CSR' MANAGEMENT STRATEGY OF PERTAMINA TOWARD STREET CHILDREN'S EMPOWERMENT PROGRAM

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Abstract

The present research aims to analyze the strategies of PT Pertamina Hulu Offshore North West Java (PHE ONWJ) for managing Corporate Social Responsibility (CSR) in the 5R ++ (Reduce, Reuse, Recycle, Resale and Reshare) of street children' development program. The present study applied a descriptive qualitative approach by conduction indepth interviews toward several selected informants as well as observation and documentation. The results of present study showed that Pertamina Hulu Energi ONWJ has a TJS manual for explaining the concept of company management which includes policies at every stage of the company's CSR implementation in order to maintain the effectiveness of program. The main elements of a company's CSR management system include Planning, Implementation / Implementation and Inspection / Evaluation.

Keywords: Strategy, Management, CSR, Pertamina Hulu Energi ONWJ.

1. INTRODUCTION

Public relations have a crucial role in a company as ones that developing company's good image in public through their social programs. The task of a public relations officer is not only creating or maintaining a company's image but also creating a conducive company's atmosphere and strong social relations. To achieve that, public relations needs to establish good relations and form communication as well as disseminating appropriate information to the public. Those points are maintained by Cutlip, Center, & Broom (2000) as the management functions of public relations. Therefore, public relations practitioners need to be a mouthpiece for an organization or company. Therefore, the duties and roles of public relations are also closely related to propagating opinions circulating in the public sphere. It is why public relations must be careful in responding to opinions or issues that develop in the community. In this case, the task of public relations can be implemented through activities or programs in the community with the aim of gaining trust, mutual understanding, and a good image from the public in general (Nurjaman & Khaerul Umam, 2012). It can be said that the public

relations are important for a company because they maintain the company's image through their reach-out programs.

Related to the above paragraph, reach-out programs which are usually conducted by public relations are called corporate social responsibility (CSR). A company can be defined as an institution that provides benefits to the community such as job provision, goods or service provision, tax, donations and else. However, a company can also causes many social and environmental problems such as pollution, noise, extortion, and other negative externalities (Hadi, 2011). Therefore, a company needs to show that they care toward their environment by conducting corporate social responsibility programs as an effort to cooperate with the community in creating public trust, mutual understanding and the emergence of a harmonious relationship between the company and the surrounding social environment.

Indonesia itself already has regulations related to corporate social responsibility as stated in the Law on PT. 40 of 2007 article 74 paragraph 1, namely companies that carry out their business activities in the field of and or related to natural resources are required to carry out social responsibility (CSR) and the environment, companies that do not carry out their obligations are subject to sanctions in accordance with the provisions of laws and regulations. Referring to the Act, it can be said that every company engaged in the exploitation of natural resources is required to carry out Corporate Social Responsibility (CSR) programs as a form of corporate responsibility.

CSR is not just a ceremonial activity but it means a company being committed to foster a program that will last for years. One company that has a strong commitment to implementing CSR programs is Pertamina Hulu Energi Offshore North West Java (PHE ONWJ), which is a subsidiary of PT Pertamina Hulu Energi. Until with a strong commitment, Pertamina Hulu Energi ONWJ through its flagship program 5R++ and it managed to win a gold award at the 11th Annual Global Award event which was held in Sarawak, Malaysia. The Annual Global CSR Award is an international event at the Asia Pacific level which is held annually by giving awards to companies that carry out CSR in a measurable, quality and sustainable manner.

Based on the points above, well-management of company's CSR is needed to make the company meets its goal from CSR. The present study aims to analyze the strategies taken by PT Pertamina Hulu Energi Offshore North West Java (PHE ONWJ) to manage their Corporate Social Responsibility (CSR) 5R++ (Reduce, Reuse, Recycle, Resale dan Reshare) program.

2. LITERATURE REVIEW

Public Relations

Public relations can be defined as a summary of planned communication performed internally or externally in order to achieve specific subjects based on a mutual understanding between individuals and individuals, individuals and organizations, as well as organizations and public through dialogic and participative strategies (Suryanto & Gassing, 2016). On the other hand, Kriyantono (2012) refers public relations to a process of building relationships, trust, and cooperation between individuals and individuals and organizations and their publics through a dialogical and participatory communication strategy or program.

Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) is a company's initiative to assess and be responsible for the company's impact on social and environmental welfare. It can also refer to an action or concept taken by a company as a form of their responsibility to the community or the surrounding environment in which the company operates. In other words, a part of the income earned by the institution or company must return to the community (G. Flor & Cangara, 2018).

CSR' Implementation Program

A. Planning

The quality of CSR's planning depends on the company's environmental and social analysis (Hadi, 2011). Program planning is important because it can be used as a direction for implementing programs. In addition, planning also determines which strategies can be more effectively implemented.

B. Implementation

CSR' Implementation is an application stage of the planned CSR program as. The implementation of CSR requires an organizational climate that is mutually trusting and conducive, thereby generating motivation and commitment from the implementing employees. Management of CSR's implementation can also be done with the pattern of Charity, Social Activity, and Community Development. The implementation of CSR

based on Charity Philanthropy means that CSR activities are charitable, short-term incidental. The community is made an object that must receive assistance, so that the company is a benefactor who is ready at any time. The strategy in the form of social activity is a strategy for implementing CSR with the help of services to relieve or help relieve the community. Meanwhile, the Community Development Strategy places stakeholders in the common interest paradigm. The principle of mutualism symbiosis as the basis for the implementation of CSR. Stakeholders are involved in a recourses-based partnership relationship pattern, where partners are given the opportunity to be part of the stakeholders.

C. Evaluation

CSR requires a constant monitoring and evaluation in order to improve in the future, and at the same time determine the level of achievement of the performance of social activities that have been carried out. Evaluation and monitoring are also aimed at knowing the extent to which program objectives have been achieved, as well as whether there are deviations that require corrective action especially for multi-year CSR.

Community Relations

Related to CSR programs, community relations is not only a group of people who live in the same location but also how they interact with each other. In the classical sense, a community is only seen as one of parts of the public served in public relations activities and categorized as external publics. However, in modern public relations practices that tend to replace and change the term public with community, the community is a part of the stakeholders which is served by the organization (Iriantara, 2010).

Environmental Communication

Environmental communication refers to the use of approaches, principles, strategies and communication techniques for environmental management and protection. In summary, environmental communication is the intentional exchange of information both in the form of knowledge and in the form of policies on the environment (G. Flor & Cangara, 2018).

3. METHODOLOGY

The present study uses a qualitative descriptive method which is defined as a type of methods aimed to understand phenomena such as behavior, perception, motivation, action, or else experienced by their research subjects. In this sense, data is collected in the forms of words or pictures but not numbers. The research report will contain data excerpts to illustrate the presentation of the report (Moleong, 2017). Therefore, the present study uses in-depth interviews, observation, and documentation for its analysis.

4. RESULTS AND DISCUSSIONS

Pertamina Hulu Energi ONWJ collaborates with the Kumala Foundation to build the company's CSR program and produce the 5R++ program which is a further development of the 3R (Reuse, Reduce, Recycle) program that has been implemented by the Kumala Foundation. In 2015, Pertamina Hulu Energi ONWJ with the Kumala Foundation developed a 5R++ (Reuse, Reduce, Recycle, Reshare, and Resale) program. The program aims to create trainers who are competent in their fields, able to conduct product marketing at home and abroad. Since the program was established, more than 400 street children have been assisted by the 5R++ program and trained in recycling. In addition, more than 100 participants have become certified trainers in 5R++.

Following are the descriptions of 5R++:

- 1. Reuse is reusing items that can still be used or processed. The 5R++ program tries to reuse items that are no longer needed such as used paper and used wood or other waste that can still be processed into other functions.
- 2. Reduce is reducing waste expenditure. Through non-B3 waste processing, the 5R++ program is committed to reducing the amount of waste in the Cilincing area and its surroundings.
- 3. Recycle is recycling goods. The 5R++ program focuses on recycling non-B3 waste such as used paper and wood
- 4. Re-share is sharing knowledge or knowledge about waste management.
- 5. Resale is reselling products that have been recycled and developing a sales strategy for Kumala products. The 5R++ program is committed to implementing broad product sales.

Institutional capacity building is considered very beneficial for Kumala's foster children. From the institutional capacity development, Pertamina Hulu Energi ONWJ often conducts ToT (Training of Trainer) training through skill trainings, both hard skills and soft skills. Therefore, children assisted by Kumala not only received hard skill training but they also received soft skills training.

The present study analyzes CSR's management of 5R++ Pertamina Hulu Energi ONWJ. The present study uses an approach taken by Hadi (2011) who analyses the subject through planning, implementing and evaluating. The success of Pertamina Hulu Energi ONWJ in managing the 5R++ CSR program certainly cannot be separated from a competent CSR management strategy. Therefore, researchers are very interested in seeing how Pertamina Hulu Energi ONWJ manages CSR programs, especially the 5R++ program that are successful in empowering vulnerable communities or children. The program is able to achieve awards in national and international levels.

The concept of implementing CSR from Hadi (2011) is similar to the TJS (Social Responsibility) manual made by Pertamina Hulu Energi ONWJ. The CSR manual explains the concept of Pertamina Hulu Energi ONWJ's CSR management which includes policies at each stage of the company's CSR implementation. The main elements of the company's CSR management system include following points:

1. 5R++ Program Planning

The planning of CSR programs is carried out by Pertamina Hulu Energi ONWJ to ensure that the programs designed are on target and meet the criteria set by the company. Pertamina Hulu Energi ONWJ ensures that CSR program planning around the company's operational areas is carried out in a participatory manner and involves stakeholders around the area. Pertamina Hulu Energi ONWJ carries out program planning in an informal form, namely through casual discussions between superiors and subordinates. But even so, the communication used at this planning stage still pays attention to the use of good and correct language. Everyone in a casual discussion is also entitled to provide input and opinions for the creation of a CSR program that is in accordance with the objectives.

Pertamina Hulu Energi ONWJ formulates several important points in a planning process:

a. Social mapping, Stakeholder analysis, Impact and risk assessment

Some of the points above are interrelated with each other in the planning process, social mapping and stakeholder analysis are carried out to identify stakeholder parties and their needs, especially parties related and directly affected by the company's regional operations. Impact and risk assessments also need to be carried out so that the activities that will be implemented later can run according to the objectives and are mutually beneficial for both. In this process, Pertamina Hulu Energi ONWJ sets targets to programs' needs

b. Program Planning

The 5R++ program was designed by Pertamina Hulu Energi ONWJ with the Kumala Foundation according to the operational' needs of activities and the surrounding community. The company tries to avoid the program from being a top-down one by providing ideas and input in designing the program or in other words Pertamina Hulu Energi ONWJ always ensures the sustainability of the program. Therefore, the process of social mapping to risk analysis in this case is very much needed to find out what needs exist in the surrounding community.

c. Budget Planning

Pertamina Hulu Energi ONWJ in terms of program budgets has a participatory principle when working with partners. The company does not limit budget revenues in programs that have partnerships with partners because the company's CSR program funds are also limited for each program. In the 5R++ program, for example, not all institutional development costs are the responsibility of Pertamina Hulu Energi ONWJ. The company first looks at what the Kumala Foundation can help and need. Furthermore, in terms of the budget, there is a so-called self-help community budget which is usually issued for minor needs.

2. 5R++ Program Implementation

Every company must have the best implementation strategy so that the CSR program runs according to its vision, mission, and goals. In the 5R++ program, the company carries out activities with a community development pattern. According to Hadi (2011), the pattern of community development places stakeholders in the common interest paradigm. The principle of mutualism symbiosis is placed as the basis for the implementation of CSR. The pattern of community development in this CSR program also seeks to make the 5R++ program a sustainable program. 5R++ activities are carried

out with the principle of symbiotic mutualism where the activities are expected to provide benefits for both the company and the community or stakeholders.

At the implementation stage, the company communicates persuasively, by going to the field to visit the surrounding community and targets to educate and inform the form of 5R++ program planning. Persuasive communication is implemented because the targets in this program are street children who have different emotions and habits so that persuasive communication is needed by providing motivation.

3. 5R++ Program Evaluation

In this stage, Pertamina Hulu Energi ONWJ elaborates their evaluation program as follows.

a. Monitoring and Evaluation

The implementation of monitoring the 5R++ program is carried out periodically or if the obstacles happen. The monitoring system for Pertamina Hulu Energi ONWJ is also known as a layered monitoring where the process has stages starting from selecting the PIC Program to analyzing the results of monitoring by the company's CSR management. The monitoring process is carried out by the PIC program which has been selected by the CD&R Manager. Each Pertamina Hulu Energi ONWJ CSR program has one PIC or person in charge of the program including the 5R++ program. The program PIC will be a liaison or facilitator between the company and its partners, in this case the Kumala Foundation, which is also responsible for monitoring the progress of the program, including conveying information about the program's constraints to the company. The monitoring results will be analyzed by the company's CSR management as a year-end evaluation material.

Program evaluation is carried out annually with stakeholders or beneficiaries in a participatory manner. Communication is always two-way in which the company will open a forum as a discussion session and dialogue in the evaluation and monitoring process. All CSR programs assisted by Pertamina Hulu Energi ONWJ will usually be gathered to present the progress of their activities and discuss the next steps.

b. Management Audit System

Management audit system is carried out internally by competent personnels. Management audit system is carried out by senior analysts from the CD&R division. In this case, the party who is appointed and deserves to be selected will see how the condition of the management system of the 5R++ CSR program for future improvements.

c. Management Review

After evaluating the 5R++ program, the company will hold a management review meeting which must be attended by all management members of Pertamina Hulu Energi ONWJ as evaluators and reviewers. The management review aims to report the results of monitoring and evaluation of the 5R++ program and the effectiveness of the implementation of the CSR system to top management. The review should include assessments, improvements and needs for policies including CSR policies, goals and objectives.

5. KESIMPULAN

- 1. Pertamina Hulu Energi ONWJ collaborates with the Kumala Foundation to build the company's CSR program and produce the 5R++ program which is the development of the 3R (Reuse, Reduce, Recycle) program concept that has been implemented by the Kumala Foundation.
- 2. From the development of institutional capacity, Pertamina Hulu Energi ONWJ often conducts ToT (Training of Trainer) training through skill trainings, both hard skills and soft skills.
- 3. Pertamina Hulu Energi formulates several important points in the planning process which include social mapping, stakeholder analysis, as well as impact and risk assessment; Program planning; Budget planning. Pertamina Hulu Energi ONWJ carries out program planning in an informal form through casual discussions between superiors and subordinates. But even so, the communication used at this planning stage still pays attention to the use of good and correct language.
- 4. 5R++ activities are carried out with a community development pattern and with the principle of symbiotic mutualism where the activities are expected to provide benefits both for the company and for the community or stakeholders and the program is sustainable. At the implementation stage, the company conducts persuasive communication to attract the attention of the target audience, which in this case is street children who have an emotional level that is not easily predictable.
- 5. Pertamina Hulu Energi ONWJ monitoring system is also known as layered monitoring where the process has stages starting from selecting the PIC Program as a

liaison between partners and central management in the monitoring process to analyzing the results of monitoring by the company's CSR management as an annual evaluation material.

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