

## Corporate Social Responsibility Implementations by The State-owned Enterprise and Its impact to economic in Makassar Indonesia

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### *ABSTRACT*

This study aims to determine of the implementation of Corporate Social Responsibility by The State-owned Enterprise in Makassar. This study was conducted research on programs, activities, and regulations of the company, then compared with statements of local communities who are directly involved or receive benefits from company existence. Data were obtained from documentation and interviews from both PT Industri Kapal Indonesia and community. Results of this study shows that State-owned Enterprise has implemented Corporate Social Responsibility. In this case, the Company has carried out various kinds of social programs and activities for the environment and the community. Its as seen also from the results of interviews with employees, and residents around the company. Furthermore, the study shows positif impact to the economic conditions to the community.

**Keywords** : economic; social responsibility; state-owned enterprise,.

## I. INTRODUCTION

Most people assume that industrial companies can have many positive impacts on the environment and society. They assume that the company can improve their welfare starting from opening up jobs, producing goods, contributing to state taxes as a form of increasing state income, and providing a budget for donations if the community needs it. In addition, the company can have a good impact on improving the welfare of the surrounding community.

Reported from the pre-research that the author conducted at PT. Industri Kapal Indonesia (Persero), the author interviewed the GM of Finance & Accounting that the Corporate Social Responsibility activities carried out by this company have been carried out for a long time since 2016 until now and several Corporate Social Responsibility activities, namely Social Service and Environmental Cleaning around the company where these activities provide benefits to the environment and the local community.

Today's business efforts are not only seen from the quality of a company's products but also assessed by how the company treats the surrounding environment. This is expected so that companies do not only seek multiple profits but also pay

attention to the condition of the surrounding environment.

This application aims to increase the company's awareness of its social responsibility.

The shipping industry has an important role in the economy of a region or country, including in Makassar. PT. Industri Kapal Indonesia (Persero) is one of the main companies in this industry in the region. With its operations involving various aspects including ship production, this company contributes significantly to employment, income, and economic growth in the region. However, the impact of such industrial activities on the environment and local communities must be considered. Companies in various sectors are now increasingly expected to be responsible for the environmental impacts generated by their operations (Haldi, 2018). This is what gives rise to the importance of Corporate Social Responsibility (CSR), a business approach that encourages companies to consider the social and environmental impacts of their activities. This involves corporate responsibility towards the community, the environment, and other stakeholders. In the context of the shipping industry, the implementation of CSR can help companies minimize their negative impacts on the marine environment

and the fishing communities that depend on these ecosystems.

The inclusion of Corporate Social Responsibility (CSR) programs as part of a company's business strategy to maintain and improve competitiveness through the company's reputation or image (Darmawan, 2019). Now, what is important is that all parties have a serious commitment to implementing social responsibility programs in their service to the community. Corporate Social Responsibility (CSR) is not just an activity to smooth a company's decision-making process by seriously considering all stakeholders' interests, including the environment. This hall smooths the company to increase external interests. The dominant company in the mall must also take responsibility for the interests of others. Every decision made, every action taken must be seen in the depths of the responsibility (Fatikha & Suhartini, 2022). This study also smooths the Corporate Social Responsibility activities of PT. Industri Kapal Indonesia, a company engaged in the maritime industry. This company has a real estate around the capital city of the population who must pay attention to the environmental conditions related to the impacts caused by the company's activities, both internal and external, in this study aims to find out the implementation of corporate social responsibility accounting in assessing the performance of the company.

Corporate Social Responsibility (CSR) is a form of social responsibility that must be carried out by the Company's management for all stakeholders and all parties who have interests. Corporate Social Responsibility (CSR) is a form of social responsibility from every company, especially for the environment, especially the possibility of environmental damage is increasingly high, so that our children will not be more responsible than with the current generalization. According to Kotler & Lee (2008) CSR is a commitment to improve community welfare through discretionary business practices and the contribution of company resources. CSR is also a business ability to play a role in economic development that is carried out by companies in working together with their employees by providing quality of life for them.

In addition, Corporate Social Responsibility (CSR) practices in Indonesia have been regulated in Law Number 40 of 2007 concerning Limited Liability Companies, using the term Social Responsibility in the Environment. Social Responsibility in the Environment The Company's commitment to participate in sustainable economic development in order to improve the quality of life in a disadvantaged environment, both for the Company itself, the local community and society in general.

This commitment is based on the Company's commitment to carrying out social responsibility in the environment (Astriyanti, 2020).

## **II. RESEARCH METHOD**

This research is a qualitative research, which is a research that is descriptive in nature and tends to use analysis with a descriptive approach. Considering that in this research, hypothesis testing is not carried out with statistical methods. The qualitative descriptive method is used as a research procedure that can produce qualitative descriptive data in the form of written or oral letters from phenomenal people who can be recorded.

The population of this study was employees in the Company around PT. Industri Kapal Indonesia (Persero) in the Company because the focus of the study was the implementation of the company's CSR in the Company's environment. The technique of sampling in this study was employees involved in the Corporate Social Responsibility (CSR) program, local Company members who were directly involved and received compensation from the Corporate Social Responsibility program and the Corporate Social Responsibility Income Report in 2022.

This research was conducted at PT. Kapal Indonesia Industry. The data collection technique was carried out in a documentary manner and in a written form. The data analysis technique used in this study is qualitative descriptive analysis, where the collected data are classified and then explained objectively, then compared and analyzed in accordance with PP No. 47 of

2012 concerning Social Security in the Corporate Environment.

## **III. RESULTS AND DISCUSSION**

### **Data Analysis**

The analysis method applied in this study is a qualitative descriptive analysis, which involves several methods to thoroughly understand the aspects related to Corporate Social Responsibility (CSR) at PT Industri Kapal Indonesia. The method is then classified, explained objectively, and analyzed to understand the impact and effectiveness of the activity in accordance with PP No. 47 of 2012 concerning Social Responsibility in the Company's Environment. Based on the research conducted by the author, there are several things that have been found in analyzing the implementation of Corporate Social Responsibility (CSR) in the Environment in the Company of PT. Industri Kapal Indonesia (Persero). In this article, the author describes the analysis that has been carried out as follows:

#### **a. Analysis of Corporate Social Responsibility**

From the formula given, we can see that to measure the effectiveness of a company's CSR (CSR), we divide the number of items disclosed by the company by the total number of items (N). In this case, in the 2021 edition, the CSR value was 0.0169. This was calculated by dividing the number of items raised by (2) for a total of 118 items. In the 2022 edition, the CSR value increased to 0.0593, with 7 CSR items raised from a total of 118 items. From the calculation, it can be concluded that PT Industri Kapal Indonesia (IKI) has succeeded in increasing the

effectiveness of its CSR program from 2021 to 2022. This increase shows the company's commitment to increasing its contribution to the community in the surrounding environment. The higher CSR value also indicates that PT IKI has succeeded in expressing more CSR items that have become the focus of its activities from the previous year, indicating a quality dedication in increasing its positive impact on the community in the environment.

#### b. Descriptive Analysis of Corporate Social Responsibility Programs

From the data provided to identify CSR (Corporate Social Responsibility) programs carried out by PT Industri Kapal Indonesia (IKI) in 2022, there were a total of 7 programs carried out. The following is a descriptive analysis of each of these CSR activities:

1. Routine Donor Program for PT IKI (Persero) - 2 March 2022: The routine donor program for Kapal is an activity that is very positive and has a positive impact on the company. By routinely holding blood donor events, PT IKI shows its commitment to supporting blood availability in hospitals. This activity does not only harm the recipients of blood donors, but also provides an opportunity for companies to participate in noble social actions.
2. Commemorating Hari Kartini Srikandi IKI Berbagi Talkshow - April 21, 2022: This program shows the role of companies in commemorating Halri Kartini by contributing to the surrounding hospitals. Sharing talk is a form of social concern that strengthens the company's internal relationship in

society. In addition, this activity also reflects the spirit of gratitude and concern for others.

3. After Ramadan, PT IKI Bukal Puasa Bersama & Santuni Anak Yatim - 27 April 2022: Buka puasa bersama in the holy month of Ramadan is an activity that is meaningful, especially in the holy month of Ramadan. By relying on this activity, PT IKI not only strengthens employee relations in management, but also provides positive feedback to the recipients of the donation. This activity reflects the values of charity and social concern of the company.
4. Idul Fitri Celebration of Eid al-Adha 1443H at the PT IKI (Persero) Camp - July 10, 2022: Idul Fitri Celebration at the company's camp shows PT IKI's commitment to supporting employee practices in the surrounding community. This activity creates a harmonious atmosphere in strengthening the company's network, community, and local communities.
5. Sharing the Qur'an, PT IKI Shares the Qur'an with the Surrounding Community - July 10, 2022: The Qur'an sharing program is a form of PT IKI's concern for the welfare of the surrounding community, especially during the Eid al-Adha moment. By sharing the Qur'an with the surrounding community, the company helps alleviate economic burdens and provides direct assistance to the needy.
6. IKI's Clean Friday Action - August 19, 2022: Clean Friday Action is PT IKI's effort to restore the environment around the company and increase awareness of

the importance of environmental cleanliness. Through this activity, the company not only violates the cleanliness of the surrounding area, but also provides a positive example to the community in maintaining environmental cleanliness.

7. Charity Charity for the Gempal Cianjur Jawa Barat Victims - November 28, 2022: This program shows PT IKI's social responsibility to victims of the late disaster. By providing assistance to the heads of the victims in Cianjur, the company helps alleviate the burden and supports the recovery process of the communities affected by the disaster. This activity reflects the values of solidarity and mutual concern.

Overall, the CSR programs carried out by PT IKI in 2022 cover various aspects of social, humanitarian, and environmental concerns. From the descriptive analysis in the field, it is seen that the company has played an active role in supporting the welfare of society in the surrounding environment, as well as strengthening the relationship between the company, the community, and the local community. These programs reflect PT IKI's commitment to implementing its social responsibility holistically and sustainably.

### **Discussion**

Over the past 9 years, PT. Industri Kapal Indonesia has carried out various programs in its activities as a social responsibility of the Company's Corporate Social Responsibility (CSR).

The Corporate Social Responsibility (CSR) program is a form of concern for the

Company's social responsibility, this is something that is very important to note so that events that are detrimental to the community, such as air pollution caused by the company's production machines, do not always occur.

The implementation of the social responsibility of the Company PT. Industri Kapal Indonesia is carried out to make companies that play a role in advancing industrialization in Indonesia and improving the quality of human resources in maintaining the sustainability of natural resources in Indonesia. Seeing the importance of implementing Corporate Social Responsibility (CSR), in helping companies create their positive image, companies should see Corporate Social Responsibility (CSR) not as a central role but as a central role in the process. If Corporate Social Responsibility (CSR) is reversed, then an incident occurs, the costs incurred for recovery costs can be greater than the costs that are intended to be saved through the Corporate Social Responsibility (CSR) itself. This does not include non-final risks in the form of worsening corporate image in the public sector or the economy. The implementation of corporate social responsibility from PT. Industri Kapal Indonesia is in the form of programs and activities that carry different missions and focuses. PT. Industri Kapal Indonesia as an industrial company in Indonesia is developing along with the environment in the surrounding area. PT. Industri Kapal Indonesia is also a company based in the area of the area so that PT. Industri Kapal Indonesia is also a member of the area itself. PT. Industri Kapal Indonesia shows its position in the area by conducting

various developments in the area where the company operates. This program is the basis for continuing to work for the interests of the area until now PT. The Indonesian Oil and Gas Industry strives to realize a sustainable and prosperous society.

The strong awareness of the importance of CSR in building environmental sustainability and social welfare becomes the main driver for companies. Through various CSR programs, such as donations, sharing of donations, and environmental cleanliness programs, companies are actively fulfilling their social responsibilities.

CSR activities carried out not only cover environmental aspects, but also education, health, and social welfare for the community. From a business perspective, it is seen that companies do not only focus on the main purpose of their business sales, but also consider it important to provide positive impacts for the surrounding community. Through stakeholder involvement in collaboration with external parties, companies try to ensure that CSR programs carried out are in accordance with the needs of the local community. The company remains committed to continue developing more effective and sustainable CSR programs. Thus, PT. Industri Kapal Indonesia in Makassar not only strengthens relationships with companies in the surrounding environment, but also builds a sustainable reputation as a socially responsible company in the environment. In addition to its relations with the surrounding community, PT. Industri Kapal Indonesia (Persero) provides positive feedback related to the Corporate Social Responsibility (CSR)

program that has been carried out by the company. From the perspective of Alndi Murti, a clothing seller, it is seen that CSR programs such as clean Friday have directly benefited the environment around the company. Likewise with a grocery seller, Mrs. Nurhalyalti, who felt the benefits of the qurbal program and the prayer of peace that was carried out by the company. From the perspective of Mrs. Nirwalnal, a credit seller, the donor program that is carried out routinely is one example of PT. IKI's concern for the welfare of the surrounding community. The Corporate Social Responsibility program implemented by PT. Industri Kapal Indonesia (Persero) has been implemented by most of the communities living around the company's area. This reflects the company's commitment to providing significant positive impacts on the environment and local communities. Most respondents emphasized the importance of this CSR program, by stating that the program does not only provide direct benefits to the community, but also helps in creating a more harmonious and mutually beneficial relationship between companies in the surrounding community. Most respondents considered the CSR program implemented by PT. Industri Kapal Indonesia to be in accordance with their needs. However, several respondents also highlighted the importance of continuing and expanding the scope of the CSR program in order to be more effective and comprehensive. They called for more active participation from companies in listening to the aspirations and needs of local communities to design programs that are more relevant and beneficial to them. This study shows that companies, including PT.

Industri Kapal Indonesia (Persero), do not only focus on economic benefits but also provide social and environmental added value in building sustainable and mutually beneficial relationships with surrounding communities through various CSR program initiatives. This is in line with the research of Taufiq & Iqbal (2021) which shows that

#### IV. CONCLUSION

Based on the research, it shows that PT. Industri Kapal Indonesia has implemented Corporate Social Responsibility. In this hall, the company has carried out various social activities that are beneficial to the environment in the community such as donating food, sharing snacks, offering prayers and offering alms, performing Eid prayers around the company, offering qurban in the surrounding area, and performing a clean Friday prayer in the area of Allah's disasters that are seen from the calculation of the calculation, the prayer in the surrounding area, and the prayer around the company.

The suggestions from this research are the Company's Prayer, In the company's prayer the eighth is based on a more comprehensive program that is related to the environment in the 2021 calendar year, namely the Corporate Social Responsibility program carried out by the Company. Corporate Social Responsibility, In addition, the corporate social responsibility program is more enthusiastic in its work, especially in the Corporate Social Responsibility program carried out by PT. Industri Kapal Indonesia.

companies do not only focus on economic profit, but also strive to provide sustainable social and environmental value to improve their CSR practices in order to achieve more sustainable and beneficial relationships with the community and the surrounding environment.

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