

The Implementation of Corporate Social Responsibility (CSR) Program by an Oil and Gas State Company (PERTAMINA) in Indonesia

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Abstract—The study aims to describe the implementation of Corporate Social Responsibility (CSR) program at an Oil and Gas State Company PT Pertamina EP Asset 3 Cirebon in Klayan Gunung Jati Cirebon as well as the image from the surrounding society toward the company due to the programs. The techniques of collecting the data were survey and interview. The results of the research show that there are several programs regarding the implementation of CSR programs in the field of education, social, health, religion, sport, economy, and environment. The programs have built up positive image toward the credibility of the company since the programs bring and create positive atmosphere and friendly environment for the community surrounding the company as the manifestation of corporate social responsibility.

Keywords—Corporate Social Responsibility (CSR); assumption

I. INTRODUCTION

A growing number of companies are acknowledging the trend toward Corporate Social Responsibility (CSR) [1]. The CSR program is a growing technique that reflects changing social attitude about the obligation that firms holds with respect to the societies in which they operate [2]. The concept that continues to evolve, providing guidance on how an organization interacts with society and its social environment. Corporate Social Responsibility (CSR) has been very popular in the current era of globalization as the concept continues to increase in the interests and priorities of large corporate reputation. Over time, as this concept develops and is further developed, its relevance in the global marketplace becomes more prevalent and recognized especially in the 21st century when many other environmental concerns become increasingly important to society, shareholders and large corporations.

Companies that want to practice business more responsibly and contribute to better society often choose to implement CSR strategies. Many companies combine CSR to become their organization's aspiration because they are eager to improve the performance and image of the company. Some see CSR as a marketing trick in which companies try to get the attention of consumers and improve performance and sales. Often companies decide to incorporate CSR into their business strategy because it will ultimately help improve financial

performance and improve the company's image. The concept of Corporate Social Responsibility (CSR) is a company commitment to behave ethically and contribute to sustainable development through collaboration with all relevant stakeholders to improve their lives in ways that are good for business interests, sustainable development agenda, and society in general [3].

Corporate Social Responsibility (CSR) in the world, especially in Indonesia, until now has become the trend, or even a compulsory for big companies [4]. The corporate social responsibility has an ongoing commitment to large companies to hold firm to business ethics in operation, to contribute to sustainable development. CSR as a series of corporate actions arises to improve its social products, expand beyond the company's explicit economic interests. CSR is regulated in the Government issuing regulation No. 47 of 2012 as the implementing regulation of Article 74 of the Law mentioned [5].

The application of CSR is also a social investment for the company toward the community. The purpose of corporate social investment is intended to upgrade the company's internal resources and reliability. Investment sector of this program is open to the public in order to enhance the company's reputation which is expected not only to pay attention to finance matter but also to the progress of the surrounding community as well as its environment. The implementation of CSR by a company provides many benefits including maintaining and boosting the company's image among the surrounding community [6]. The emergence of a State-Owned Corporates (BUMN) will open a wide range of business opportunities for the development of business development in a country. BUMN is a company that has high flying hours and has operated more than one country. This company has advantages that can make BUMN able to enter a company's market and build its dominance in a short time. One of the BUMNs that implement CSR programs in its business is PT Pertamina EP Asset 3 Cirebon is a branch of PT Pertamina Indonesia. This company has been established in Indonesia since 1957 and has developed as one of the largest companies that provide large quantities of consumer needs in Indonesia. Therefore, this company has implemented CSR programs as one of the efforts to realize the company's mission

related to efforts to create environmentally friendly conditions in a sustainable and systematic manner. The program includes the Community Waste Care Movement Program and also creates healthy environment. This is the essence of PT Pertamina EP Asset 3 to implement CSR programs as the manifestation of corporate social responsibility by promoting social welfare and healthy environment especially for the communities around the company.

II. RESEARCH METHODS

This research focuses on the implementation of the CSR program which was purposed to enhance the quality of company as well as the villagers' assumption toward the existence of the company in the area. The data was gained through survey and interview. The survey method is used to obtain data from the area being investigated [7]. The area surveyed was in the vicinity of Klayan Village, Gunung Jati District, Cirebon Regency. The interview involves stakeholders at PT Pertamina EP Asset 3 Cirebon and the villagers surrounding the company.

III. RESULTS AND DISCUSSION

Corporate Social Responsibility Program. Corporate Social Responsibility (CSR) is a business approach by contributing to sustainable development by providing economic, social and environmental benefits to all stakeholders. The implementation of Corporate Social Responsibility (CSR) company PT Pertamina EP Asset 3 Cirebon in Klayan Village as a concrete example of a CSR program carried out to enhance the credibility of company as well as to create environmentally friendly communities. The program was conducted through sustainable development project.

The survey and interview conducted by the researcher have led to several findings concerning the implementation of CSR program by PT Pertamina Indonesia in Indramayu district area. There are several programs regarding the implementation of CSR programs in the field of education, social, health, religion, sport, economy, and environment.

Each of these activities involves a spirit of synergy from all parties to continually build and create prosperity and create

environmentally friendly communities. This is consistent with the results of research conducted on the implementation of Corporate Social Responsibility (CSR) on the corporate image of PT Pertamina EP Asset 3 that benefits obtained by PT Pertamina EP Asset 3 from CSR programs that influence the company's image or positive response from the community. This shows that CSR program has established good relations with the external public through the programs planned by PT Pertamina EP Asset 3 Cirebon in Klayan Village, Gunung Jati District, Cirebon Regency.

IV. CONCLUSION

The result of this study gives the conclusion that PT Pertamina EP Asset 3 Cirebon has implemented several Corporate Social Responsibility (CSR) program in various fields such as education, social, health, religion, sport, economy, and environment. The programs have built up positive image toward the credibility of the company since the programs bring and create positive atmosphere and friendly environment for the community surrounding the company.

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