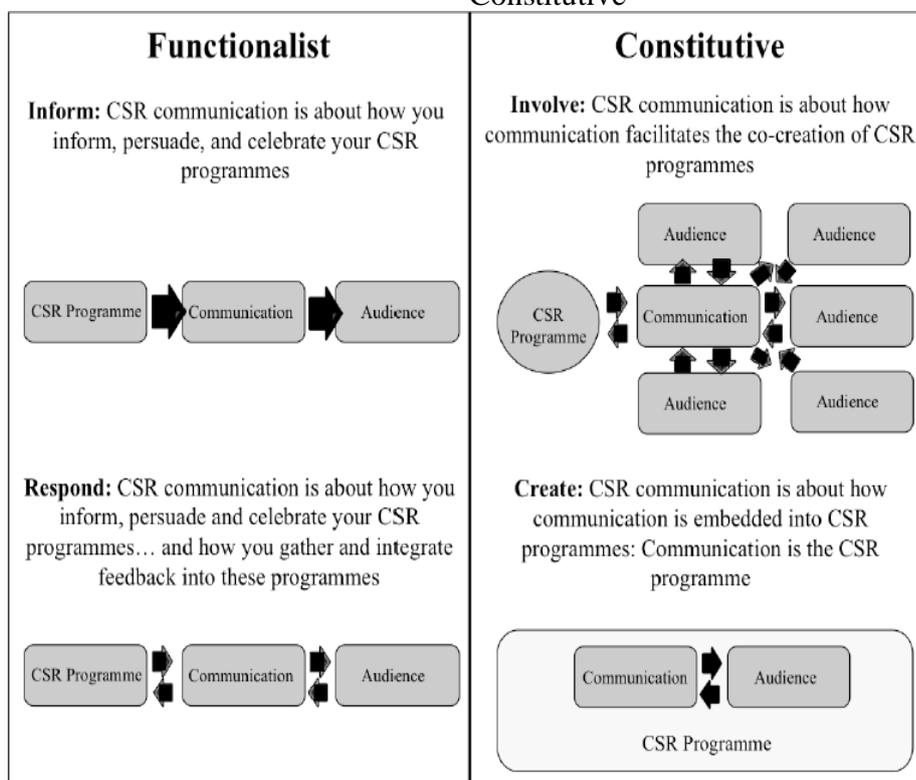
When it comes to influence people, the communicator that succeed to deliver it is when possibly changing the communicant behaviour, more than that they could engaging the communicant to follow the instructions.

Those principal are also followed by such supporting factors that could be enhancing the communication process. Among of them were the source attractiveness and source credibility. The source attractiveness commonly concern about the current issues that are circulated within the society. The communicator should be able to blend and engage into the community. When the process runs well, the outcome will be a behavioral, opinion, and attitude changes within the communicant. The source credibility will concern to the communicator's behaviour towards the communicant's situation. Here, a good communicator is characterized to be able to show their empathy to the communicant. The communicator should be like a chameleon who is able to fit in every condition of communicant, whether they are happy, busy, confused, angry, or disapointed.

On the other hand, according to Crane, Schultz, and Glozer (2016:15) CSR communication strategies can be interpreted as communication strategies that

are prepared to be applied to the program CSR where the CSR program is a communication program that requires a strategy. Crane and Glozer in advanced CSR communication research, mentioned that CSR communication is divided into two approaches namely functionalist approach and constitutive approach. The functionalist approach consists of strategies inform and respond communication, meanwhile constitutive approach reviewings CSR communication involves and create are a frames the latest from CSR communication studies. Create means that the CSR program is a communication program because of deep CSR communication this context is about how communication is applied inside CSR program as elaborated in Figure 1.1 below:

Figure 1.1. Model of CSR Communication Approaches Functional Vs. Constitutive



Source; Crane, Schultz, and Glozer (2016)

2. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a form of attention and social responsibility of a companies to give a benefit into the society and environment where does the companies were operated. Followed by the modern era, the existance of a company is being highlighted. Since then, one of the various issues that become a world's concern is the CSR itself as a bridging configuration between the business and the society. The study of CSR are broaden up and become a continually-changed in accordance to the world's development itself (Vicenovie:2016)

According to Friedman Corporate Social Responsibility (CSR) is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large.

CSR has been in longer term use as an explicit framework to better understand the business and society relationship. Back in the days, CSR was used as a arguing term that managers need to seriously consider their impacts on society. It was later thought to embrace those actions which managers and organizations take to protect and improve the welfare of society along with business's own interests. Here, there are two aspects of CSR, protecting and

improving. To protect society implies that companies need to avoid their negative impacts (e.g. pollution, fail products). To improve the society welfare propose that companies need to create positive benefits for society (e.g. human needs, community empowerment). CSR had to encompass the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Carroll:2015).

On the other side, the regulation of thinking the companies responsibility had to themselves, and shareholders are formalized by the society through the legal law. Furthermore, the business in their various forms are created based on public/government affairs so does the permit to operate in their own ways.

CSR also has a mandatory which is not mandated from the society, there are categorized as ethical and discretionary. Ethical directed to embrace various business and practices that are expected or even prohibited by the society even though it is not regulated yet. It made a interpretation of how far the responsibility should be carried since it may not be regulated. Secondly, discretionary responsibilities, may not characterized as in a literal or legal sense. They are pursued by society and over time they have come to be expected of business by the public. This type is commonly used in many company since it could “improve” the society, thus enhance the company’s engagement.

It must be recognized that CSR still create a confusion and controversy. Partly, the problems from a business issues and perceptions in some quarters that CSR is a form of a philanthropy rather than doing business and

responding the shareholders and investor's interest. Those mentioned statement is still being contradictive between companies till today.

The World Business Council for Sustainable Development (in Hohnen;2007) described CSR as the business contribution to sustainable economic development. Building on a base of compliance with legislation and regulations, CSR typically includes "beyond law" commitments and activities which also frequently interconnected and interdependent to each other and possibly believe applied in companies around the world. Those aspects pertaining to:

- a. corporate governance and ethics;
- b. health and safety;
- c. environmental stewardship;
- d. human rights;
- e. sustainable development;
- f. conditions of work (including safety and health, hours of work, wages);
- g. industrial relations;
- h. community involvement, development and investment;
- i. involvement of and respect for diverse cultures and disadvantaged peoples;
- j. corporate philanthropy and employee volunteering;
- k. customer satisfaction and adherence to principles of fair competition;
- l. anti-bribery and anti-corruption measures;
- m. accountability, transparency and performance reporting; and
- n. supplier relations, for both domestic and international supply chains.

There also need to be address that CSR should be taken in two separate drivers. One related to public policy. The impact of the business known as a wide understanding and potentially earned a feedback either it positive and negative. Because of that, it is common that the government and wider society are taking close to the business activity. This means that the expectation of the business is high. The secong driver is the business driver itself. Here, the second driver could Earned the cost and benefits from the consumer's demands.

Since the business considerable has a significant role both in wealth creation in the society and in the efficient use resources, CSR has become a main concern. Since that, CSR is being bositioned by the companies to both proactively managing the risks, also taking the advantage of oppoertunities, especially those are related to the corporation reputable and the broader engagement with the shareholders.

Above all, CSR is about caring the context, both in societal and environmental also the related performance. It is about moving beyond declared intentions to effective and efficient actions, and measureable impact to the society. Problems will appears potentially if stakeholders perceived that a company is engaging the public relation exercise and does not demostrating an action that will lead to the social and environment matters.

According to Hohnen (2007), many factors and influences that led to increasing attention being devoted to the role of companies and CSR. Those aspects are :

- a. **Sustainable Development:** Many expertises have underlined the fact that the humankind are using the natural resources in a increasing rate years-by-years. If it continues, future generations will not be able to use the resources they need in developing their era. Recently, many aspects that being developed are far away from being sustainable. Thus it can not being continued in others reasons. Relating to this course, CSR is being an entrance for understanding the sustainable development issues/related and responds it in a company's business strategy.
- b. **Globalization:** By focusing on multinational enterprises, global supply chain, technology development, made the CSR concerns related to human resource management, health and safety, and environmental protection. In this point, CSR plays a vital role by detecting the impact of labour condition, local communities and economies through the company business. Through CSR, a company also could ensure certain steps to maintain and build public goods.
- c. **Governance:** The government and intergovernmental bodies such as the United Nations (UN), and the Organisation for Economic Co-operation and Development (OECD) have been developed various compacts, guidelines, and principles that address norms and consideration of instrument that are accepted by the business conduct. Those instrument are closely related to the CSR aspects that already internationally-agreed laws which regarding to the human rights and environment protection.

- d. **Corporate Sector Impact:** The sheer amount of companies that has potential to impacting the political government, social and environmental system which related to the civil society are made a question about the accountability matters. On the other hand, companies is being an agent of change. How they behave are being a consideration of increasing interest.
- e. **Communications:** Live in an eras that communication is being developed is making an easier way to tracking the company's business activities. It does give a impact both internal and external aspects. Internally, it will facilitate the activity, and reporting the result. Externally, the stakeholders will get an access the business practice either in problematic and behavioral matters. In CSR context, easy access of communication will give a opportunities to improve partnership and expand the business dialogue.
- f. **Finance:** Consumers and investor commonly demanding an information on how company addressing the risks and maintaining the opportunities related to social and environmental issues. Here, CSR could build a share value, decreasing the cost of capital, and ensuring a better market responsiveness.
- g. **Ethics:** A high number of breaches of corporate ethics damaged the employee, shareholders, communities, and market place. These aspects are contributed in decreasing the values of the company that cause the public's mistrust. Through the CSR aspects, it could improving the

corporate governance, transparency, accountability, and ethical standards (Edelman,2007).

- h. **Consistency and Community:** Many people believe that a company should meet a balancing standard between social and environmental care without concerning where they operated. By using the CSR aspects, company could build a harmony communities and shared approached to a common problems.
- i. **Leadership:** Recently, there is an indication that an awareness of the limited regulatory initiative to effectively captured the issues that addressed by CSR activities. CSR essentially incentive a company to act beyond the regulation or even in the areas which a regulation seems rare.
- j. **Business Tool:** The business are commonly adopting an effective approaches to CSR for reducing the business problems, collecting new opportunities, expanding innovations, enhancing brand and company reputation, and improving the efficiency.

The scope of coverage of CSR does not only display the level of theory, but also various approaches passionate people who often invite controversy, complexity, and obscurity. There are 4 main group of CSR theories according to Gariga, Elisabeth & Mele, Domenec as follows:

- a. Instrumental theories: where the company seems only as a tool for creating prosperity. Social activities are only tools to achieve economic benefits from the company itself;

- b. Political theories: where the company cares about the strength of its company in the midst of society. Company use social responsibility as a force in the political arena;
- c. Integrative theories: where the company focuses on efforts to always satisfy the demands of the community;
- d. Ethical theories: which are based on moral responsibility both from the company and society. In practice, every CSR theory always displays all four dimensions relating to profits, political strength, community demands, and moral values. Various CSR discoveries support the need to develop new theories, both for business and business social relations that must combine the four theories.

According to Schemerorn quoted by Edi Suharto (2011), corporate social responsibility as a concern business organization to acts in their own ways in serving the interests of the external public conceptually. Corporate social responsibility is an approach where the company integrates social care in business operations and their interactions with stakeholders and partnerships.

3. Community Empowerment

Community empowerment refers to the process of enabling communities to increase control over their lives. "Communities" are groups of people that may or may not be spatially connected, but who share common interests, concerns or identities. These communities could be local, national or

international, with specific or broad interests. 'Empowerment' refers to the process by which people gain control over the factors and decisions that shape their lives. It is the process by which they increase their assets and attributes and build capacities to gain access, partners, networks and/or a voice, in order to gain control. "Enabling" implies that people cannot "be empowered" by others; they can only empower themselves by acquiring more of power's different forms (Laverack, 2008).

According to Rowland, empowerment, is a multilevel construct that includes, both process and outcomes. Thus, it appears the empowerment come for three interconnected level: the individual, relationship, and collective. Communication plays a vital role in ensuring community empowerment. Participatory approaches in communication that encourage discussion and debate result in increased knowledge and awareness, and a higher level of critical thinking. Critical thinking enables communities to understand the interplay of forces operating on their lives, and helps them take their own decision. Through the empowerment process, the communities are able to taken a power to act more in a effective way to change their live and environment (Rich,Stoker:2009).

According to Makara, the community empowerment also engage the communities, and organizations, participation to increase the individual control, political efficacy, social justice, and improve the quality of life. Despite the wide use of empowering strategies in a various aspect of life, there seems to be no consensus on a agreed method or a universal agreement

measuring tools in assisting the community empowerment evaluation process. Applying this framework to an organizational level of analysis suggesting the empowerment may include organizational processes and structure to gain the communities participations also improving the work efficiencies to achieve the goals. In conclusion, community empowerment may refer to collective actions to improve the communities' quality life and the connection among the organizations and actors.

F. Conceptual Definition

Conceptual definition is an activity in explaining the limitation between one concept to another to avoid the misunderstanding which will be presented.

a. Communication Strategy

Communication strategy is a complicated process. This process should calculate the supporting and inhibiting factor. It would be better if in that strategy the components of communication were included with the supporting factors and inhibiting factors. Communicant should consider the supporting factors to take in advantages of those aspect to deliver the messages in easier way and avoid the inhibit factor to estimate the obstacle in delivering the messages.

b. Corporate Social Responsibility

CSR is essentially a strategic approach for firms to take to anticipate and address issues associated with their interactions with others and, through those interactions, succeed in their business endeavours. Recent years, companies should engages CSR programs to gain the public trust and build the good image within their surroundings.

c. Community Empowerment

The community empowerment process promotes the participation of people, organizations and communities for increasing individual and community control, political efficacy, and improved quality of life and social justice. Community empowerment takes in charge to realize the independent society. Thus, their quality of life will be improved in a better way.

G. Operational Definition

Operational definition is understood as the communication strategy by PT Pertamina (Persero) RU II Dumai in empowering the society through the CSR program. The operational definition of this research is an explanation of each variable which being used towards the building indicators (Effendy,2009). The operational definition of this research could be seen in the following table:

| Variable | Indicator | Measurement |
|------------------------|-----------------------------------|---|
| Communication Strategy | Identifying the target. | Method that is used by PT Pertamina Dumai to identifying the target . |
| | Selecting the media | Media that is used by PT Pertamina Dumai to publish the CSR activities. |
| | Framing the communication purpose | Stakeholder's involvement in communication process. |
| | Communcator's role | Method that is used to promote the CSR programs. |

H. Research Method

1. Research Type

The approach in this study used a qualitative approach with a descriptive elaboration and tended to use the inductive analysis approach. Qualitative research is carried out to understand the phenomenon of what is experienced by the subject of research, such as behavior, perception, motivation, action and others in holistical way. This type of research can give a complete picture in the form of words and language, in a special natural context and by utilizing various scientific methods. Meanwhile using the level of description aims to make systematic, factual, and accurate description of facts and certain object (Moleong, 2004). Through this method, the data which consist of the experience from the research object will be gathered in comprehensive way. The data were collected by doing an interview, observation, focus group discussion and supported by the secondary data.

2. Data Analysis Unit

Data analysis unit is certain units calculated as the subject of research. In another sense, the unit of analysis is defined as something related to the focus/ component studied. Furthermore, this research subject is Jr. Officer of Corporate Social Responsibility PT Pertamina (Persero) RU II Dumai.

3. Research Object

Research object is a situation from a thing or human or something that be focused on a research. The characteristics condition could be formed as quality, and quantity of a behaviours, activities, opinions, pro and contra, psychological condition, and a series of process (Azwar, 1998). The object of this research is the corporate social responsibility programs and communication strategies which are implemented by PT Pertamina (Persero) RU II Dumai.

4. Location

This research is conducted in Corporate Social Responsibility of North Sumatera Office, at in Jalan Kilang Puteri Tujuh no. 1, Dumai city, Riau Province.

5. Data Sources and Type

For the data accuration, this research has a several data sources as follows:

a. Type of Data

a) Primary Data

Primary data is a data which is collected from it original resources through the interviewer (Harnovinsyah, 2014). The primary data is collected regarding to the CSR programs and Communication Strategy from Corporate Social Responsibility of PT Pertamina (Persero) RU II Dumai.

Table 1.2 Sources of Primary Data

| Primary data | Interviewers |
|--------------|---|
| Interview | Jr. Manager CSR of PT Pertamina (Persero) RU II Dumai. Kevin Kurnia Gumilang |
| | Head of PKK Adhelis Nofliyarni |
| | Head of Setiakawan Farming Community Giat |
| | Head of Sehati Posyandu Ayuniar |

b. Secondary Data

Secondary data is data which not collected by the researcher independently. Secondary data also could be known as a data that recorded in a book or even a report but can also be the result of laboratory results. This kind of data could be collected from websites, and literatures.

Table 1.3 Sources of Secondary Data

| Secondary Data | Sources |
|----------------|--|
| Documentation | Evaluation Document of CSR in PT Pertamina (persero) RU II Dumai year 2018 |

c. Source of Data

In qualitative research, the main focus in collecting the datas in selecting the informant. The sampling technique that being used is Purposive Sampling and Snowball Sampling.

1. Purpose Sampling

This sampling focusing on how is selccting the suitable informant which related to the data that being needed. In this

research, the informant is who are in charge to run the CSR programs of PT Pertamina (Persero) RU II Dumai.

2. Snowball Sampling

Snowball sampling is a process of selecting the informant based on the previous informant to gain a further understanding. Determining the informant through this sampling is from Committee Development Officers (CDO) in Corporate Social Responsibility of PT Pertamina (Persero) RU II Dumai.