



Corporate social responsibility PT PLN Indonesia Power Suralaya PGU 2022

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ABSTRACT

Keywords

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Corporate social responsibility is a form of social responsibility for corporate investment in a region. The company is oriented towards profit and sustainable economic development based on social development side by side. As a state-owned company oriented towards providing electrical energy sources, PT PLN Indonesia Power Suralaya PGU has successfully implemented a sustainable CSR program with an orientation towards the development and social development of the community. This research is intended to find out the stages of planning to evaluate the CSR work program carried out by this BUMN so that the surrounding community can feel social development. The selection of a descriptive qualitative design with a qualitative case study approach resulted in Indonesia Power Suralaya PGU's community development. Satya Gawa, succeeding in increasing the stability and welfare of vulnerable people, in this case, ODGJ, through the Group Activity Therapy method, namely salted egg making coaching. The Satya Gawa program positively impacted 19 ODGJ to be more stable and productive so that they have an income of Rp 1,000,000/month/person. PT PLN Indonesia Power PGU synergizes with UPTD Public Health Center DTP Pulomerak and Cilegon City Health Office in implementing the Satya Gawa Program. The strategic plan of this program is five years. The findings reveal that company's role here is to provide facilities as 'lure' access so that after passing the specified scheme time, the community can be more empowered and independent in its operations.

1. Introduction

Corporate Social Responsibility (CSR) encompasses a company's efforts to meet its social and environmental responsibilities. In the business context, it involves initiatives aimed at fostering a positive corporate image and demonstrating the company's commitment to environmental and community concerns (Ruhiat et al., 2019). Cilegon City, located in Indonesia's Banten Province, is strategically positioned on the west coast of Java Island, near Jakarta and the Merak Port. Its ample land availability has made it an attractive location for industrial development, generating job opportunities and contributing to the national economy through the presence of major companies (Siahaan, 2019).

PT Perusahaan Listrik Negara (PLN) Indonesia Power (IP) is a subsidiary of the state-owned enterprise (SOE) PT PLN (Persero) that operates in the electricity sector and is involved in power generation, transmission, and distribution throughout the Java-Madura-Bali islands. PT PLN IP operates a Steam Power Plant (PLTU) in the Surabaya Village. The Suralaya PLTU uses coal as its primary fuel, with a total installed capacity of 3440 MW, making it the most significant unit owned by PT PLN IP in Indonesia. As the most significant unit owned by PT PLN IP, its operations will impact the environment by causing pollution and environmental contamination. Therefore,

companies are expected to fulfill their social responsibilities. Companies should prioritize the interests of stakeholders (all parties involved and impacted by the company's activities) over the interests of shareholders. The interests of stakeholders can be summarized into three aspects: the sustainability of profits, the sustainability of the community, and the sustainability of the environment (Felisia, 2014).

PLTU Suralaya, being involved in natural resources, is mandated to execute CSR programs in line with the Republic of Indonesia's emphasis on Social and Environmental Responsibility, especially for state-owned enterprises (BUMN). The country has established regulatory frameworks that oblige certain companies to engage in corporate social responsibility initiatives. Notably, these regulations encompass (1) the Minister of State-Owned Enterprises' Decision on Community Partnership Development Program, (2) Limited Liability Company Law Number 40 of 2007, (3) Investment Law Number 25 of 2007, (4) Oil and Gas Law Number 22 of 2001, and (5) ISO (International Standardization Organization) 26000 Guidelines. These regulations outline that companies operating in the natural resources sector, particularly Limited Liability Companies, are compelled to conduct CSR activities. Moreover, other companies in different sectors also perceive CSR as a moral obligation, recognizing themselves as moral agents. Their commitment to CSR underscores the importance of prioritizing moral and ethical principles to benefit society (Fauzan, 2011).

PT PLN Indonesia Power operates an active CSR program named INPOWER-CARE, emphasizing community involvement and development. Their commitment to environmental sustainability and Good Corporate Governance reflects their vision. The company's long-term success is tied to the growth of both the company and the community. To ensure the alignment of CSR programs with their objectives, PLN Indonesia Power conducts Environmental Impact Analyses (AMDAL). Their dedication to CSR is recognized through prestigious awards, including the TOP CSR Awards 2023 by Top Business Magazine. Multiple PLN Indonesia Power units have received awards across categories, underlining their commitment to Creating Shared Value (CSV). Notably, PLN IP Suralaya, set to become the largest electricity supplier in the region in 2022, received the Champion 1 award for Community Involvement and Development at the BCOMSS Award 2022 event. This research delves into CSR as a compelling study, examining PT PLN IP Suralaya PGU and its CSR program's success in achieving TOP CSR Awards 2023, ENSIA, and representing PT PLN Persero at the BCOMSS event through the Satya Gawa program. The research also analyzes the impact of PT PLN IP Suralaya PGU's CSR programs on society, the environment, and other stakeholders contributing to the awards received.

This research builds upon prior studies in the field of CSR, such as Adhianty Nurjanah's "Corporate Social Responsibility Communication and Company Reputation in the Pandemic Era." The upcoming research explores the unique application of CSR to specific communities, focusing on people with special needs (ODGJ). The study's findings, which have received awards, demonstrate how CSR can enhance a company's reputation and the well-being of individuals with special needs in the company's operational area (Nurjanah, 2021). In studies related to CSR in organizations, one conducted by Gina Bunga Nayenggita, Santoso Tri Raharjo, and Risna Resnawaty titled "Corporate Social Responsibility (CSR) Practices in Indonesia" explores the current CSR implementation in Indonesia. It notes a prevailing focus on meeting community expectations by providing donations and assistance. However, this approach may lead to dependency on companies. It emphasizes the importance of community self-development and local improvement (Nayenggita et al., 2019).

Building upon previous research, this study highlights PT PLN IP Suralaya's distinctive success in implementing a CSR program, earning recognition at two prominent events: TOP CSR Awards 2023 by Top Business Magazine and ENSIA by PT Sucofindo. This research aims to delve into the 2022 CSR implementation by PT PLN IP Suralaya, shedding light on the roles of Public Relations and other departments in CSR within PT PLN Indonesia Power Suralaya. The focus is on a comprehensive exploration of "Corporate Social Responsibility at PT PLN Indonesia Power Suralaya PGU 2022."

2. Method

The descriptive qualitative research method is an approach to research that uses the post positivism philosophy. This method provides a systematic, factual, and accurate description of the facts, characteristics, and relationships between the phenomena under study. In this research project, the researcher will collect relevant data, analyze it, and draw conclusions based on objective findings. This research will focus on how PT PLN IP Suralaya PGU achieved several awards in 2022 and 2023 through its CSR program (Nazir, 2014).

This research applies a qualitative case study methodology, allowing for an in-depth analysis of individuals or social groups within contemporary issues. This approach involves meticulous data collection from various sources, enhancing the depth of the investigation. Through the case study method, the researcher gains insights into the strategies employed by PT PLN IP Suralaya in their programs. This method provides a comprehensive understanding of the context and the strategies implemented, resulting in a more thorough and insightful examination of the subject matter (Murdiyanto, 2020).

Data collection in this study primarily involved in-depth interviews, a method elucidated by Kriyantono (2020, p. 289). Data was collected through in-depth interviews with the Human Resources Manager and the PT PLN Indonesia Power Suralaya Public Relations Assistant Manager. Interviews were semi-structured, allowing for flexibility in question generation. Documentation, including mass media reports, legal regulations, websites, textbooks, annual reports, and social media updates, was systematically examined. Qualitative analysis techniques based on Miles and Huberman's approach, as mentioned in Sugiyono, were employed in the study (2007, p. 204). This technique involves data collection, data reduction, data presentation, and, finally, conclusion.

Data validity is crucial in qualitative research to ensure its accuracy and reliability. Triangulation is a method used to enhance data validity by cross-referencing information from multiple sources. This process involves validating or comparing primary data with external data from various sources. (Moleong, 2017). In this study, the researcher adopted the method of source triangulation. Source triangulation involves cross-referencing data from diverse sources such as interviews, archives, and other documents. This approach allowed for verifying and validating the data obtained using multiple sources (Wijaya, 2018).

3. Result and Discussion

3.1 Fundamental Concepts of Corporate Social Responsibility

CSR has developed significantly and become an inseparable topic within the business world. This is because CSR is regarded as a company's moral responsibility to various stakeholders, both internal and external. This moral responsibility encompasses environmental protection, relationships with local communities, good working conditions, and contributions to social welfare. In the conceptualization introduced by Elkington in his 1998 book, "Cannibals with Forks: The Triple Bottom Line in 21st Century Business," CSR is structured around three core components: Profit, Planet, and People (3P). This concept emphasizes that a company in this case, PT PLN IP Suralaya considered ethical when it doesn't solely pursue financial (profits) but also demonstrates concern for environmental sustainability (planet) and the well-being of society (people) (Wibisono, 2007).

3.2 Implementation Corporate Social Responsibility

Planning in implementing CSR plays a pivotal role in ensuring that the CSR programs can operate successfully and positively impact the surrounding community and the environment. According to Wibisono (2007, pp. 121–124), the planning process has three main stages: Awareness Building, CSR Assessment, and CSR Manual Building. The first step, Awareness Building, is the initial stage to create awareness about the importance of corporate social responsibility. The first step in CSR planning is to create awareness about the importance of corporate social responsibility. PT PLN IP Suralaya is committed to balancing economic success and social progress, in line with its vision and mission, as well as the CEO's, Mr. Edwin Nugraha Putra, vision of becoming a world-

class power generation company that thrives alongside the community and the environment. This commitment is realized through the INPOWER-CARE program. The second step in the planning phase involves conducting a CSR Assessment. According to Wibisono (2007, pp. 121–124), CSR Assessment is "an effort to assess the company's current conditions and identify the priority areas." PT PLN IP Suralaya conducts social mapping to understand stakeholder needs, ensuring that CSR programs effectively address local issues. The INPOWER-CARE program covers economic, educational, healthcare, environmental, and women's empowerment initiatives, supported by community assistance, community relations, and community empowerment pillars. In the final step, guidelines for implementing CSR are established based on identified needs. PT PLN IP Suralaya collaborates educational Institut Pertanian Bogor (IPB), Universitas Gadjah Mada (UGM), and Universitas Sultan Ageng Tirtayasa (UNTIRTA). Apart from academic institutions, the company also engages Non-Government Organizations (NGOs) as consultants in formulating CSR policies. Once concrete data on community issues and needs are gathered, a program timeline for the coming year is created, simultaneously allocating CSR funds.

The second stage in CSR implementation is the execution phase. According to Wibisono (2007, pp. 121–124), this phase involves three main steps. First, the socialization step is carried out to introduce the company's CSR concept to all community components, including employees and the public. Second, it involves the implementation of the company's pre-designed CSR programs. Subsequently, the internalization phase includes efforts to integrate the company's CSR programs into its business processes. Based on interviews, PT PLN Indonesia Power Suralaya conducts socialization with all stakeholders, including employees, government, media, and the community. They then begin to implement CSR programs, guided by five scopes: IPreneur (economy), IPintar (education), SehatIP (health), Hijaunesia POWER (environment), and InspirasiPerempuan (women's empowerment). Here are the tangible forms of PT PLN IP Suralaya involvement in implementing the CSR pillars of INPOWER-CARE;

- a. IPreneur, the Satya Gatwa Program, has made a positive economic impact by empowering individuals with mental health disorders (ODGJ). These activities include treatment, raising mental health awareness among families and the community, and therapy for ODGJ, including exercises, duck farming, salted egg production, and modern agriculture. These initiatives have resulted in positive impacts for 19 ODGJ, making them more productive and enabling them to earn an income of Rp1,000,000 per month per person.
- b. In the education scope (IPintar), PT PLN IP Suralaya runs the "Management Mengajar" program for educational institutions within their operational area.
- c. SehatIP, a program supporting community health aspects. This program involves community empowerment in healthcare, initiated by PT PLN IP Suralaya PGU in collaboration with UPTD Puskesmas DTP Pulomerak. It includes establishing a Center for Mental Health Services known as "Satya Gawa," which encompasses various activities to restore the mental well-being of individuals with Mental Health Disorders.
- d. Hijaunesia POWER, includes creating Eco Park Suralaya using paving blocks made from fly ash and bottom ash (FABA). These waste products from coal combustion are now used as substitutes in concrete production (Ghozali et al., 2018).
- e. InspirasiPerempuan is a CSR program aimed at developing the potential of women within the company's operational environment. One of the initiatives under this program is "Omah Kreteg Anggana," which was established in 2019. Women are empowered to produce local foods, gain knowledge in product innovation, and ensure the halal certification of their products.

The next step in implementing CSR is the evaluation phase. As per Wibisono's explanation, the evaluation phase is a regular process aimed at assessing the extent of the success of a company's social responsibility programs. This evaluation needs to be conducted periodically to measure the effectiveness of the CSR programs that have been implemented. In this context, PT PLN IP Surabaya

also regularly monitors, typically at least once a month. This evaluation phase reveals specific facts that present challenges for the company in executing community empowerment programs. Specifically, in Cilegon, the community tends to lean towards employment in the industrial sector, even if it means working as assistants (helpers), rather than seeking opportunities to become entrepreneurs or artisans. Consequently, it becomes imperative to devise an effective strategy for approaching and enlightening the community.

In conducting these evaluations, PT PLN IP Surabaya employs three methods:

1. They use Self-Assessment, which involves evaluating institutional development, administrative management, and infrastructure aspects.
2. They utilize community satisfaction surveys in collaboration with an educational institution in the Banten region, UNTIRTA.
3. They employed Social Return on Investment (SROI) to assess the impact of investments provided to the community through CSR programs.

PT PLN Indonesia Power establishes program success indicators based on value, with an average program having a 5-year timeline for providing support. After five years, the assisted communities are expected to be self-reliant without further assistance from the company. When a program has not achieved self-reliance within these five years, the company has two options: discontinuing the assistance program or replacing it with another program while keeping it within the same community group.

4. Conclusion

Corporate Social Responsibility (CSR) is a vital aspect of the business world, and PT PLN IP Suralaya exemplifies this commitment through its INPOWER-CARE program. This initiative focuses on balancing economic success with social progress and environmental sustainability. CSR implementation at PT PLN IP Suralaya involves a well-structured planning process, socialization, program execution, and internalization. The company actively participates in various pillars of INPOWER-CARE, covering economic empowerment, education, community health, environmental initiatives, and women's empowerment. Regular evaluation is vital to their CSR strategy, utilizing self-assessment, community satisfaction surveys, and Social Return on Investment (SROI) to measure program impact. The company sets goals for community self-reliance within a 5-year timeframe. In essence, PT PLN IP Suralaya's CSR efforts reflect a commitment to ethical, sustainable business practices, addressing community and environmental needs while continuously assessing and adapting their approach for lasting positive outcomes.

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