

# Community Satisfaction Analysis of the Implementation of CSR Programs in Rembang

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## ABSTRACT

Nowadays, the sustainability of a company does not only depend on financial issues. The company focus on 3P aspects (Profit, People, Planet), especially companies that work on natural resource processing. To break the paradigm, it is necessary to have good cooperation between the company, the community, and the environment through the Corporate Social Responsibility (CSR) program. The purpose of this activity is (1) Analyze the level of CSR performance with community expectations (2) Analyse the level of community satisfaction with the implementation of the CSR in Rembang. Data analysis and processing techniques used are IPA (Importance Performance Analysis) Matrix to find out how much the customer is satisfied with the company's performance, and how much the service provider knows what customer wants and the Customer Satisfaction Index (CSI) to measure the level of customer satisfaction with service performance. The measurement results show that the community's evaluation of the management program attributes carried out by CSR management has a suitability level of 97%. This shows that the management program attributes are sufficient but still need improvement to provide values that are in line with community expectations.

Keywords— CSI, CSR, IPA Matrix

## 1. INTRODUCTION

### 1.1. Background

The Center for Sustainable Enterprise (2010) discusses sustainability as "a way of doing business that creates profits without prejudice people and the planet. Orsato (2006) conveys further about companies that have made large investments in sustainability to support agreements that generate community and company profits. One way for companies to act sustainably is through the Corporate Social Responsibility (CSR) program. CSR implementation is part of 3P (profit, people and planet) aspects application. Corporate social responsibility (CSR) is a business model that provides and helps companies to be socially responsible to their owners, and the community, which is called corporate citizenship, companies can help the community, with the economy, social, and environment aspects (Chen, 2019). Furthermore, Chen (2019) also stated that companies who support CSR programs have developed a business to the point of providing it to the public so, it can be requested as CSR is a big corporate strategy. The bigger responsibility for implementing ethical safety to colleagues, challenges, and industry is an indicator of a successful company. Limited Liability Company Law No. 40 of 2007 clause 74, regulating the implementation of social responsibility in Indonesia "every company is required to allocate net profit funds to carry out social and environmental responsibility or Corporate Social Responsibility (CSR)".

On November 1, 2010, the implementation of CSR globally was standardized through ISO 26000 issued by the International Organization for Standardization and is a guideline standard regarding the social responsibility of an

institution that covers all sectors (both the public and private sectors). The ISO 26000 guidelines, cover the core subjects of organizational governance, human rights, labor practices, the environment, fair operating procedures, consumer issues as well as community involvement and development (Social Responsibility - Discovering ISO 26000 2010).

PT PJB UBJOM Rembang PLTU is one of the Operations & Maintenance Services Business Unit that supports PT PJB in terms of operations and maintenance. At the beginning of its construction up to 2014, the management of the Rembang PLTU under PT PLN, then in 2015 the management of the Rembang PLTU was handed over to PT PJB and become PT PJB UBJOM Rembang with the Performance Contract system. The construction of the Rembang PLTU is a part of the power plant accelerated construction using coal fuel known as the Fast Track Program phase 1. The Rembang PLTU has two commercially operational power generating units that generate 630 MW with the Java-Bali transmission area.

PT PJB UBJOM PLTU Rembang develops Corporate Social Responsibility (CSR) programs in the form of empowerment, capacity building, infrastructure and charity as a form of responsibility and commitment to the community and the surrounding environment. The effectiveness of CSR program implementation can be known with the evaluation process. Because of that, the suitability and accuracy of the program implementation with the expectation of the CSR program recipient group from PT PJB UBJOM PLTU Rembang determines the sustainability of the CSR program. The internal and external evaluation will make it easier to plan the activities for the following years. Evaluation of community satisfaction (CSR program recipient groups) can be done by measuring the Community Satisfaction Index (CSI).

### **1.2. Objectives**

The purposes of this activity are to analyze the level of CSR performance with community expectations and analyze the level of community satisfaction with the implementation of the CSR in Rembang.

### **1.3. Scope of Activities**

The scope of this activity will include areas in the area of PT PJB UBJOM Rembang, sampling is adjusted to the number of people who receive CSR programs. Measuring the Satisfaction Index for Recipients of CSR Programs, and offering recommendations for PT PJB CSR management

## **2. LITERATURE REVIEW**

### **2.1. Corporate Social Responsibility**

The company should focus on the stakeholders in the business activities. Stakeholders, in this case, namely employees, society, government, and customers. To maintain the relationship, it is necessary to do Corporate Social Responsibility (CSR). CSR is a tangible manifestation of the activities carried out by the company in achieving its objectives regularly and continuously. Companies should carry out social responsibility regularly so the reciprocity obtained is in harmony (Yaparto et al, 2013).

### **2.2. Customer Satisfaction**

Satisfaction is a feeling of contentment or disappointment in someone after comparing perceptions or impressions of the performance or results of a product and its expectations. If the performance of the product or service is lower than consumer expectations, the consumer will feel dissatisfied. If the performance is in line with expectations, consumers will feel satisfied. If the performance exceeds expectations, then consumers will feel very satisfied (Kotler and Armstrong, 2008).

Based on Sudarijati's research in 2012, titled "The Effect Analysis of Perception and Satisfaction of Corporate Social Responsibility (CSR)" in the Citeureup district Bogor Regency, stated that public perception of CSR programs was considered excellent. Respondents show that CSR programs benefit the community around. These benefits can help improve the quality of education through scholarships from elementary to high school level. Also, CSR help improves the quality of health through a free examination at the health center, supplements for pregnant mothers, breastfeeding and toddlers, having cataract surgery and mass circumcision. In the field economics, CSR programs help to empower the economy of the participating communities CSR programs through training and coaching UKM in Cietereup District.

## **3. METHOD**

### **3.1. Time and Location**

The Study on Community Satisfaction Index (CSI) on the implementation of CSR by PT PJB UBJOM Rembang was conducted in August 2019. The CSI measurement was carried out on the CSR implementation in 2018.

### **3.2. Data Sampling**

The determination of the sample is conducted on CSR recipient communities from PT PJB UBJOM Rembang in 2018. Besides, samples were also taken from several CSR recipient community groups from PT PJB UBJOM Rembang. The number of CSR recipients in 2018 is a sample from 32 people and 4 groups, namely the Batik Dewi Mustika group, the Women Farmers Group (Larasati), the Processed Food Group (Pantura), and the Waste Bank Group.

### **3.3. Data Collection Technique**

Data collection methods are carried out in various ways, namely:

*Step 1 Questionnaires*, there are two questionnaires, the CSI measurement questionnaire given to the CSR recipient community and the questionnaire to the groups.

*Step 2. Interviews*, interviews are applied to the community groups and individuals receiving CSR, community development women farmer groups in the village of Pangkalan, as well as the CSR PT UBJOM Rembang.

*Step 3, Observation*, observation is conducted in several areas of Pangkalan, Trahan and Jero Jurang villages.

Documentation, by recording available data in offices or agencies related to research.

*Step 4* Daily notes of researchers during carrying out research activities in several research areas.

### **3.4. Data Analyst Technique**

#### **3.4.1. Validity and Reliability**

The validity and reliability of the instrument are needed to test the questionnaire questions before they are used in collecting research object data. This is required to get accurate and valid data and has high consistency so that the data obtained becomes accurate, precise and stable data. Validity shows the extent to which an instrument measures what you want. Reliability measuring devices show the extent to which the results of measurements with these tools can be trusted (Sugiyono, 2009)

### 3.4.2. Importance Performance Analysis (IPA) Matrix

The use of the IPA method is to measure the level of service satisfaction that enters the quadrants on the IPA Matrix map. In this method, it is necessary to measure the suitability level to find out how much the customer is satisfied with the company's performance, and how much the service provider knows what the customer wants.

In IPA summary, mapping is done into 4 quadrants for all variables that affect service quality. Quadrant in the IPA can be seen in the picture

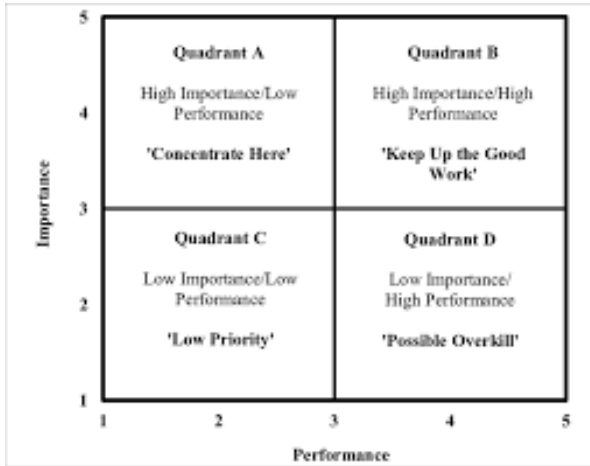


Figure 1. IPA Matrix

Source : Ferreira dan Fernandes, 2015

The strategies can be carried out by concerning the position of each variable in the fourth quadrants can be explained as follows:

**Quadrant 1 (Concentrate These)**

This area contains factors that are considered important by customers, but in reality, these factors are not in line with customer expectations (the level of satisfaction is still low). The variables included in this quadrant must be improved.

**Quadrant 2 (Keep Up The Good Work)**

This area contains factors that are considered important by customers, and already in line with customer expectations, so the level of satisfaction is relatively higher. The variables included in this quadrant must be maintained because all of these variables make the product or service superior.

**Quadrant 3 (Low Priority)**

This area contains factors that are considered less important by customers, and the performance is not too special. The variables included in this quadrant can be reconsidered because the effect on the benefits felt by the customer is very small.

**Quadrant 4 (Possible Overkill)**

This area contains factors that are considered less important by the customer and felt to be too excessive. The variables included in this quadrant can be reduced so that the company can save costs.

### 3.4.3. Customer Satisfaction Index (CSI)

The Customer Satisfaction Index is used to measure the level of customer satisfaction with service performance. The stages of CSI measurement are calculate the Weighting Factor (WF), which converts the average importance value to the total average importance of all attributes tested in percentage form, so total WF of 100% is obtained. then, calculate Weight Score (WS), which multiplying the average value of the satisfaction level with the WF on each attribute. After that, calculate Total Weight (WT), by summing the WS of all attributes, and last calculates the Satisfaction Index, WT divided by the maximum scale used, then multiplied by 100%. The overall level of satisfaction of respondents can be seen from the level of satisfaction criteria. The CSI Value Range can be seen in Table 1

Table 1. CSI Value Range

Value Range	Status
$25 \leq \text{CSI} < 43,75$	Very not satisfied
$43,75 \leq \text{CSI} < 62,5$	Not Satisfied
$62,5 \leq \text{CSI} < 81,25$	Satisfied
$81,25 \leq \text{CSI} < 100$	Very Satisfied

## 4. RESULT AND DISCUSSION

### 4.1. IPA Mapping

In this method, it is necessary to measure the level of conformity to find out how much the community is satisfied with the performance of PT PJB UBJOM Rembang and how much the company understands what the community wants of the CSR program that has been given in 2018.

The performance evaluation of the implementation of CSR programs conducted by PT PJB UBJOM Rembang in 2018 is carried out through 3 aspects, it is the overall program, program management and services, and distribution. It is focused on the attributes in quadrant A because in this quadrant contains attributes that are considered important by the community, but the performance provided has not met the expectations of the community, so it requires improvement. The results of the study using the IPA analysis are :

4.1.1. The Overall Program Aspects

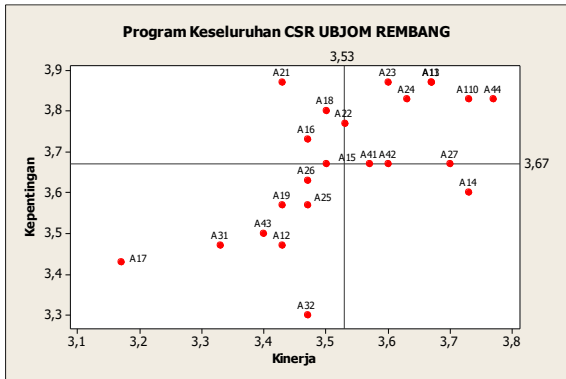


Figure 2. IPA Mapping on The Overall Program Aspects (Appendix 1)

Based on the results, there is still some performance in the overall program attributes of PT PJB UBJOM Rembang, which is still not in line with the expectations or interests of the recipient community of the CSR program. The results of the 2018 IPA mapping of the overall program in the community. However, the performance carried out by PT PJB UB JOM Rembang is not appropriate, are, CSR programs implemented can meet the expectations of the community (A21), CSR programs can be maintained continuously (A18), The assistance schedule suitability with the implementation of the CSR assistance program (A16), and Time rate for CSR program submission to program realization (A15).

4.1.2. Program Management Aspects

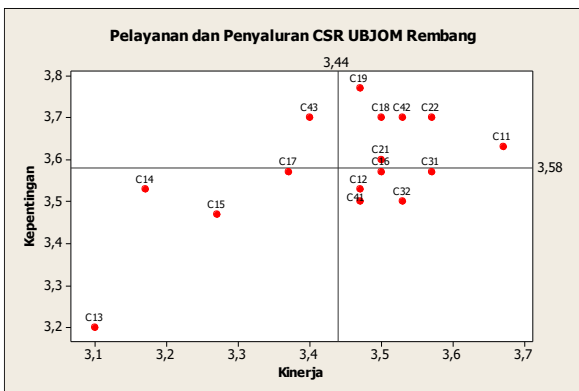


Figure 3. IPA Mapping on Service and Distribution Aspects (Appendix 2)

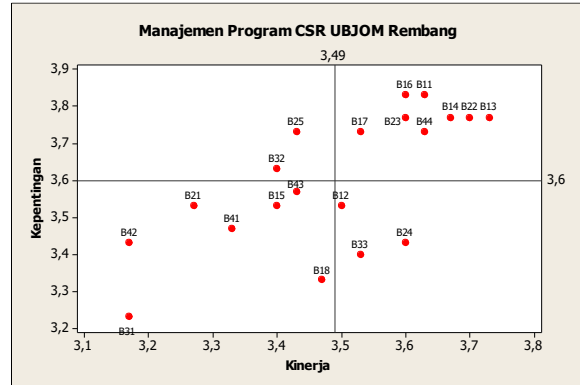


Figure 4. IPA Mapping on Program Management Aspects (Appendix 3)

The attributes in the program management aspect are good enough, but still, need improvement to provide values that are in line with the expectations of the community. The attributes in the program management aspects in quadrant A are the B25 attribute (involvement of other parties such as Ministries, Local Governments, PT, NGOs, etc. in implementing CSR programs) and the B32 attribute (Short-term and long-term benefits felt by organizations and communities).

4.1.3. Service and Distribution Aspects

The attributes of these aspects can't completely meet the expectations of the CSR program recipient community. Also, the attributes that are included in quadrant A still require improvement, namely the assistance in the CSR program has been standardized (C43)

4.2. Result of Analysis of Consumer Satisfaction Index (CSI) of PT PJB UBJOM Rembang

Based on the calculation results, the CSI value for implementing the CSR program of PT PJB UBJOM Rembang in 2018 is 86.59%. This states that the community receiving the CSR program has understood the importance of the CSR program, so that the community is very satisfied with the overall program, program management and service and good distribution of the business, effectiveness, efficiency and quality. This is inseparable from the role of the CSR team of PT PJB UB JOM Rembang who has tried to develop sustainable CSR programs.

5. RECOMMENDATION

Based on the result, there are some recommendations that can be followed by PT PJB UBJOM Rembang, such as (1) planned socialization to the public about UBJOM Rembang's CSR policy, so people get a correct understanding of PT PJB UBJOM Rembang's CSR programs. (2) the company can ensure the sustainability and development of the CSR program which has been implemented in 2018 and has a broad impact on the economy, social, welfare, and the environment. (3) the company can map the area, program recipients, and types of programs according to the needs of the community. (4) more intensive communication with the local community, so it can

facilitate the information and solution distribution, disseminating progress to the community that the benefits will be received because the program is sustainable continuously. (5) implementation of sustainable programs, such as helping marketing access and helping with product innovation (training on product quality, training on new products, and developing community competencies, such as business and household financial management).

Also, company needs to (6) socializing and coordinating with related agencies, regarding CSR programs involving the relevant institution, so the community does not feel that the CSR program implemented is a separate activity from the institution program. (7) Keep communicating and socializing the existence of CSR programs to the community, and providing SOP information on CSR program assistance to gain a public understanding of CSR programs. (8). continue to provide CSR program assistance based on social mapping, budgeting, and priority community needs. (9) Involving other parties related to the community such as the local government and community leaders, and (10) involving the community or group will determine the CSR program that suits their needs. Based on CSR as a manifestation of the company in achieving its objectives, then CSR closely related to the company's sustainable development. Future research needs to analyse the effect of CSR on company performance, because there is a significant and positive effect between CSR on the company's performance. The company that has a good environmental performance will be responded positively by stakeholders, such as the investors and customer that will give positive feedback to improve the company's performance

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## Appendix

Table 2. The Overall program Aspect (Appendix 1)

No	Attribute	Information
1	A11	CSR programs are carried out in accordance with the needs of the local community
2	A12	CSR programs are carried out in accordance with local culture / customs and regulations
3	A13	CSR programs conducted are safe for the surrounding community and the environment
4	A14	The CSR program does not charge a fee to participants in the CSR assistance program
5	A15	Speed of time for submitting CSR programs to program realization
6	A16	The suitability of the assistance schedule with the implementation of the CSR assistance program
7	A17	Timing of CSR programs is as planned
8	A18	CSR programs can be continued continuously
9	A19	After implementing the CSR program, evaluation is always carried out
10	A110	Material resources in the CSR program are allocated equally and proportionally for each region
11	A21	CSR programs are carried out capable of meeting the needs of the community
12	A22	CSR programs are carried out in accordance with community expectations
13	A23	Assistance is provided in accordance with the needs and potential of the environment
14	A24	The person in charge / implementing the CSR program performs its duties properly
15	A25	Participation or involvement of the local community in implementing CSR programs
16	A26	The sustainability of the CSR assistance program is carried out until the community is successful (prosperous)
17	A27	The community understands and feels the benefits of the CSR program carried out
18	A31	The perceived benefits of CSR programs outweigh the efforts to implement the program
20	A32	The output value generated from CSR programs is greater than the costs incurred
21	A41	Program implementation is evaluated by outside agencies / external parties
22	A42	Measured achievement of program goals and objectives
23	A43	Measured level of community satisfaction regarding the implementation of CSR programs
24	A44	Conducted a comparative study of activities to other places

Table 3. The Program Mangement Aspects (Appendix 2)

No	Attribute	Information
1	B11	The CSR program implementers provide clear information (activity objectives, time, place, and resources) of the program
2	B12	Disclosure of information regarding the service procedures for CSR assistance programs
3	B13	Implementing CSR programs are friendly and polite
4	B14	Implementers of CSR programs provide awareness to the community
5	B15	CSR activities run smoothly and on time
6	B16	Timeliness of officers / assistants in implementing CSR programs in accordance with the specified time
7	B17	The activity implementer plays an active, committed and ready role to help the community in the activities
8	B18	The tools, visual aids, documents and other resources provided are appropriate, optimal and sufficient
9	B21	The ability of officers / assistants in implementing CSR programs properly
10	B22	The ability of officers / assistants in conveying information clearly and easily understood by program participants
11	B23	Knowledge and skills of officers / executors / assistants in providing services to the community
12	B24	The purpose of the activity can be measured and felt the benefits by the community and the implementer
13	B25	The involvement of other parties (Ministries, Local Governments, PT, NGOs, etc.) involved in the implementation of CSR programs
14	B31	Simplicity and ease in managing and meeting the targets and objectives of CSR programs

Table 4. The Program Mangement Aspects (Appendix 2)

No	Attribute	Information
15	B32	Short-term and long-term benefits are felt by the organization and society
16	B33	The benefits of the activity are felt to be maximum and measurable compared to the resources expended
17	B41	The activity implementing organizations are regularly monitored and evaluated by independent institutions
18	B42	Measuring achievement of the performance of implementing / accompanying CSR programs in accordance with company goals
19	B43	Measurement of the level of community satisfaction regarding the performance of CSR

20	B44	<p>program implementers</p> <p>There is feedback from the community on the performance of CSR program implementers / facilitators</p>
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Table 5. The SService and Distribution Aspects (Appendix 3)

No	Attribute	Information
1	C11	The ability of the PT PJB CSR section to provide good service to the community
2	C12	PT PJB's CSR department is responsive in providing services
3	C13	The CSR section of PT PJB is willing to handle customer complaints thoroughly.
4	C14	Other parties involved are willing to handle customer complaints thoroughly
5	C15	Similarity of treatment in getting PJB CSR assistance program services
6	C16	Completeness of supporting facilities for implementing PT PJB CSR program
7	C17	Ease of reaching UP PT PJB offices & related service offices
8	C18	The comfort of the environment in which the PJB CSR assistance program is assisted
9	C19	Environmental safety where the PJB CSR assistance program is implemented
10	C21	Clarity in the flow of service procedures and distribution of PJB CSR assistance programs
11	C22	The accuracy of the solutions provided to the community related to problems that occur in the ongoing CSR program (service / distribution)
12	C31	Match between CSR program objectives and their implementation (service / distribution)
13	C32	The suitability of the manner and schedule of services and distribution of planned CSR programs with their implementation
14	C41	PT PJB has a monitoring program in implementing its CSR program (by internal and external parties)
15	C42	Personnel (internal / external) who monitor the implementation of the program have the appropriate competence
16	C43	Assistance provided in CSR programs has been adjusted to the required standards