

COMMUNICATION STRATEGY IN CORPORATE SOCIAL RESPONSIBILITY (CSR) IN SOCIETY EMPOWERMENT

(Case Study: PT Pertamina RU II Dumai in Dumai Timur Subdistrict)

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ABSTRACT

This study aims to know the communication strategy of corporate social responsibility done by PT Pertamina (Persero) refinery unit II Dumai to empower the society of Dumai Timur subdistrict. The theory of Onong Uchjana Effendy in communication strategy is used to deliver the messages by the communicator to the communicant which given certain aspects. This research is using the descriptive with qualitative analysis. The data collection technique is done by conducting an observations, interviews, and literature study. The interview result is presented through a question and answer session. The outcome from this research indicating the implementation of corporate social responsibility of PT Pertamina (Persero) refinery unit II Dumai are conducting several programs and activities which characterized both in short term and long term oriented. Within the process of implementation, it has various feedback from society. The feedback will be created as an input to applying more effective strategies.

Keyword : *Communication strategy, corporate social responsibility, society empowerment.*

Introduction

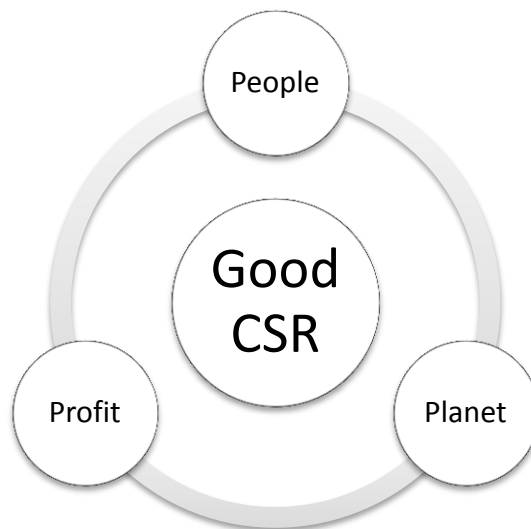
Recently, Corporate Social Responsibility (CSR) has increased significantly (Borin & Metcalf, 2011). The increasment of social problems have placed CSR as a concept that is expected to be able to provide an alternative breakthrough in reducing poverty. With the existence of CSR, it can be expected that the company not only has focuses to create maximum profits, but also plays an active role in community development and preserve the environment. (Untung:2014). CSR also defined as an attempts to achieve commercial success in ways that honor ethical values and respect people, communities, and the natural environment (Bhattacharya & Sen, 2004). Conclude that organizations, CSR and company as

a close relation among others which to engage the corporation sustainability also to generating new strategies to supporting their existence in social and environmental matters to create a good position among the society.

There is the specific law that regulates the companies responsibility. According to Government Regulation number 47 year 2012 about Social and Environment Responsibility of a Company is about the social and environmental responsibility referred 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 engages in open and free competition without deception or fraud (Lacey & Kennett-Hensel, 2010). 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 (Castaldo, 2009). With those elaborations, the CSR principle are closely related to the sustainable development and communities welfare. CSR tend to measuring those issues with a community development principle through a programs which able to empower the community. Elkington (2002) explaining the good CSR including three principals : profit, people, and planet.

Figure 1. Three principals of Good CSR adopted by Elkington (2002)



Implementation of social responsibility in Indonesia is different from one to another as they depends on policies, visions & missions, and cultural-matters in each corporates (Andrini, 2016). 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 (King, 2011). 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 (Yoo & Lee, 2018).

Table1. CSR programs Conducted by Companies based on Characteristics in 2018-2019

No	Social	Community Empowerment	Education	Culture
1	PT Telkom	PT Pelabuhan 1	PT Adhi Karya	PT Asuransi Jiwa Generali
2	Bukit Asam	Pupuk Indonesia	PT Wijaya Karya	PT PLN
3	Bank BRI	PT Pertamina	PT BNI Syariah	

No	Environment	Economic Empowerment	Health
1	PT BPD Jawa Timur	PT Jasa Marga	PT Kereta Api
2	Perum Peruri	PT PGN	PT PP
3	PT Pegadaian	Angkasa Pura I	PT Hutama Karya
4	PT Pupuk Indonesia	PT Sarinah	PT Taspen

Source: Ministry of State Owned Enterprises

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 (Castaldo et al., 2009). Corporate social responsibility is not just a form of philanthroist from the company alone, but currently social responsibility has become a strategy in business (Carvalho et al., 2010). 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 (Yoon, Gürhan-Canli, & Schwarz, 2006).

In term of regulation of CSR, the government of Dumai city regulating the for all companies that run their activity in Dumai based on Mayor regulation number 15 year 2016. This regulation is mentioning the CSR activity essentials are need to sincronizing the companies internal matters with the city's strategical issues. Moreover, the government are responsible to guide and maintain as the supporting actor in run the CSR activities based on its related departement.

Table 2 : Companies who Conducting CSR in Dumai city in 2018-2019

No	Company	Program Focus
1	PT Pelindo	Human Development
2	PT Bank Riau Kepri	Human Development
3	Telkomsel Indonesia	Environment
4	PT Perusahaan Gas Negara	Environment
5	PT Sinar Mas	Environment
6	PT Meridan	Community Empowerment
7	PT Sari Dumai Sejati	Community Empowerment
8	PT Pertamina	Community Empowerment

Source : www.riau.antaranews.com, www.wahanariau.com

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's 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.

The CSR programs in Pertamina RU II Dumai has 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's image will gain the positive form within its society will be able expand the market place and inviting new investors and realizing the shareholder-friendly company.

Since the CSR programs done by PT Pertamina (Persero) RU II Dumai, the surrounding communities are start to grows in a massive way. From the life supporting aspect such as education and health are provided trough many ways of empowering activities. Start from a relation with government and end with the communities. Recently, many succesfull programs are already accomplished by CSR PT Pertamina (Persero) RU II Dumai. All those program are involving many stakeholders to tun the activities such as the government until the expertises. By involving this concept, the process of the program are run in a ease way and the goals that has been set before will be reached.

Literature Review

Corporate Social Responsibility is a concern for companies that set aside a portion of profit for the benefit of human development and the environment in a sustainable manner based on appropriate procedures and professionals companies that have good reputation, generally have six things. First, a good relationship with community leaders. Second, positive relations with the local government. Third, the risk of a smaller crisis. Fourth, a sense of pride in the organization and among the target audience. Fifth, mutual understanding between the target audience, both internal and external. And last, increasing the loyalty of company staff (Rumaswati, 2013)

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

1. The social responsibility are carried directly by the company. The CSR activities are conducted by the company and 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

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 is counted as a complicated process. In order to compile a communication strategy a concept is needed by taking a 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. Identify the target.

Before conducting the communication, we should know who the target is. This aspect counted as one of the important phases in communication process. It should know how the target's character is in term to classifying the suitable communication medium. Furthermore, identifying the target will delivers the possibility does the target only need to be informed, or pursue several actions.

b. Selecting the media

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

c. Framing the message's essential

In several time, misscommunication occasionally happened while in the communication process. This is made the essential and purpose of the message does not delivered. Many aspects considers the message does not delivered, such as conotative interpretation. It need to be avoid in case the communicant to miss-translating the message. In case there is only the suitable statement, the communicator need to explain it broader get a true interpretation.

d. Communcator'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.

Research Method

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 context natural 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.

This research adopted purposive sampling to determine the informants. Purposive sampling is a technique of taking samples of data sources with certain considerations, for example the person who is considered to know the best about what we will examine (Sugiyono, 2015). The data analysis unit in this research is Jr. Officer of Corporate Social Responsibility PT Pertamina (Persero) RU II Dumai. He is chosen as the data analysis unit is because the person who responsible to the running of CSR programs. to support the data based on the real condition in daily activities, researcher conduct the interview to the CDO of Corporate Social Responsibility PT Pertamina (Persero) RU II Dumai.

The reseacher used primary and secondary data sources in which the data were obtained directly and indirectly. Primary data is information obtained from first hand or primary sources (Sugiarto, 2015). Researcher gathering the data from interviewing the the Jr. Officer of Corporate Social Responsibility PT Pertamina (Persero) RU II Dumai. While, secondary data that is not obtained directly from the informant, but from a third party (Sugiarto, 2015). In this study, reasecher will gather the secondary data from previous researches, website PT Pertamina (www.pertamina.go.id), and PT Pertamina social media (twitter, youtube, instagram).

Result and Discussion

1. Society Problems

According to BPS-Statistic of Dumai Municipality, in 2017 the population density in Dumai Timur regency is 64.127 people. Surrounded with big company and located in industrial areas are proves that inversely proporsional with number of unployment level within its society. In Jayamukti urban community which surrounded with companies, the number of unployment are still high. It still become a big issues since the education aspect is still questionable within its society. This issue will prove the number of education in this area is still low which describe in a table below:

Table 3. Population Indicator based on Education Level in Jayamukti Village

No	Education Level	Total
1	Not passing the elementary school	6745
2	Passed the elementary school	2260
3	Junior high school	2494
4	Senior high school	5048
5	Diploma I	1649

Source: Social Mapping Kelurahan Jayamukti Universitas Gajah Mada 2018

From data elaboration above, it indicating the education level of the society in Jayamukti urban community is still a big issue even it dominating with people who not get a basic education taught in elementary school such like reading and writing. Recent years, higher education level will determine the life quality of a person. It will enhancing the society condition and environment with their knowledges.

In improving health condition, the government provides the health center to maintain the society condition in a reachable approaches. Until 2017, it started to inventing the health center in Jaya Mukti urban community since this area has a massive population compared to other districts. In terms of maternal and children health services, the government inventing 51 units of integrated post to covering the needs of children which spreaded in each urban communities.

A complete spreadings of health facilities are as follow:

Table 4. Health Facilities in Dumai Timur Subdistrict

No	Areas	Hospital	Public Health Care	Health Village Post	Family Planning Post
1	Tanjung Palas	-	-	1	4
2	Jaya Mukti	-	1	1	14
3	Teluk Binjai	-	-	1	16
4	Buluh Kasap	2	-	1	11
5	Bukit Batrem	-	-	1	6
Total		2	1	5	51

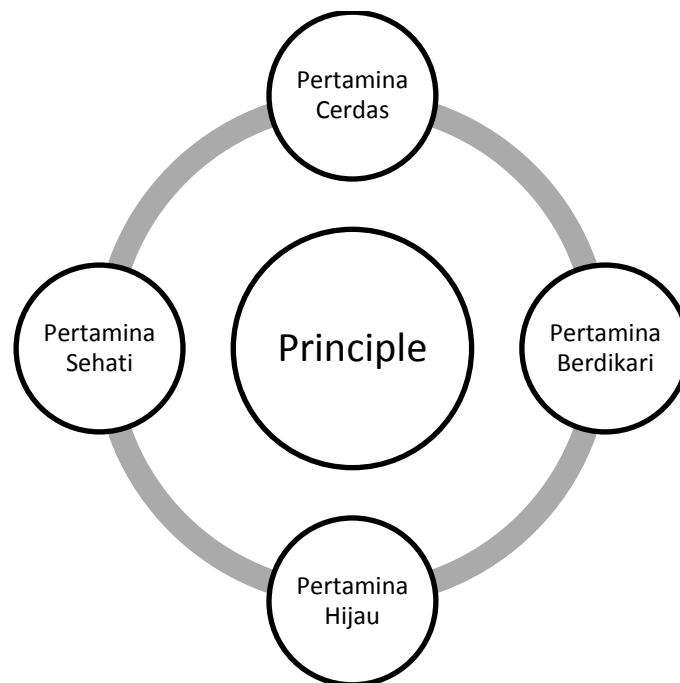
Source: BPS-Statistics Dumai City

2. Corporate Social Responsibility Programs

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. (Vicenovie:2016). Thus, it is a compulsory for a company to conduct a CSR activities as a feedback for the society.

In conducting the society responsibility, PT Pertamina (Persero) implementing the principles which need to be followed for their branches territories. Those principles are as follows:

Figure 2 : Principles in Coducting CSR in PT Pertamina



Source: www.pertamina.com

Pertamina Cerdas is enhancing the human resources quality in its surrounding environments through education. This principle is the form of dedication from this company that the quality of education is one of the most main aspects to reach the inclusion within its society. Through this principle, the CSR programs will ensured the programs conducted in education matters. Pertamina Sehat is the ensuring the

programs of CSR were conducted in healthcare matters. It is massive to say that this principle is a form of giving back to the society in prosperous aspect since the company activities has impacting its surroundings environmentally. Pertamina Hijau is projecting the CSR programs worked in environment aspect and ensure it surroundings will be sustainably green. Last, Pertamina Berdikari will concern in human development and it resources. This principle will enhance the quality of it surrounding society based on industrial aspect. The implemented programs in 2018 period are as follows:

Table 5. CSR programs conducted by PT Pertamina RU II Dumai in 2018

No	Type of CSR	Benefit	Target	Area
1	Greening Space based on Fruit Park	Advancing the agricultural sector and developing the entrepreneurship	Conventional farmers	Jaya Mukti urban community
2	Adiwiyata Green Schools	Engaging the environmental-based curriculum	Elementary and Junior High school students	Bukit Datuk urban community
3	Women Empowerment through “ADELIS” Convection Bussiness	Developing the potential to become a convection cetral in Dumai city	Women groups	Jaya Mukti urban village
4	SEHATI Integrated Service Post	Advancing knowledge and skill of the officer about children nutritions	Integrated service officers	Jaya Mukti and Tanjung Palas urban community
5	Safetyman and Welder Training	Expand the experience for the youngsters to reduce the unemployment level	The society in productive ages	Jaya Mukti, Tanjung Palas, Buluh Kasap, Teluk Binjai, Bumi Ayu, and Bukit Datuk urban community
6	Waste Bank	Advancing the environmental quality	Jaya Mukti Society	Jaya Mukti urban community
7	Agriculture and Fisheries Integration	Advancing the farmers’ life quality	Farmers	Bukit Datuk urban community

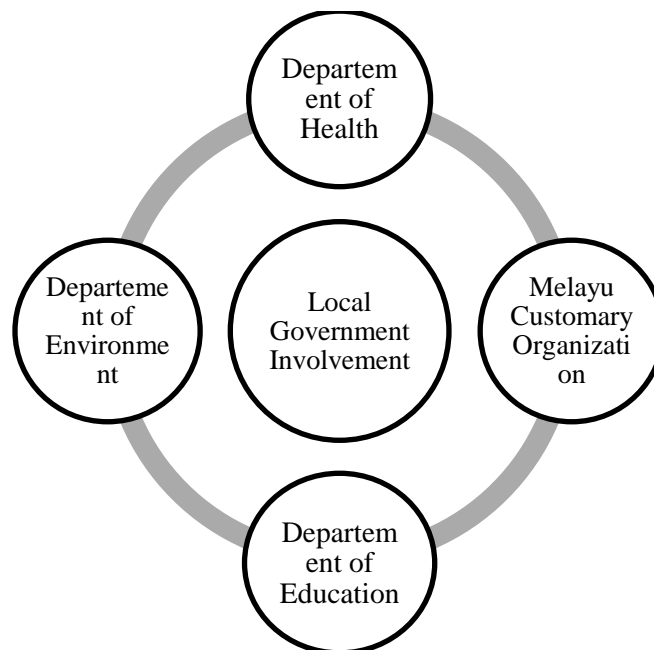
Source: Proceed by researcher from CSR PT Pertamina RU II Dumai

These principle will guide every branches to fulfill the society needs in every life aspects. The CSR programs need to be planned with the heterogenic type of society hence it should be followed in the core of these aspects. Once it being succeed the community development will be well-spreaded hence the independent society will ensured.

3. Stakeholder Involvement

A good corporate social responsibility is involving various of stakeholders within its process as the supporting actor. It is obvious that certain companies worked their social responsibility are needs to collaborated with the local stakeholders as the regency leader. the companies is required to assist local governments to support the regional development programs that they implement. Main authority of the government are responsible to realize the public welfare. In fact, those responsibility will not bear the burden if it done alone but requires participation. Therefore, one of the most potential support to realize that authority is come from the companies. Thus, the accelerated development and improvement of community welfare can be achieved.

Figure 2 : Stakeholders Involvement in Conducting CSR PT Pertamina RU II Dumai



Source: Proceed by Researcher from CSR PT Pertamina RU II Dumai

These various actors are directly appointed by the leader of Dumai Timur Subdistrict to support the continuous CSR programs in many companies including PT Pertamina RU II Dumai. They have a role as the expertise to guiding the society and also succeeding the programs.

Essentially, the appointment through specific departments is more to be covering the programs based on its proficiency. The Department of Health is ensuring the Post Integrated Service program are continuously worked by empower the nurse and nutritionist. Department of Environment is responsible to guide the agriculture farmers with their capacity in term to maximizing the output. Department of Education is providing the platform for implementing the Green School curriculum which will be implemented in many schools. The Customary Organization play the role in gathering the mass since it being the most powerful community organization. Form of support is being a crucial aspect in succeeding the CSR activities of a company. Since that, a good communication form is need to assess in realizing the company goals.

Discussion

Shaping a Good Communication Strategy in CSR Programs

Communication strategy has defined in a broaden aspect. When it comes with a specific issue such like CSR concept, the choosing process of the communication strategy is could be crucial since it encourage the positive society's behaviour and attitude. CSR communication is the process of communicating the social and environmental effects of organizations' economic actions to particular interest groups within society and to society at large (Gray, Owen, & Adams, 2003).

According to Dawkins (2004), an effective communication of corporate responsibility depends on a clear strategy which has to evaluate opportunities as well as the risks to the brand, and which delivers messages to different stakeholder groups. The CSR of PT Pertamina RU II Dumai emerge the relationship among the stakeholders in supporting the programs. In term to reducing the risk of misunderstanding, a face-to-face concept is conducted since it provide a exchange of ideas to reach a win-win solution. Furthermore, the involvement between the stakeholders are required to conduct in term to avoid a discontinuity among the CSR process. This is need to be emphasized since Bhattacharya and Sen (2004)

warn that CSR communication is a challenging undertaking because there is always the risk that the consumer perceives that the company just wants to “sell” its CSR information.

On the other side, to avoid the boomerang effect of CSR communication, companies should emphasize the convergence of social and business interests (Du, Bhattacharya, & Sen, 2010). The company need to assess the importance between both aspects due to balancing the company image. In this case, CSR has a role to gaining the public trust and reaching the wider market for PT Pertamina RU II Dumai. In other words, a wider market will be even discovered when the surrounding society is stand above the life standard level. It means, a proper work on social interest will run in accordance with the bussiness interest.

CSR can be a promising promotion strategy that leads to broader company benefits like immediate purchase behavior. (Lichtenstein, Drumwright, & Braig, 2004). Thus, CSR can increase buying behavior through three main effects: 1) The value CSR can add to the brand, 2) the ability to strengthen the relationship with stakeholders whose support is vital to brand equity, and 3) the ability to make the message more believable. (Bronn & Vrioni, 2001). As the result, selling report of compay will increased and gaining bigger profit into the company. Hence, the broader market will be even dicovered.

Conclusion

Communication form of CSR PT Pertamina (Persero) RU II Dumai has a process which started in social mapping process to determining the message which being oriented towards the target market namely the people in the area of company operations. The message contains social responsibility activities and environment that helps the Indonesian government to achieve the target of Indonesian Human Development Index (HDI) and the communication effect provides community welfare and feedback given by the community to realize the company survival. The stakeholders involvement among the process of CSR activities are the most reliable aspect which determining the program succeed. The agreement between these both actor is the key to realize the program were runs well. It started with the the local government.

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