

Effectiveness of Corporate Social Responsibility Programs in the Poor Village in Gunung Kidul, Yogyakarta, Indonesia

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Abstract— Gunung Kidul is an area in Yogyakarta which has become the object of many CSR programs for companies. The hilly area with 13 geoparks is fairly dry, and many of its poor people certainly need more attention from companies through this CSR program, to develop the potential of their villages. Since 2014, there have actually been many companies that channeled their CSR programs in Gunung Kidul, namely Bank Central Asia (BCA) in Bejiharjo and Bleberan Tourism Villages, Pertamina in Nglanggeran Tourism Village. Various strategies and efforts were made to realize an independent and prosperous village innovation program. This study aims to analyze how the implementation of sustainable CSR programs should be sustainable for the development of tourism villages in Gunung Kidul in the future, to become a prosperous, independent tourism village, and to analyze forms of community participation in encouraging the success of CSR programs, especially in Nglanggeran Tourism Village and Bejiharjo Tourism Village. The research method used in this research is a case study, with data collection techniques such as observation, in-depth interviews, and literature study. The results of this study can be a reference for companies to implement CSR programs that are effective as an innovation for the development of a poor area that is left behind by promoting the principle of sustainability.

Keywords—CSR, Poor Village, and Gunung Kidul

I. INTRODUCTION

Gunung Kidul is one of the regions in the Special Region of Yogyakarta that holds millions of tourism potential, however Gunung Kidul has become one of the regions with a relatively high poverty rate compared to other regions in Yogyakarta, such as: Sleman, Bantul, Kulon Progo, and the City of Yogyakarta. The tourism potential in Gunung Kidul, which has not been developed much, has stolen the attention of many companies to channel their CSR programs. As we all know, that the CSR Program is a form of corporate responsibility to improve the welfare of society.

BCA, Pertamina, and Astra Internasional are a number of companies that have succeeded in developing

several villages in Gunung Kidul into tourist villages that are crowded with tourists. BCA has channeled their CSR program to Bejiharjo Village, which is now known as a tourist attraction in Pindul Cave. This CSR program has brought maximum results, Bejiharjo in 2016 attracted a profit of up to 4 billion rupiah. However, along with its development, social conflicts began to emerge among the Bejiharjo people themselves to fight over their management. Pindul Cave was briefly closed for some time to ease the conflict, of course the conflict caused enormous moral and material losses to the people themselves.

Besides Bejiharjo Tourism Village there is also Nglanggeran Tourism Village, where Pertamina is a company that channels its CSR programs there. PT Pertamina, has transformed the dry areas and shrubs into fertile areas. The construction of the reservoir which is now one of the tourism icons in Nglanggeran, tree planting, and the construction of a training center guesthouse are some of what Pertamina has done. The title of the best tourism village in ASEAN in 2017 was successfully obtained by Nglanggeran Tourism Village, because it was considered capable of contributing social welfare, maintaining environmental quality, and providing quality travel services. At present when this program has ended, there are concerns from the community, especially the farmers there, about their survival, considering that so far they have been very helped and feel assisted, so they worry that they will not be able to walk on their own without assistance from Pertamina.

This study examines how the effectiveness of CSR programs carried out by companies is able to realize the welfare of society, and alleviate poverty. Independence is the key to the success of this program, considering that the community must be able to manage it independently when the CSR program has ended. This is the challenge that CSR program implementers should have answered.

II. THEORETICAL FRAMEWORK

A. Basic Concepts of CSR

CSR programs are a company's responsibility to contribute to the welfare of society, increase independence, and improve a better quality of life. CSR is a commitment of sustainability from companies that run ethically and contribute to development to improve the quality of life of the workforce, and their families, including the local community, as well as the wider community. [1]

CSR is now considered to be a long-term business investment, which is not only social in nature but also supports business success in the future. Therefore the company should implement this CSR program as well as possible, and clearly measured.

"CSR is about capacity building for sustainable livelihood. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government"[2]

"CSR is the idea that business interacts with the organization's stakeholders for social good while they pursue economic goals". [3]

From the above definition, it is clear that CSR programs should be carried out in all elements of stakeholders, not only internal but also external. The role of stakeholders in supporting the company's success is certainly very large, therefore there needs to be reciprocity to give them satisfaction with the company's own performance.

CSR programs are often equated with community relations programs. When in fact there are differences between the two. CSR program is a program to establish closeness with the communities that are around the company [4]. This program aims to establish two-way communication between the company and the community itself. Meanwhile the CSR program should have a broader scope, because the object of the activities of the CSR program is not only the community, but also various stakeholders within the company, both internal and external.

B. CSR Management

Management is a process or framework that involves the guidance or direction of a group of people towards organizational goals [5]. Next, management functions, which consist of planning, determine the objectives to be achieved. Furthermore, organizing to classify and determine various important activities and give power to carry out those activities. Third is staffing to determine the needs of human resources, direction, screening, training and workforce development. Finally, controlling to measure implementation with objectives.

In this study, the researcher took management's opinion as a typical process consisting of actions: planning, organizing activities and monitoring carried out to determine and achieve the goals set [6]. Required functions are mentioned as implementing functions, that evoke and encourage all organizational personnel to be able to achieve goals sincerely and in harmony with good planning and organizing efforts. [7].

III. METHOD

This research is a research using a qualitative approach with a case study method. Case study is a study based on the order of time, events, and phenomena that are explained in depth to make a conclusion. The case study in this research was conducted in Bejiharjo Tourism Village and Nglanggeran Tourism Village in Gunung Kidul, Yogyakarta-Indonesia to see the effectiveness of the implementation of CSR programs conducted by Bank BCA and PT Pertamina in both villages.

IV. RESULT AND DISCUSSION

A. CSR Programs in Bejiharjo and Nglanggeran Villages

As we all know, that Gunung Kidul is an area in the Special Region of Yogyakarta-Indonesia which has many hilly areas that are still difficult to reach, even though this area has a lot of natural tourism potential. The majority of the people there are farming, and working as laborers causes the lack of knowledge to manage the tourism potential. Over time since 2012, there have been many efforts made to develop this area, both from non-governmental organizations, governments, and the private sector.

The private sector itself through its corporate social responsibility (CSR) program has contributed a lot to the development of poor areas which are rich in tourism potential there. Among the companies that provide CSR programs there are Bank BCA, Pertamina, Astra International, Bank BRI, Bank BPD, and many others. Bank BCA, for example, channeled its CSR program in Bejiharjo Village, which is rarely known as Pindul Tourism Village. While Pertamina channeled its CSR program in the Nglanggeran Tourism Village which has the natural potential of the Ancient Volcano.

Now who does not know Bejiharjo Tourism Village and Nglanggeran Tourism Village in Gunung Kidul? Both of these tourism villages have become tourism icons in Gunung Kidul that offer the concept of natural tourism. Bejiharjo with his Pindul Cave, while Nglanggeran with Purba Volcano and its Embung. Previously, these two regions did not get any attention at all. However, starting from the ideas and ideas of young people and the surrounding community to develop the tourism potential and enter the private sector that has a role in providing assistance, now the Bejiharjo Tourism Village and Nglanggeran Tourism Village have turned into rich villages with billions of rupiahs turnover.

BCA sees a great opportunity that can be developed in Bejiharjo, this is because the Pindul Cave is unique in that there is a river passing through the cave. So it is different from most other dry caves at the bottom. The length of the cave which reaches 350 meters and 5 meters, so that it is wide enough to develop water tourism with a model tracing the cave. Before it was developed into a tourist attraction, Pindul Cave was previously only used to bathe cows. The initial idea of developing Pindul Cave emerged from the local youth who wanted to develop the Pindul Cave area to be commercialized.

BCA Coaching through its CSR Program, as said by Cyrillus Harinowo-BCA Independent Commissioner is to conduct various soft skills training for tourism management, construction of facilities and infrastructure (toilets, joglo

visitors, parking facilities, and pavilion), besides that BCA also complements by installing an electronic data capture (EDC) machine, payments via Flazz, debit cards, and credit cards making it easier for visitors to make payments to these attractions. [8]

In the soft skills training program, BCA does not only conduct tour guide training, but also conducts financial management, digital marketing tourism, leadership, excellent service, service standards, management, and serving food and team building. Various training programs that are held always get good interest from the surrounding community. The community does have a high enthusiasm in participating in various efforts to develop human resources.

BCA's CSR program is still being carried out and continues to be developed, good management efforts have been carried out to support the achievement of this CSR program, such as: making careful planning, coordinating with the local government and related parties, choosing effective communication media to support program implementation, and conduct measurable monitoring and evaluation.

In line with BCA, PT Pertamina also saw an opportunity that could be developed in the Nglanggeran Purba Volcano, this arid hilly area has been transformed into a shady tourist area and is able to attract the attention of tourists.

Since 2011, Pertamina together with the local government began to transform into a more productive area. This was done by making a reservoir of artificial water in the form of a large pond. Not only that, Pertamina also continues to provide support to Farmer groups with a variety of training in agricultural management and a modern farming system. Pertamina itself chose Nglanggeran as a CSR location because of its characteristics as a marginal area but rich in potential. [9]

Over the past 4 years, Pertamina has continued to assist in changing villages that were originally dry hills with an undeveloped agricultural system into villages with tourism potential with high levels of community participation. Through the Farmer Empowerment Center Program (SPT), this program is committed to providing various training in agriculture and plantations. A total of 135 households were recorded as active in the program with a total land area of 12 hectares. At present the area has become a center for longan and longan commodities.

The success of BCA and Pertamina's CSR programs is actually inseparable from the active role of the surrounding community. The surrounding community has a high commitment to be able to advance their village, becoming an independent and prosperous village. People who already understand well the characteristics of their village, can see an opportunity to be developed. Therefore, when a private sector enters to channel its CSR program, the public welcomes it.

B. Effectiveness of CSR Programs to Improve the Welfare of the Poor

Both CSR programs that were channeled to Bejiharjo Tourism Village and Nglanggeran Tourism Village have indeed proven to be effective in improving the welfare

and independence of the surrounding community. With the natural potential that exists and the persistence of the surrounding community itself has been able to transform arid regions into fertile areas and be able to provide benefits of billions of rupiah.

Nowadays there are many CSR programs that are channeled by the private sector to Gunung Kidul itself, not only in the two tourism villages. Therefore a strong monitoring effort from the Gunung Kidul Regency Government is needed to be able to synergize various CSR programs. Thus it is hoped that the CSR programs that are distributed can be appropriate, and not overlapping.

To achieve this, in August 2017 the Gunung Kidul Government through the Regional Development Agency (Bappeda) formed a CSR forum in which consisted of companies that channeled their CSR programs in Gunung Kidul. This CSR forum is intended as a forum to synergize CSR programs implemented in Gunung Kidul so as not to overlap. [10]

In addition, the implementation of CSR programs should be carried out with the principle of two-way communication between the company and the surrounding community. Thus there will be community involvement in participating in determining and choosing CSR programs needed in their environment. This program aims to establish two-way communication between the company and the community itself. Meanwhile the CSR program should have a broader scope, because the object of the activities of the CSR program is not only the community, but also various stakeholders within the company, both internal and external.

It is hoped that the implementation of various CSR programs in Gunung Kidul will be channeled through this forum, so that the distribution and implementation process can run properly. In relation to supporting the effectiveness of CSR programs, it is also necessary to have a consistent evaluation to support the principle of sustainability in the future. CSR programs as a social program should be clearly measurable what are the expected goals, and how to achieve their strategies.

V. CONCLUSION

CSR programs conducted by BCA in Bejiharjo Tourism Village, and PT Pertamina in Nglanggeran Tourism Village have been proven effective in increasing prosperity and independence there. Both of these villages have migrated from poor villages to rich villages with various development potentials for tourism.

The challenge ahead will be how the CSR program implemented can be future-oriented (futuristic), which means that the CSR program is expected to be able to guarantee sustainability in the future. If now these two tourism villages have become tourism icons in Gunung Kidul, then going forward with the many tourism developments in other places, it is possible that these two tourism villages will no longer be alternatives for tourists given the characteristics of tourists who are easily bored with monotonous tourist attractions. Therefore, various innovations need to be carried out in the implementation of this CSR program, not only oriented to the present, but also to the future.

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