

Social Dimensions of Corporate Social Responsibility at PT. KAI Persero

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ABSTRACT

The purpose of this research is to examine how PT. KAI Persero, Indonesia Tbk in the Kiaracondong District of Bandung City approaches corporate social responsibility. Triple-bottom-line accounting and CSR theory form the basis of this investigation. Qualitative research with a focus on description. Through activities to empower MSME actors and empower women in partnership and community development programs, the research found that corporations were able to fulfill their social responsibility under the corporate social relations perspective of the Partnership and Community Development program (PKBL). To demonstrate success and have an impact on the benefits felt by the community and by the company, the process of implementing activities in corporate community relations as an indicator of sustainable corporate social responsibility is carried out on monitoring and evaluation from the community and local government.

Keywords: Corporate Social Responsibility , Sustainability, Empowerment, MSMEs.

1 Introduction

As stated in article 40 of Law number 11/2009 pertaining to Social Welfare, the role of business entities in implementing social welfare is carried out as a social responsibility, particularly in addressing seven priority social welfare issues (Lalaun & Siahaya, 2016).

As stated in Sitepu (2011), the development of social welfare is the responsibility of the government, local government, the community, and the business world. This demonstrates the significance of business participation in the development of social welfare. Due to the worsening social problems and the government's inability to resolve them, the government is urging the business community to work together. (Companies as one of the actors in the implementation of social welfare implement it through corporate social responsibility, which is also mandated in Law number 40/2007 concerning Limited Liability Companies article 74 (1) that companies conducting business activities in the f Nature has social and environmental obligations (Said, 2018).

As a responsibility for company operations, social responsibility is a concept whereby businesses can integrate concern for social and environmental issues into their business activities and the manner in which they interact with society as a social environment (Achda, 2006). Corporate Social Responsibility (CSR) is essentially a requirement for corporations to interact with local communities as a representation of society as a whole. The corporate need to adapt and acquire social benefits from its relationships with local communities, in the form of trust (Marnelly, 2012).

Numerous initiatives by the federal government, provinces, regions, and municipalities to enact laws and regulations concerning the implementation of corporate social responsibility. One of them is the Provincial Government of West Java, which has issued West Java Governor Regulation Number 30 of 2011 concerning the Facilitation of the Implementation of Social and Environmental Responsibility in West Java in order to facilitate synergy and coordination in the implementation of corporate social responsibility in supporting development to improve the welfare of the populace. The referred-to facilitation includes the selection of businesses that are suggested to provide assistance to the community. The governor of West Java requested that BUMD expand its scope and social responsibility in order to enhance the health, education, and community empowerment sectors for the benefit of West Java residents. (Pikiran Rakyat, 27 June 2015).

Regarding its activities, according to Lesmana (2007) currently companies in Indonesia, especially large companies have carried out various forms of CSR activities, including State-Owned Enterprises (BUMN), whether in the form of community development, charity, or philanthropy activities which Public services are activities that are community service in nature that are not far from the location where the business world carries out its activities. In addition to activities that are to meet the current needs of society, social responsibility carried out by companies

should also pay attention to the future needs of the community so that the benefits can be felt in a sustainable manner (Suaryana, 2011).

For CSR initiatives to be fruitful, companies must be fully dedicated to contributing to the betterment of society. This turns into a social investment for the business, with long-term benefits for the company and the society (Natalia, 2022).

Several studies' findings on the effects of CSR initiatives on society show both positive and negative outcomes. Several studies on the topic of corporate social responsibility have concluded that businesses engage in CSR because they feel obligated to mitigate the negative effects their operations have on society. According to Rudito & Melia (2013), sustainability is a key principle of corporate social responsibility that must be upheld if community welfare is to be achieved. In particular, how businesses go about carrying out operations (actions) with sustainability in mind is of great importance. However, some of these studies have provided insight for researchers to carry out additional research, from the vantage point of corporate social investment, in order to ensure that it has a lasting effect on society.

In connection with the description above, the researcher is interested in carrying out research with an emphasis on corporate social responsibility that has a sustainable impact on society, with the title " **Social Dimensions of Corporate Social Responsibility at PT. KAI Persero** "

2 Methods

Descriptive studies in the form of text or audio recordings, as well as direct observation of human behavior, are used in this qualitative research (Moleong, 2007). The purpose of this research is to present a comprehensive review of a phenomenon related to Kiaracandong District's efforts to adopt sustainable corporate social responsibility for the benefit of the local community. One way to accomplish this is to conduct research into the current state of the system's players, beneficiaries, and other stakeholders. The purpose of this research is to describe the societal effects of PT. Telkom Indonesia, Tbk's CSR initiatives in the Kiaracandong District of Bandung City. The corporation is positioned as the primary study subject and executor in the whole process, and the qualitative technique used aims to uncover and present an overall picture of the results collected from interviews and data collecting to comprehend the implementation of corporate social responsibility. The MSME community members of Kiaracandong District, Bandung City, are the beneficiaries of the Partnership and Community Development Program (PKBL) in the Bandung area, and the Community Development Center (CDC) Unit of PT. KAI Persero Indonesia, Tbk Bandung served as the informant for this study. Methods of gathering information through direct observation, in-depth interviews, detailed records, and photographs.

3 Results And Discussion

In terms of social impact, we're talking about things like community organizing and infrastructure maintenance. Community development through economic activities (such as the provision of soft loans) and social activities (such as women's empowerment) in the form of a partnership program were implemented by PT. KAI Persero as part of the Partnership and Community Development Program in the Kiaracandong District of Bandung City. Through the Partnership and Community Development Program (PKBL), businesses are given a platform from which to foster community economic growth, which manifests itself in a wide range of creative initiatives designed to improve people's quality of life, help local businesses flourish, and inspire the next generation of entrepreneurs. PKBL's activities are not meant to be merely benevolent gestures or handouts to the community; rather, they are conceived as hooks to help the community become self-reliant and self-sufficient so that the program's aims are no longer contingent on the continued existence of the company.

There is an ongoing program

Kiaracandong District, Bandung City's Partnership and Community Development Program (PKBL) focuses on empowering locals through various means, such as providing soft loans to micro, small, and medium-sized enterprise (MSME) actors as part of its partnership programs and empowering women through its community development initiatives. Through the Partnership and Community Development Program, businesses are given a platform from which to foster economic growth and development in local communities. This is accomplished through a wide range of creative initiatives aimed at bettering the lives of local residents, helping local businesses grow, and inspiring the next generation of entrepreneurs. To achieve its goals, the Partnership and Community Development Program (PKBL) is not philanthropic or focused solely on providing feedback to the community;

rather, its activities are conceived as hooks to help the community become more self-reliant and self-sufficient. The focus here is on the end objective of strengthening local institutions, particularly those serving the underprivileged MSME actors.

Empowering MSMEs in the Partnership Program

The partnership program's empowerment of MSME players is more focused on economic support efforts. The help provided is in the form of a revolving fund that acts as a soft loan for business actors. The partnership model is one of the strategies for enhancing people's well-being and overcoming the challenge of poverty. According to Saidi and Abidin (2004), the corporate social responsibility model applied in Indonesia is a partnership program with a direct engagement model, which means that the corporation organizes its own operations without the use of middlemen. The corporation assigns numerous personnel to this duty via the community development area (CDA), which serves as an extension of the community development center (CDC).

The Partnership Program is carried out directly to the community, including the people of Kiaracandong District, as a direct practice, namely giving capital support in the form of soft loans to persons who run micro, small, and medium companies (MSMEs). This is consistent with the four models of corporate social responsibility used in Indonesia, as proposed by Saidi and Abidin (2004), in which the company organizes its own social responsibility programs directly or provides assistance to the community without intermediaries by assigning one of its officials. To carry out this mission, the firm delegated responsibility to the CDA (Corporate Development Area) Bandung, which is an extension of the CDC (Community Development Center) Divre (Regional Division) III West Java.

The Empowerment of Micro, Small, and Medium Enterprises (MSMEs) partnership initiative fosters strong human resources (HR), which are cultivated from the correct and efficient production to post-production phase. They are encouraged to develop competitive product developments through entrepreneurship training. As a result, the ability to foster innovative thinking and behavior is required. In entrepreneurship training, skills and competencies in management, financial management, marketing, and mutually beneficial cooperation are created.

In addition, the continuity of the partnership program is provided to fostered partners in the form of opportunities to apply for assistance for the second and third time if the loan has been paid off but the fostered partners still require loan assistance, as received by the fostered partners who become informants. The fostered partners cannot apply for the loan again after receiving three (three) times of assistance, because the company believes that with three times of assistance, MSME actors can already be independent and develop their business; in fact, it is hoped that the fostered partners will be able to foster other MSME actors. So that the program's continuity is maintained by MSMEs' ability to foster other MSMEs.

Empowerment of Women in the Community Development Program

In line with Elkington's theory, the environmental development program is an implementation of the social and environmental sectors that utilize grant funds as part of the company's profit allowance.

The process of implementing the PT. KAI Persero in general goes through a proactive disbursement process. That the distribution of funds for the environmental development program is given after receiving requests from the public either through proposals or being proposed by certain parties. This means that the activities for the environmental development program were not planned and not budgeted for in advance.

In implementing the environmental development program in Kiaracandong District, PT. KAI Persero implemented it on the basis of a proposal from a tertiary institution based on a research result to provide assistance to the community in Kiaracandong District. Responding to and following up on the proposal which was scheduled in conjunction with other environmental development program activities throughout Indonesia.

There is a planned program design

Partnership Program

In the partnership program, the provision of assistance in the form of soft loans is accompanied by accompanying activities, namely entrepreneurship training and creative development which function as coaching or mentoring at the same time. Simultaneously with these activities monitoring is also carried out on the implementation of loan utilization. While in the community development program, in this case women's empowerment, the implementation of activities is fully handed over to the beneficiary organization, namely LPM "Rumah Iqra" as the manager of empowerment activities in the Kiaracandong District area. So that monitoring of the smooth running of activities is fully carried out with the participation of the community and local government.

Fostered partners will receive training in the areas of business and financial management in order to better manage their businesses and finances. This training will increase their knowledge and abilities in the areas of management, production, marketing, and entrepreneurial motivation. Training, as defined by Simamora in Marliany (2015), is "the process of learning new skills, concepts, regulations, or attitudes to improve the performance of a workforce." To this end, the organization provides training to its fostered partners that helps them develop their managerial, production, and marketing chops and their sense of entrepreneurial motivation. It is hoped that the fostered partners would be able to manage their finances well enough to make the monthly loan installments without any problems. The facts on the ground reveal that not all sources provided information on entrepreneurship coaching. This is due to the fact that not all informants were made aware of PT. KAI Persero's coaching initiatives. A source of information nevertheless felt compelled to tail him. The source's claim that coaching is done for foster partners who require it was verified by PT. KAI Persero. In order to keep these actions from being broadcast directly to the facilitated relationships.

Participation in product exhibitions at particular events, both domestic and international, is open to all foster partners in creativity development activities. The fostering program's ultimate objective is to help its participants increase sales and expand their customer base. This is consistent with what was said by Anwas (2014), who noted that many SMEs have challenges when trying to promote their products despite having superior quality. Partnerships and direct consumer contact are both viable channels for promoting a product.

In "Cause Related Marketing" initiatives, companies donate a portion of their profits to help alleviate a social issue, either permanently, temporarily, or in relation to a specific product line. This partnership program is carried out within a certain period of time with a series of other activities, specifically entrepreneurship training and creativity development for fostered partners who are interested in participating, demonstrating that the company is not just carrying out its social responsibility with activities that are momentary in nature but sustainable. Management, accounting, and budgeting are all part of this.

Corporate social responsibility activities should help ensure the long-term viability of the company. The micro, small, and medium-sized enterprise (MSME) sector is at the center of the social responsibility initiative. Therefore, it is critical that MSME actors contribute to the success of the partnership program. Anwas (2014) argues that MSMEs are a powerful economic force since they are owned by so many different people and may be found in both urban and rural settings. As a result of relying so heavily on human labor and little reliance on technological aids, MSMEs employ significant numbers of people. As many individuals as possible in the community should be involved in the growth of MSMEs. Establishing MSMEs implies fostering the growth of local economies. A community economy is a type of economy in which many people participate. The people's economy, as defined by Kartasmita (1996), consists of traditional, small-scale enterprise that exists merely to live. Meanwhile, a populist economic system is one that encourages participation from all segments of society. Small and medium-sized enterprises (SMEs) are characterized by low levels of knowledge, skills, technology employed, capital, marketing, promotion, and cooperation, and so on. Therefore, micro, small, and medium-sized enterprises (MSMEs) must be given the tools they need to thrive. The goal of small-enterprise empowerment is to help business actors develop their skills and knowledge. This is why we require constant support. To enhance income and welfare, businesses need to be empowered by agents who are skilled at offering assistance, initiating cooperation with linked parties, and developing an entrepreneurial spirit.

Community Development Program

In fact, the factors that cause poverty are very complex, therefore alleviating the problem of poverty cannot be solved only from the economic aspect, as Suyono in Anwas (2013) states that alleviating poverty towards a prosperous family needs to include non-economic variables. Because solving the problem of poverty does not just increase income but needs to be done holistically which concerns the basic aspects of human life. Poverty alleviation is related to improving the quality of human resources so that they are empowered, stand on their own feet, have autonomy, have bargaining power and competitiveness to be able to live independently. This means that poverty alleviation can be overcome through an empowerment approach. This is in line with the results of Ismail's (2009) research on the role of corporate social responsibility, that a CSR program can be seen as an aid to alleviating poverty. Companies can respond to government calls to help the poor to increase their income.

Empowerment through the community development program in Kiaracandong District is realized through women's empowerment activities which are a form of indirect practice activities, namely services that are not directly directed at the target community, but assistance is given to institutions that have programs directly to the target community, in this case the company provides assistance through organization that organizes women's

empowerment activities. It is said that in an effort to provide indirect services to the target community, various community service organizations including companies can use volunteers, social workers, social welfare practitioners, and various other professions related to social welfare efforts. This means that the company does not provide direct assistance to the target community, but contacts community service organizations (human service organizations). The company organizes activities in collaboration with social institutions/non-governmental organizations (NGOs), government agencies, universities or the mass media both in managing funds and in implementing activities.

Payne (2005) says that: "Empowerment aims to help clients gain the power to make decisions and take actions related to themselves, including reducing the effects of personal and social barriers in taking action". By increasing the ability and confidence to use the power he has, among others, through the transfer of power from his environment.

One important indicator in community empowerment is the level of community participation. Participation means involvement, an awareness to change, a learning process to lead to improvement and a better quality of life. Khambali (2005) argues that: Empowerment of the urban poor as a development program based on community participation (community-based development), program implementation is directed at empowering local village communities so that they can improve their socio-economic and environmental conditions independently and sustainably.

According to Anwas (2014), most poor families and communities rely on the husband to provide financial support. The wife's only responsibility is to stay at home and take care of the kids and the house. Those from less fortunate backgrounds tend to be poorly educated and skilled. Because of this, they feel increasingly helpless because they lack the resources to build their family's economic enterprise, including startup cash and professional connections. Women's involvement is essential to assisting these households. Women from low-income households need support in order to assist their husbands in providing for their families. It's challenging to boost the family's financial situation when you have to rely only on your husband's salary yet lack the resources, skills, and connections necessary to do it. Working together to provide for the family is a great way to bring husband and wife closer together. When husband and wife work together, they can create a powerful drive for social and economic progress. This is sometimes referred to as "empowerment of women."

Cooking classes, dressmaking lessons, and other programs for women and children who have dropped out of school are all part of the Women's Empowerment initiative in the Kiaracandong District. The neighborhood is characterized by low income and other socioeconomic indicators. Therefore, reinforcements are necessary so that they can have empowerment through a series of activities to empower women, such as training in women's skills; clothing and catering arrangements so that they can carry out activities productively and increase family income. A condition that social change aspires to achieve is that of empowered people who are able to meet their own physical, economic, and social needs, such as feeling secure in their own skin, being able to articulate their hopes and dreams for the future, earning a living wage, contributing to their communities, and living independently. As of 2010 (Suharto).

In fact, according to Anwas, (2014) empowering small businesses is not only carried out for people who already have businesses. Empowerment in this aspect is precisely how the community is encouraged to be able to develop various businesses according to their potential. In line with this, PT. KAI Persero offers soft loans to women empowerment training participants, if they intend to develop their skills into business activities.

As Freire (1997) in Anwas (2014) explains that in every individual there is actually the potential to develop. This means that every member of society has the potential to do business in increasing their income. Exploring potential through training in women's empowerment carried out by Rumah Iqra by utilizing assistance from PT. KAI Persero aims for women in the region to have skills which can then be used as business tools to increase family income.

The company establishes relationships through notifications to the local government, in this case the Sukapura Urban Village Head, and LPM Rumah Iqra managers regarding the implementation of providing assistance for women's empowerment activities, as well as inviting the local community to attend the implementation of the assistance. According to Adi (2002) the implementation stage is the most important stage and there must be cooperation between officers and community leaders so that conflicts do not occur between officers and residents or between residents which can hinder activities. Thus the role of the community and community leaders as development cadres can maintain the continuity of the activities that have been developed.

4 Conclusion

Because it demonstrates an impact in the form of benefits that are felt by the community on an ongoing basis, it is possible to draw the conclusion that the partnership and environmental development program on corporate social responsibility of PT. KAI Persero in Kiaracandong District is beneficial to the community.

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