

Firm Capacity in Inter-Stakeholders Collaboration in Corporate Social Responsibility Program Implementation

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Abstract: One of the keys to success in implementing CSR that is able to empower the community is the involvement of all stakeholders in the implementation of CSR programs. Such involvement is not only from the community as an object as well as the subject of the program, but also from the government, other companies, as well as regional organizations and at the grassroots level. This study will describe the capability of the company as the main stakeholder in collaboration between stakeholders on the implementation of corporate social responsibility (CSR) programs.

This research was carried out in the CSR program of PT. Pertamina EP 3 Asset Subang using a qualitative approach and descriptive method. The capability of the company will be described based on aspects of the company's core capacity which are an important component of the capability of the organization.

The results showed that PT. Pertamina EP 3 Asset Subang has adequate internal capacity to build collaboration between stakeholders in the implementation of CSR programs. What needs to be done by PT Pertamina EP to maintain the sustainability of collaboration is to give greater attention to aspects of fostering and maintaining relationships with stakeholders on the basis of mutual trust.

Keywords: organizational capability, collaboration, stakeholders, corporate social responsibility

Introduction

Poverty is a common problem that occurs almost at all areas of oil and gas operations in Indonesia. In this case the *Corporate Social Responsibility* (CSR) program by oil and gas companies should be able to contribute to improve empowerment of surrounding communities and reducing poverty. Associated with Oil and Gas Law no. 2 of 2002 concerning implementation obligations community development and empowerment, existence should be oil and gas companies in a region can also contribute to welfare local communities. However, so far it is precisely the communities around the area operations, especially in the Ring 1 region, are in a state of poverty.

Every year oil and gas companies carry out CSR programs with large amounts of funds. However, the communities around the operating area are still in a state of poverty. Various challenges and obstacles in the implementation of CSR by oil and gas companies in Indonesia are supported by the thoughts of oil and gas companies that they are not companies that sell goods directly consumed by the community, so the implementation of CSR programs is only carried out to obtain local permits for which oil and gas operations related to production targets and state revenues achieved. This thinking that led to the implementation of CSR is sometimes only done as a form of charity assistance. This then becomes a temporary answer why the implementation of CSR has not been able to increase the empowerment of communities around the operating area and contribute to improving the welfare of the community around the operational area.

The community still does not feel the significant impact of the results of the implementation of CSR. Likewise with the local government, the company contributes very little to the implementation of regional development. The important thing that needs to be observed in the implementation of CSR is that companies often carry out CSR activities partially and do not coordinate with government development plans. This often results in an overlapping program (BPMIGAS, 2008). Likewise, the relationship between the company and the existing local institutions, there is a negative stereotype from the local institutions towards the company, which sees the company as very stingy and exclusive. The opposite happened that the company viewed local institutions as the political elite of the people who blackmailed the company. This problem certainly becomes serious when between stakeholders have different understandings, goals and interests, because these conditions do not encourage the achievement of CSR goals that empower the community.

One of the keys to success in implementing CSR that is able to empower the community is the involvement of all stakeholders in the implementation of CSR programs. The main stakeholders are companies as the main implementers of CSR activities, as well as those who fund CSR programs . Furthermore, the community as beneficiaries must participate in this CSR activity.

Participation will encourage people to be able to solve the problems they face without dependence on the company. Community participation will lead to independence which is a manifestation of a empowered society. The role of the government is also considered very important, because as the holder of control in every activity that exists in the community carried out by the company or by the community independently.

The involvement of stakeholders in the implementation of CSR has not been fully implemented optimally. In general, the involvement of the government in the implementation of CSR is only carried out as far as coordination when the program will be rolled out, while full involvement between stakeholders in accordance with their roles has not been carried out optimally (Resnawaty, 2015). The initial assessment carried out also shows the same conditions. So far, stakeholders have carried out their respective roles as an institution that has legitimacy and interests. But one another has not yet collaborated to achieve mutual interests.

From the company side, the capability of the company itself determines the collaboration process that they build with other stakeholders. Considering that the company is the main stakeholder in the collaboration process among stakeholders, the position of the company is very strategic in determining the dynamics and achievements of collaboration among stakeholders. As a party that has financial resources as the main resource in implementing CSR, companies can move the direction and process of collaboration in accordance with their interests. But on the other hand, the interests of other stakeholders must also be taken into account by the company so that various interests will remain well-contained .

The capability of the company is understood by some researchers as the ability of the company to carry out tasks or activities in a coordinated manner in order to achieve the objectives of the company (Mulyono, 2013). Organizational capabilities is the main source for achieve good company performance and the application of good or not capabilities depends on available resources (Grant, in Mulyono, 2013). The point is that when the resources owned by the company are not good , the company will have difficulty managing resources power and therefore the capability will not be optimal. Therefore, the core capacity that is part of the capability of the company in the context of implementing CSR will determine the dynamics of the company in the process of collaboration in the implementation of CSR .

Materials and Methods

This research was carried out in the CSR program of PT. Pertamina EP 3 Asset Subang held in Dangdeur Village, Subang District, West Java, Indonesia. To get an overview of the company's core capacity that reflects its capacity as the main stakeholder in collaborating on the implementation of CSR programs, this study will use a qualitative approach with descriptive methods. The role of the company will be described based on data regarding the tasks performed by the company as the main stakeholder of collaboration. As for the aspects of core capacity, which is an essential component of organizational capability (Hu et al., 2015) are described based on the core capacity of an organization that can describe its capabilities, namely: (1) *leadership programs*; (2) *scope management*; (3) *governance programs*; (4) *matrix organizational structure*; (5) *Compete nce staff*; (6) *partnering with key stakeholders*; (7) *risk management* (8) *cost management* (9) *schedule management*; (10) *knowledge management*.

The research data was collected using in-depth interview techniques and observations as well as secondary data review. Deep interviews committed against companies, local governments, local institutions, and the community. Observation is done by observing the activities carried out by stakeholders on implementation of CSR programs. The secondary data analysis is carried out on secondary data in the form documents related to CSR policies for oil and gas companies and the implementation of CSR programs. This review of secondary data provides complete information to obtain an overview of the company's capacity, while also reflecting its capacity to collaborate with other stakeholders.

Results and Discussion

Before describing the company's core capacity , it will first be described about PT. Pertamina EP Asset 3 Subang Field (hereinafter referred to as Pertamina EP) as the subject of this research. Pertamina EP is a moving company in the field of oil and gas management and exploration in Subang Regency West Java province. As a mining company, Pertamina EP has responsibility social responsibility in developing the economy of the community around the location exploration. Pertamina EP is not only limited to orientation looking for and producing oil and gas sources . In the environmental field Pertamina EP has made several efforts including through energy efficiency activities, emission reduction, 3R waste management, water recycling, and concern for environmental conservation.

In the socio-economic field, the company views and is committed that the community development program is a very important activity, both for the benefit of the company and the community itself. Pertamina EP is committed to carrying out activities operations that are in line with community development activities , as part of which is inseparable from the company's business processes and sustainable CSR and provides added value to company and society . The CSR policy orientation developed in Pertamina EP is a commitment to community empowerment to create prosperity and independence, guided by *Sustainable Development Goals* (SDGs), implement program management to create synergy with the community, and involve stakeholders at each program stage .

The policy regarding corporate social responsibility becomes the foundation of the company in empowering for equity welfare around the location. Following this direction, Pertamina EP implemented a community empowerment program to in the Home Inspiration program. This program is intended for improvement quality of life and welfare of the community R 1 from the wells of the Pertamina mine. Subang Field's Pertamina EP Asset 3 CSR program brings the concept *Ecogreen* with the theme of protecting the environment. *Ecogreen* is a concept which departs from an ecological, social and economic philosophy which

means that rural or urban communities try to integrate the sustainability of the social environment the way of life has low impact on the environment.

Institutionally the management of the Pertamina EP CSR program is CSR Staff and Community Development Officer (CDO) who have duties and functions as implementers in the field. In carrying out its duties CDO is responsible to CSR staff. The task of CSR staff is gathering, compile, process and implementing a CSR program in Subang Region to ensure Corporate and Social Responsibility compliance with The surrounding environment and the laws and regulations applies that supports the creation of good relations with stakeholders and positive image of the company. While the duties as CDO that is tasked to assist and facilitate the community in implementing community development programs at the field .

Company Capability

As stated by Mulyono (2015) that in the company's capacity is one factor internal importance in managing the resources that the company already has . When existing capabilities in a good company, the management of resources will be good - especially when the resources that the company has are good - and later they will be able to achieve *competitive advantage* . More firmly, the capability of the company in addition to helping managers make decisions right, it also facilitates the formation, integration, interweaving and reconfiguration organizational resources, both internal and external (Majid & Yasir, 2012)

Picture capability of the company to collaborate with other stakeholders can be reflected in the *core capacity* company. Core capacity demonstrates the company's ability to utilize internal company resources when interacting with various parties in the framework of managing programs and activities. The company's core capacity includes: (1) *leadership programs* ; (2) *scope management* ; (3) *governance programs* ; (4) *matrix organizational structure* ; (5) *Compete nce staff*; (6) *partnership with key stakeholders* ; (7) *risk management* (8) *cost management* (9) *schedule management* ; (10) *knowledge management* (Hu et al , 2015) . Each component of this capacity will be the capital for the company in building collaboration and striving to achieve the company's program objectives.

Leadership Program

The leadership program is defined as 'the good leadership and clear direction of setting all levels within a program organization' (Reiss et al., 2006, in Hu et al , 2015). Hu et al (2015) also added that Mrs. Scholars affirmed the significant role of leadership in constructing high-performing program organizations. In the context of the program developed by PT. Pertamina EP, The leadership program is an aspect that explains the role of leaders in CSR programs carried out by Pertamina EP. The ability to utilize organizational resources will determine the achievement of company goals. Leadership in the program can encourage companies to be able to allocate funds from profits obtained for the benefit of CSR programs as needed and planning results of *social mapping* and corporate strategic planning .

Base on the structure in Pertamina EP 3 Asset Subang, then sequentially leadership structure in the work unit in the program are: 1) Asset GM; 2) VP Legal & Relations ; 3) Operation and financial functions ; 4) Head Office CSR ; 5) Asset CSR Analyst ; and 6) CSR Staff Field . Pertamina EP builds a working mechanism and work relations between these units that enable the distribution of authority and tasks to be carried out proportionally. This also includes setting up the implementation of tasks in conjunction with collaboration. For example, institutionally coordinating with SKK Migas is the CSR of the head office.

Scope Management

Scope management is given the limits of the program to identify, m engukur and expectations of the program is done to masyarakat. Scope management refers to the identification, measurement and achievement of the expected benefits that a program organization is intended to deliver (PMI, 2006 , in Hu et al, 2015) . The following are the boundaries that are meant in the CSR program Pertamina EP, namely:

1. *Community Development* programs are given to help community based on priorities, real needs of society, help the community in a critical, disaster, disaster nature etc.
2. Assistance provided by the company can provide benefits strategic both for companies and society
3. The community development program is implemented not take the local government program but support it local government program.
4. The community development program is implemented already is an agreement and has been approved by the government area, company and society.
5. Community Development assistance is given in kind money, and not politically oriented.
6. The recipient regions of the program are prioritized by the community in Ring I, which is the community/village that lives directly adjacent to the location of the company's operations. while Ring II and so on, is a community that is located outside Ring I but still in the area of the local government.
7. Development of community development activities in governance this organization is limited to the management of PT Pertamina EP / SKK Migas.
8. Legal & Realtion functions are either requested or not provide consulting assistance or support oeprasi kep a da public relations operating unit / business unit to complete issues that have the potential affect the image of company

Governance Program

Quoting the opinions of some experts, Hu et al. (2015) said that governance is referring to a decision board that can sustain external resource input and ensure progress in accordance with the requirements of prescribed objectives. There is one similarity in the direction of development policy in the two regions which is the basis of the Pertamina EP Community Development

program (Karawang and Subang) which is aimed at alleviating poverty and creating employment through populist economic development. The policy was primarily emphasized through the leading economic development sector in the Subang and Karawang regions, namely the agricultural sector.

The agribusiness program was developed by Pertamina EP holistically from upstream to downstream creating sustainability and sustainability and not just achieving the target of economic improvement and community capacity, but also is expected to support the government in developing infrastructure of region, management of other fields of environment through innovation and technology dissemination .

Strategic plan for Subang Field Pertamina EP Asset 3 Comdev too trying to adopt the values of local wisdom which become the breath of development including mutual cooperation, independence and justice. Value mutual cooperation is realized by developing programs participatory involving Pertamina's partnership with the community, the government regions, colleges and other institutions. The value of independence is directed through the target of achieving each program is the development of independence community and building superior regional centers. Justice values developed through the principles of managing comdev on target, right location, on time and handled with the right mechanism.

The alignment of the program orientation developed by Pertamina EP made collaboration with the regional government easy to do. But there are challenges that have always been a classic reason in the company's CSR program, which is about funding that the government often relies more on the company to make it happen.

Matrix Organizational Structure

Matrix of organizational structure is organizational form in which staff should report to departmental head and project leaders respectively. This factor is one of the characteristics of program organizations (OGC, 2003 , in Hu, 2015). Furthermore, Lycett et al. (2004) pointed out that proper attention should be given to program roles and responsibilities in designing organization programs for megaprojects construction.

The organizational structure matrix describes the position among the parties in the organization involved in the implementation of CSR programs. The CD / CSR institutional model greatly influences effectiveness the performance. Management commitment, financial capability, production characteristics and coverage area are some variables that determine the form CSR institutional model. On the CD / CSR organizational structure of PT Pertamina EP Asset 3 Subang Field is under the authority of the Legal and Relations Section . The implementation of CSR in Pertamina EP is carried out by employees based on tasks and functions arranged in an organizational structure whose bureaucracy provides flexibility to the level of implementers to develop their creativity.

Competent Staff

Competence staff is the competence of the CSR program implementers Pertamina EP 3 Asset Subang that looking from behind education and experience. Shehu and Akintoye (2010 , in Hu et al., 2015) stated that the lack of qualified staff is a major obstacle in constructing the high-performing program organizations. This was strengthened by Geraldi et al. (2010) who agreed with his opinion, adding that competent staff is indispensable for the competitiveness of program organizations .

When paying attention to the qualifications of the staff at Pertamina EP who are responsible for implementing CSR programs, they have an adequate educational background. With at least a level of education in the field of social science, the staff can develop their creativity with the right ingredients and flexibility from their superiors. What is then needed to strengthen these competencies is the appropriate stimulants and standardization that can be used as a guide so that the sustainability of the activities developed is not wasted.

Partnership with key stakeholders

Quoted by Chan et al. (2008), Hu et al. (2015) stated that the partnership with key stakeholders to the establishment of a strong relationship with key stakeholders involved in a program. In addition, Hu et al (2015) also found numerous studies have revealed that internal stakeholder management is crucial in sustaining program success. Related to this, the CSR program of PT Pertamina Asset 3 Subang Field collaborated with many the stakeholder starts from the level of ketokohan desa, RW, Karang Taruna, puskesmas like rahayu, village government to district government Subang. Cooperation carried out in the form of active participation cooperation from some stakeholders such as community leaders and cadets, and passive participation from village and district governments.

During the collaboration with several stakeholders in the operation the running of the house inspires subang, the activities carried out by Rumah Inspirasi Subang has received appreciation from PT Pertamina and the Government especially from the Environmental Service. Both parties support inspirational home program with the delivery of goods and gifts training for employees and local residents for capacity building. The Environmental Service felt helped by the House of Inspiration because on one side of Rumah Inspirasi Subang is a waste management program and according to the environmental service if Rumah Inspirasi compared to other garbage banks in Subang, home inspiration has all the more complete and adequate facilities. Nevertheless, support from the local government through the Environmental Service has not been fully felt.

Risk Management

Risk management is a mechanism developed by the company to reduce risks that may occur as a result of actions taken. Considering that CSR is an important program to support the company in carrying out its *core business*, the success of the program is important to ensure its success. But on the other hand, the success of a CSR program is not only determined by the performance of the company in organizing it, but is also determined by the performance of other parties with an interest in the

objectives of the CSR program. Strategy ompany exact p required in dealing with issues related to CSR programs. Risk management and insurance refers to tasks of keeping a program's risk exposure at an acceptable (Pellegrinelli, 2002). But what must be considered in its management, Lycett et al. (2004) stated that risk management at the program level is more important than that at the project level, which could address the strategic requirements of the level through proper insurance arrangements . To reduce the risk of errors or failures in the implementation of CSR programs, Pertamina EP establishes a monitoring and review mechanism at the program level . This will also facilitate the management of collaboration with other stakeholders when each party develops its own program and activities.

Cost Management

According to Hu et al (2015) c ost management, the first of the 'iron triangle'objectives, Refers to tasks that control program expenditure in the approved budget. Subang's CSR program at Pertamina is not only in Subang, there are some programs spread in Subang and in Karawang are indicators Proper funding of more than 1% of the company's profits is used for CSR program. Funding from those already budgeted is not only for one the Home Inspiration program but also to fund programs others are based on needs, the CSR budgeted then proposed to financial division. The process of submitting a budget is not all that is submitted is approved fully but if it has been approved, funding will be sent to implement to carry out activities in the program after that made use of reporting of funds.

Schedule Management

Quoting PMI (2006), Hu et al (2015) stated that management, the second of the 'iron triangle' objectives, referring to activities of ensuring that the program will produce its required deliverables and solutions on time (PMI, 2006). Kem a mpuan company to manage program implementation schedule shows the institutional capacity of the company is good for organizing activities. Setting the activity schedule made by the company must consider the possibility for the involvement of other stakeholders in the activity. In building collaboration, the existence of other stakeholders is taken into account seriously so that it can be built openly

Related to schedule management and cost management, the components that determine the capability of the company in organizing collaboration is functionality and quality management. These the third of the 'iron triangle' objectives, referring to activities that determine and ensure function and quality requirements to meet the prescribe objectives during execution (Reiss et al., 2006 , in Hu et al, 2015). Pertamina EP builds its CSR program activities through prior social mapping which enables them to determine activities with targets that can be implemented by involving other stakeholders in a collaboration mechanism.

Knowledge Management

Knowledge management is the company's ability to know the conditions and situations that develop along with the implementation of company programs. Various factors that are thought to be able to disrupt the implementation of a program may not be detected beforehand or it can be estimated with the correct interference caused. The way to find out the progress of program implementation is to carry out monitoring and evaluation. Through monitoring will it is known whether the implementation and achievement of the program are in accordance with planning or not.

More systematically monitoring is an activity periodic information gathering to determine whether an activity has been carried out in accordance with the plan. Monitoring is continuous processes are carried out throughout the program cycle starting from training and outreach, planning, implementation and preservation. Results of monitoring activities are used to improve the quality of implementation and adjustments to planning. (Pamsimas, 2013: 30)

Monitoring becomes important because this helps the perpetrators the program knows the progress and development that has been achieved by program. The findings of the monitoring activities as well help program actors to check whether an activity is successful completed according to plan or not. Information obtained from monitoring results is used to evaluate program implementation. E impact valuation is carried out to identify problems and various potential factors explain the problem (Elfindri, 2011). Thus, monitoring and evaluation is finally carried out to improve the quality of the program . The things evaluated need to cover aspects of input, process, output and outcome.

Pertamina EP conducts independent monitoring and evaluation by PT Pertamina EP Subang Field CSR Unit or by l embaga i ndependent appointed to conduct monitoring and evaluation. In addition, program monitoring and evaluation activities are carried out regularly, both monthly or annual with -indikator indicator refers to mentoring. Monitoring and evaluation refers to the results of reporting regular from the companion, namely report two m ingguan. This biweekly report contains an evaluation the implementation of the program is based on a two-week work plan that has been prepared in which obstacles are reported or obstacles encountered and solutions.

Next is the CSR Unit periodically PT Pertamina EP or independent institution appointed together with CSR implementing partners conducting monitoring and evaluation every six months. Results monitoring and evaluation are outlined in the semester report. The Semester report contains the level progress of implementing the mentoring plan in empowerment and development activities village model compared to the plan formulated a month before, and the development of village model activities according to the indicators predetermined successes, problems and constraints faced, solutions that have been made, and suggestions for follow-up.

With the monitoring and evaluation mechanism carried out by Pertamina EP, the company can maintain the availability of information about the program and the condition of the area it manages so that it can take the necessary steps quickly and accurately. This of course will be very easy for decision makers in determining the actions that need to be taken.

Conclusions

Judging from the company's capability to develop collaboration in implementation CSR program, PT. Pertamina EP 3 Asset Subang has adequate internal capacity. Institutionally they are working mechanisms with a bureaucratic flow that is quite strict but quite flexible, allowing everyone to be creative. This is supported by the competency of qualified field implementers in the field of community development. In addition, the relationship fostered by interested parties made PT Pertamina EP easy to develop into a collaborative relationship. The availability of a controlled budget, with a well-managed schedule, and the ability to control the development of the program allow the collaboration of PT Pertamina EP with other stakeholders to be sustainable and mutually beneficial. To maintain the sustainability of collaboration, PT Pertamina EP needs to pay more attention to aspects of fostering and maintaining good relationships with all stakeholders based on mutual trust.

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