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THE PERFORMANCE ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION AT GOLDEN GREAT BORNEO COMPANY IN LAHAT REGENCY OF INDONESIA DURING YEAR 2021

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ABSTRACT

According to the Decree of Ministry of Energy and Mineral Resources of the Republic of Indonesia number 1824 K/30/MEM/2018, it requires every company to prepare a master plan for Community Empowerment (CE). Golden Great Borneo Company is committed to implementing CSR according to these guidelines. This study aimed to analyze the performance of the company's CSR implementation in 2021. This research was conducted using a transcript of interviews with the ring 1 community and the company. The results of the analysis showed that the performance of the company's CSR implementation were with budget realization reaching 121.45%.

KEY WORDS

Corporate social responsibility, implementation, performance operational company, community development and empowerment.

Golden Great Borneo Company (PT. GGB) is one of the local companies (PMDN) that carries out activities in the coal mining sector. This activity is based on the Decree of the Regent of Lahat Number 503/117/KEP/PERTAMBEN/2010 dated March 14, 2010 concerning on the Approval to Increase the Exploration Coal Mining Authorization to become a Mining Business License for Coal Production Operations to GGB company which is valid for 20 years covering an area of 1,913 hectares.

As a national private company, GGB Company has a vision to become a professional coal mining company that cares about the environment with sustainable growth, and has a mission to implement good mining and good governance in every activity to provide greater value for stakeholders.

According to Juniah & Sastradinata (2017), the basic principles of environmental science include social functions in which the company must care about the impact of the activities which are carried out. One element that must be realized by the Company is through social responsibility or Corporate Social Responsibility (CSR).

The basic principles of CSR are in line with the concept of good and correct mining management (good mining practices) where the utilization of minerals including coal must be optimal because they must be able to protect the functions of the environment and society.

Cahaya (2019) emphasized that mining activities will ultimately affect social, financial and community behavior. Therefore, the focus of CSR programs must refer to sustainable programs. According to Partini (2013), the role of elements of society and the government in empowering the community is an important factor in the success of the CSR program run by the Company. Without the role of these two elements, the CSR program will not run according to the specified target.

Abdullah (2016) stated that companies often implement CSR programs for short-term interests and in a narrow scope. CSR programs which are run are often not a solution to problems that occur in the community. Even there is a misconception about CSR. It is only considered as a means for companies to build a positive company image not to improve the



quality of life of the community in a sustainable manner. CSR programs should be designed to improve welfare through community empowerment with the support from shareholders, academia, the community and the government.

According to the law, Chapter V article 74 of Law No. 40 of 2007 concerning Limited Liability Companies; and described in Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies. This is reinforced by the Minister of Energy and Mineral Resources Decree No. 1824 K/30/MEM/2018 concerning Guidelines for the Implementation of Community Development and Empowerment, GGB Company since the beginning of its operation in 2016 has been running a CSR program until now.

CSR activities of GGB Company is conducted every year with programs divided into eight basic programs ; education, health, real income rate and employment, financial, social and cultural independence, the environment, the formation of community institutions to support the programs being implemented, as well as infrastructure development.

The existence of the company must be able to provide increased welfare to its stakeholders in terms of community involvement in mining activities that pay attention to environmental quality for better future.

This study aimed to analyze the performance of CSR implementation of GGB Company in 2021 in the era of the COVID 19 pandemic and identified factors that affect the performance of CSR implementation. Based on explanation above, it was important to conduct research related to the performance of CSR implementation of GGB Company in 2021 in the era of the COVID 19 pandemic with a consideration of 2021 as the first year GGB company implemented CSR based on the Master Plan for Community Development and Empowerment (CE) that has been prepared and reported to the Ministry of Energy and Mineral Resources of the Republic of Indonesia.

METHODS OF RESEARCH

The study was conducted in the area of Ring 1 of GGB Company which was Arahan Village, Banjar Sari, Gunung Kembang, Prabumenang, East Merapi District, Lahat Regency. The map of the location of regional gains could be seen in Figure 1. This study used a descriptive analysis research method with a qualitative approach. According to Sugiyono (2009), descriptive analysis method is a research method by collecting data according to the actual data then the data is compiled, processed, and analyzed to be able to provide an overview of the existing main problems.

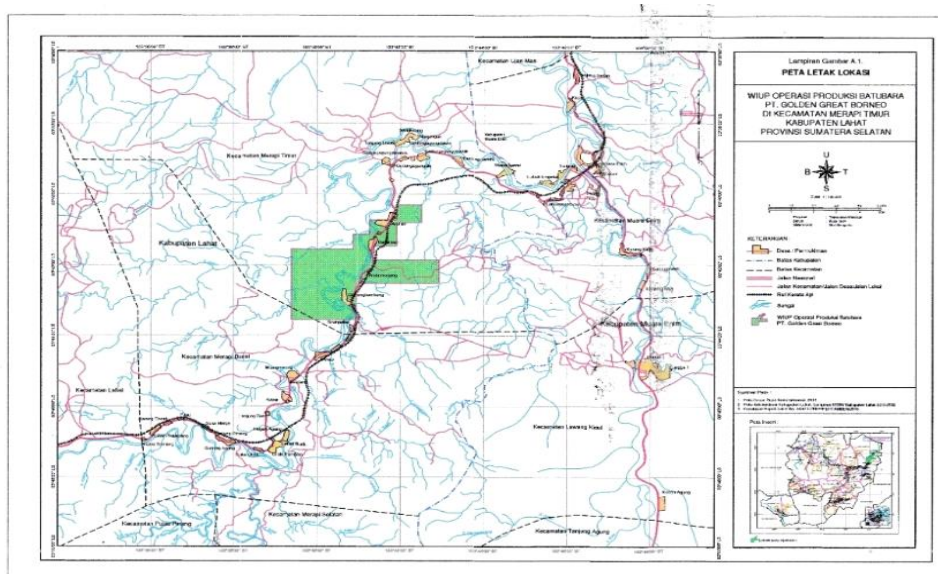


Figure 1 – Location and Regional Appearance of GGB Company (Source: Engineering Department of GGB Company)



Respondents in this study were beneficiaries in the villages of Prabumenang, Banjarsari, Gunung Kembang, and Arahan, East Merapi District, which is the Ring 1 area of Golden Great Borneo Company with 10 respondents ; four headmen, one youth organization committee, one housewife, one village official, and one health officer along with two employess from the company, the Head of Mining Engineering and the Head of the Department of Public Relations and CSR as the party who was running the CE/CSR program of GGB Company.

There were two types of data used in this study, Primary and secondary data. Primary data was obtained through interviews and questions and answers with respondents or parties directly related to the implementation of CSR; the Head of Mining Engineering, the Head of the Public Relations and CSR Department, the headmen, Village officials, and the community receiving CSR assistance with questions related to the study focus.

The stages of primary data collection carried out in this study were: 1). Field survey. Data collection was carried out by directly observing Ring 1 village and documenting field conditions related to the object under study to obtain data related to the implementation of CSR of GGB Company. 2) Interview. Data collection was carried out by asking and answering questions related to the performance of CSR implementation of GGB Company to the Head of Mining Engineering, Head of Public Relations and CSR Department, Head of Ring 1 Village where the object of research was, village officials, housewives, youth leaders, and communities receiving CSR assistance from GGB Company.

Researchers used the interview or question and answer method. Questions and answers with respondents were written directly into the transcript matrix that had been prepared as a document. This matrix facilitated the actual facts of the parties directly related to the performance of CSR implementation of GGB Company. To make it easy, to summarize the data and facts in the field, the writer used an interview transcript matrix guide as shown in table 1 below.

Table 1 – Qualitative Matrix Transcript Interview

N	Variable	Dimension	Descriptor/ Indicator	Question	Informants' Answer					Secondary Data	Interpretation
					Informant 1	Informant 2	Informant 3	Informant 4	Informant 5		
1	Field A	Sub-Field a)	Sub-Fields ; activities in the plan implementation of the 2021 program contained in CE master plan of GGB Company	Questions were made with reference to the 2021 program implementation plan report	-	-	-	-	-	Data in the form of implementation reports	The conclusion of the researcher from the answers of the informants for each sub-field (a).
Conclusion for Sub-Field a:											
	Field A	Sub-Field b)	-	-	-	-	-	-	-		Conclusion of sub-fields (b)
Conclusion for Sub-field b:											
Conclusion for variable A:											
	Field B	Sub-Field a)	-	-	-	-	-	-	-	Data in the form of implementation reports	The researcher's view of the informants' answers for each sub-field.

This study also used an instrument from data on the CE master plan reports of the GGB Company, both the program plan report and program implementation especially in 2021, in which it was the object of study as an indicator to measure the company's CSR implementation performance. The research variables were the object of observation to be studied. The research variables could be seen in table 2 below.

Data processing was carried out to process primary and secondary data that has been collected, and to analyze the performance of CSR implementation in 2021 during the pandemic. This was undertaken by comparing the realization of the CSR program in 2021 with the CSR program plan in 2021 which had been compiled and outlined in the Master Plan for Community Development and Empowerment which had been submitted to the Ministry of Energy and Mineral Resources of the Republic of Indonesia.

The performance of CSR implementation in 2021 was measured from the parameters of the Guidelines for the Implementation of Community Development and Empowerment that had been compiled and reported by the company to the Ministry of Energy and Mineral Resources according to the Decree of the Minister of Energy and Mineral Resources of the



Republic of Indonesia No. 1824 K/30/MEM/ Year 2018. The performance was considered to be successful if at least 80 percent of the programs stated in the CE master plan had been implemented. This percentage figure was the statutory figure in force at the Department of Public Relations and CSR of the GGB Company.

Table 2 – Research Variables of CSR Implementation Performance of GGB Company

N	Variable (Field)	Dimension (Sub-Field)	Indicator (CE Plan/CSR Implementation)
1	Education	Education	<ol style="list-style-type: none"> 1. Educational achievement assistance 2. Assistance for honorary educators 3. Computer training and courses for youth and teachers 4. Trash cans for schools 5. Books assistance for library
2	Health	Health	<ol style="list-style-type: none"> 1. Assistance for Integrated Healthcare Center (Posyandu) activities, toddlers, and the elderly 2. Assistance for honorary staff of Technical Implementation Unit of Public Health Center (UPT Puskesmas) of GGB Company 3. Assistance in suggestions to improve meeting hall of the Technical Implementation Unit of Public Health Center (UPT Puskesmas) of GGB Company 4. Disease Prevention Counseling 5. Workshop of waste processing skills 6. Laptop and printer assistance for the Head of Technical Implementation Unit of Public Health Center (UPT Puskesmas) of GGB Company
3	Real Income Rate on employment	Entrepreneurship, agriculture, animal husbandry, fisheries, skills	<ol style="list-style-type: none"> 1. Agricultural, animal husbandry, and fishery entrepreneurship training 2. Basic training to work in mining; operators, electronics and mechanics 3. Training to increase skills for local people who are already working 4. Goat farming assistance
4	Financial Independence	MSMEs, training skills for mothers and young women, food assistance	<ol style="list-style-type: none"> 1. General MSME development assistance 2. Assistance in developing MSMEs specifically for culinary 3. PKK skills training specifically for catering, sewing, and make-up 4. Assistance with agricultural facilities, seeds and fertilizers for farmers 5. Training on processing agricultural products into various foods 6. Food assistance for poor families
5	Religion, Social, and Culture	Religion, Social, and Culture	<ol style="list-style-type: none"> 1. Fund assistance for the welfare of the Koran teacher and cleaning staff. 2. Donation of sacrificial animals 3. Social assistance and natural disasters 4. Assistance with marawis equipment, qasidah, rai rai dance, along with teachers/trainers 5. Assistance with recitation facilities and infrastructure (iqra, reading books, Koran table) 6. Sweeping training 7. Celebration of religious holidays and the anniversary of the Republic of Indonesia 8. Lahat Anniversary Celebration
6	Providing opportunities for the community to participate in sustainable management of the living environment of the community around the mining site	Cleanliness and environment	<ol style="list-style-type: none"> 1. Assistance with motorized rickshaws to transport garbage and landfills (TPS) 2. Fruit seed assistance 3. Street watering 4. Waste management training through waste banks 5. Implementation of mutual cooperation for environmental cleaning
7	Establishment of community institutions in supporting CE	Business groups, MSMEs, CSR Forum – (partnerships and community development program) PKBL	<ol style="list-style-type: none"> 1. Assistance for youth entrepreneurship activities and scout groups 2. Formation of MSME groups for weaving and agriculture 3. Assistance for CSR Forum activities – PKBL of Lahat Regency PKBL
8	Community empowerment in infrastructure	Infrastructure, sports facilities, village library	<ol style="list-style-type: none"> 1. Bridge construction and renovation assistance 2. Construction and repair of village roads 3. Construction of school facilities, and infrastructures, bore wells, and others. 4. Assistance with facilities and infrastructure for badminton, volleyball, and others. 5. Assistance for the construction and renovation of venues for the South Sumatra provincial sports week (Porprov) in Lahat Regency 2023. 6. Construction of the village library
9	The Effect of CSR on the Company's Operational Performance	Implementation of CSR in accordance with the expectations of the beneficiaries	<ol style="list-style-type: none"> 1. Whether the company's CSR has run according to the expectations of the beneficiaries. 2. Whether the company's CSR implementation has a positive effect on beneficiaries. 3. What your attitude towards companies that have implemented CSR and have built good relations with the community.

Furthermore, the results of interviews and questions and answers with company employees who were responsible for CSR and the beneficiary community regarding CSR implementation were used as the basis for knowing the factors that influence CSR implementation in 2021 and the effect of CSR implementation on the company's production operations performance.

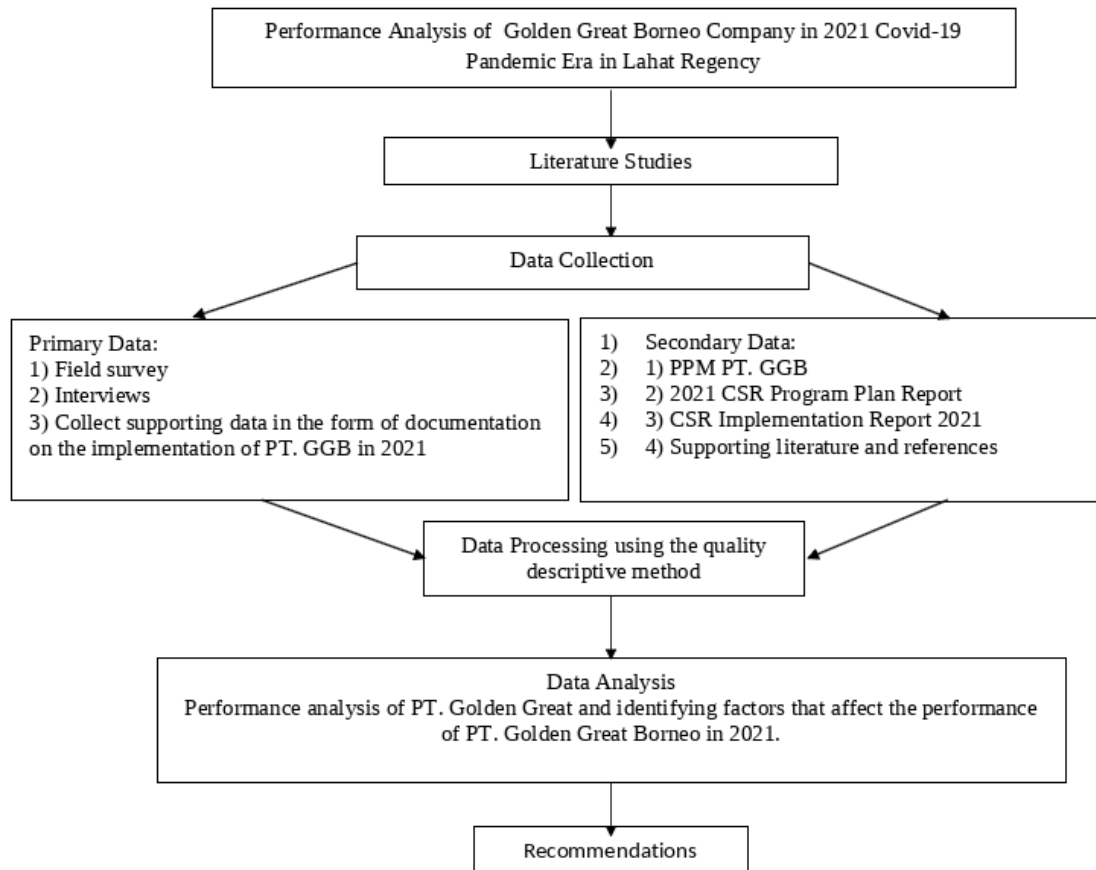


Figure 2 – Research Flow Chart

Data analysis technique was a way to process data into information so that the characteristics of the data became easy to understand and found solutions to problems in research. Furthermore, after the data analysis was complete, it could be concluded that the company's CSR performance and what factors affected the company's CSR implementation in 2021. This conclusion also provided input for company to implement better CSR programs in the future. The research flow chart was presented in Figure 2.

RESULTS OF STUDY

The company's CE Master Plan compiled based on the Minister of Energy and Mineral Resources Decree No. 1824 K/30/MEM/2018 containing the CE program that must be carried out by the company during the production operation period from 2021 to 2026 and the post-mining period from 2027 to 2028.

The total budget for each field was elaborated as follows; Education amounted to IDR 774,500,000; Health amounted to IDR 646,000,000; Real Income Rate on Employment IDR amounted to 408,000,000; Financial Independence amounted to IDR 293,800,000; Religious, Social, and Cultural Sectors amounted to IDR 1,072,000,000; Field of Providing Community Opportunities to Participate in Sustainable Management of the Environment for Communities around Mining site amounted to IDR 528,000,000; Formation of Community Institutions to Support CE amounted to IDR 193,000,000; and Community Empowerment in the Infrastructure Sector amounted to IDR 752,200,000,000 so the total amount of the budget allocated for the CE Master Plan of GGB Company was IDR 4,667,5500,000.

The size of the budget for the eight main programs compiled in the Company's CE Master Plan during the production and post-mining operations could be seen in the graph in Figure 3. The budget allocation for the CE Master Plan each year during the production and post-mining operations was shown in the graph in Figure 4.

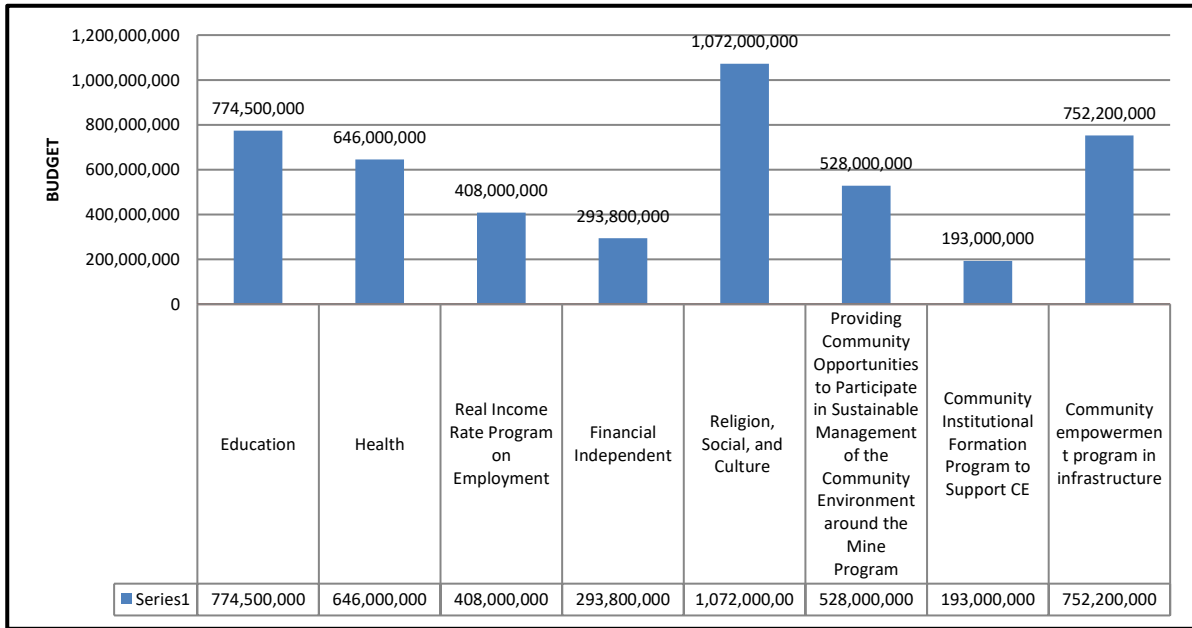


Figure 3 – The size of the budget for the eight main programs compiled in the Company's CE Master Plan during the production and post-mining operations (Source: Public Relations and CSR Department of GGB Company)

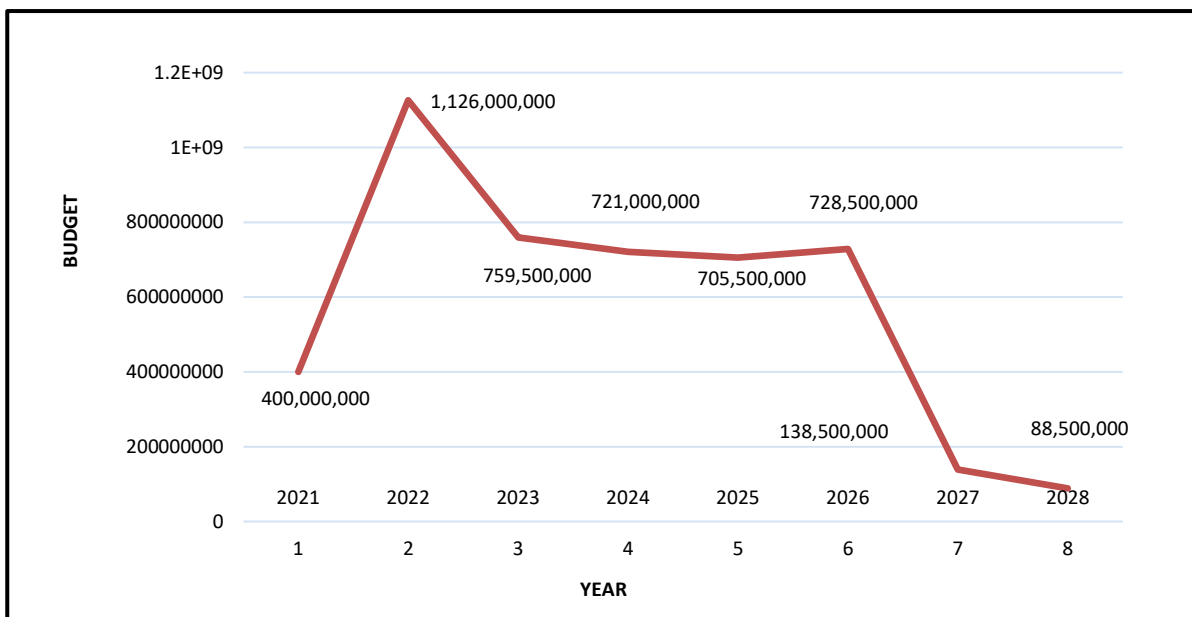


Figure 4 – The Budget Allocation for the CE Master Plan Each Year During The Production And Post-Mining Operations (Source: Public Relations and CSR Department of GGB Company)

The company allocated a budget of CE funds about IDR. 400,000,000 in 2021. Details of activities and budget allocations could be described as follows.

1. Education Program. The company allocated a budget of IDR. 39,000,000. for two activities; 1) Educational achievement assistance for outstanding students in 6 elementary schools, the students received IDR. 4,500,000 each in the area of Arahon Village, Banjarsari, Gunung Kembang, and Prabumenang with a total of IDR. 27,000,000. 2) Assistance with educational books for the libraries of 4 elementary schools in ring 1 village, the schools received IDR. 3,000,000 each with a total of IDR 12,000,000.



The graph of the budget plan for the 8 main company CE programs in 2021 could be seen in Figure 5 and the percentage of the budget plan for each program was shown in the graph in Figure 6.

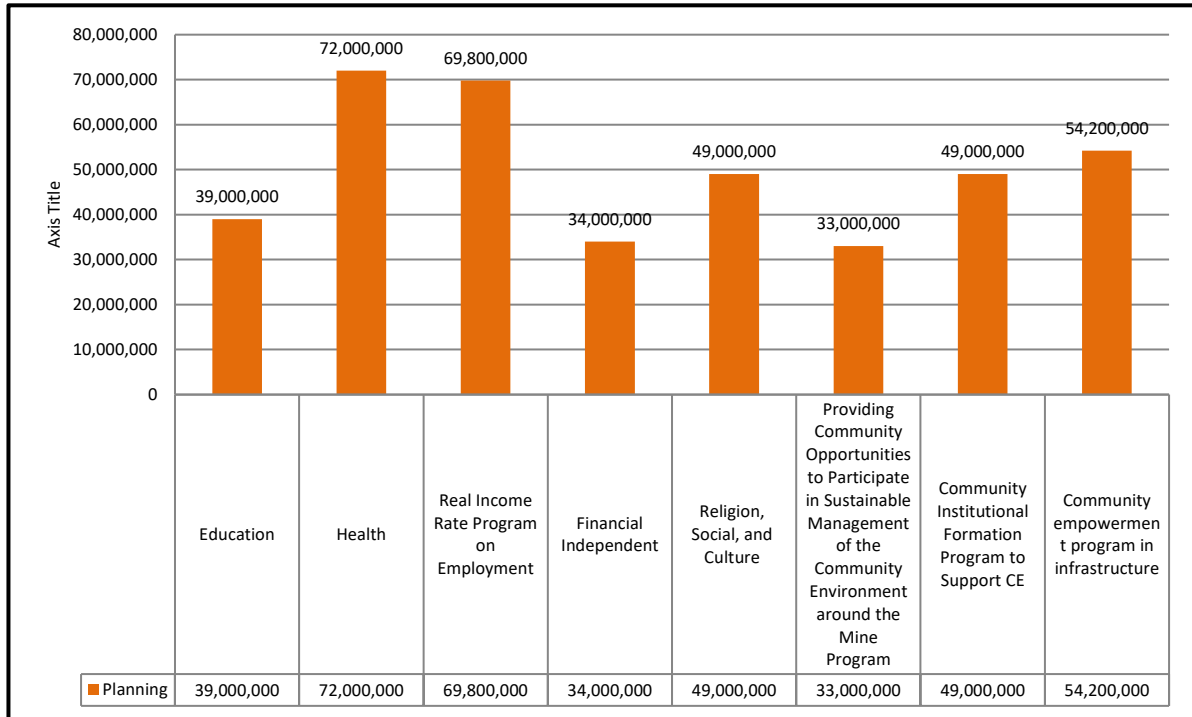


Figure 5 – The Graph of the Budget Plan for the 8 Main Company CE Programs In 2021 (Source: Public Relations and CSR Department of GGB Company)

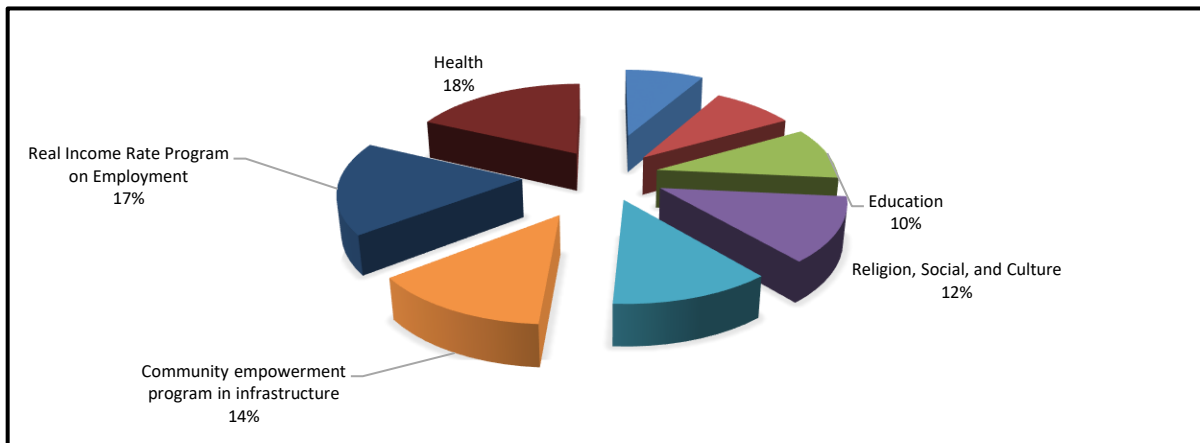


Figure 6 – The Percentage of the Budget Plan for Programs (Source: Thesis Research Data Processing Results, 2021)

2. Health Program. The company allocated a budget of IDR. 72,000,000. for three activities; 1) Assistance for Integrated Healthcare Center (Posyandu) activities, toddlers, and the elderly in 4 villages of ring 1 was IDR. 12,000,000., each with a total of IDR 48,000,000. 2) The honorarium for 12 health workers of the Technical Implementation Unit of Public Health Center (UPT Puskesmas) of GGB Company in Prabumenang Village, each health worker received IDR. 1,500,000. with a total of IDR 18,000,000. 3) Operational laptop + printer assistance were given for the Head of Technical Implementation Unit of Public Health Center (UPT Puskesmas) of GGB in Prabumenang with a total of IDR. 6,000,000.



3. Real Income Rate on Employment Program. The company allocated a budget of IDR 69,800,000 for three activities; 1) Goat farming activities in 4 villages of ring 1 were IDR 13,000,000 each with a total of IDR 52,000,000. 2) Entrepreneurship training for 4 villages of ring 1 was IDR 3,500,000 each with a total of IDR 14,000,000. 3) Development of ring 1 village agriculture was carried out the total of IDR 3,800,000.

4. Financial Independence Program. The company allocated a budget of IDR 34,000,000 for four activities; 1) Manufacture of various household snacks for MSMEs in Banjarsari village was IDR. 8,000,000. 2) Household of tempe chip craftsman industry for MSMEs in Gunung Kembang village was IDR. 6,000,000. 3) Industry of various snacks in Prabumenang village was IDR. 8,000,000. 4) Talikur craftsman industry in Prabumenang village was IDR. 12,000,000.

5. Religion, Social, and Culture Program. The company allocated a budget of IDR 49,000,000 for six activities; 1) The honorarium for the Koran teacher and the cleaning staff of the Al Hikmah Mosque in Arahan Village was IDR. 1,000,000 per month for one year with a total of IDR 12,000,000. 2) Donations for Eid al-Adha sacrificial animals for 4 villages of ring 1 were IDR. 7,500,000. each with a total of IDR 30,000,000. 3) Assistance for Isro 'Mi'raj Karang Tarnuna activities was IDR. 1,000,000. 4) Assistance for Tilawatil Quran Week (PTQ) activities was IDR. 1,000,000. 5) Marawis Team Assistance was IDR. 1,500,000. 6) Assistance for the Independence Day of the Republic of Indonesia for two villages was IDR. 3,000,000.

6. Providing Community Opportunities to Participate in Sustainable Management of the Community Environment around the Mine Program. The company allocated a budget of IDR. 33,000,000 for one activity, namely partnership assistance with a waste bank in Arahan Village of IDR. 33,000,000.

7. Establishment of Community Institutions to Support CE. The company allocated a budget of IDR. 49,000,000 for three activities; 1) Youth partnership assistance for photocopying business activities in Gunung Kembang Village was IDR. 28,000,000. 2) Assistance for making souvenirs in Banjarsari Village was IDR 5,000,000. 3) Assistance for Lahat Regency CSR and PKBL activities was IDR. 10,000,000. 4) Sinar Permata volleyball team assistance was IDR. 6,000,000.

8. Community Empowerment in Infrastructure Program. The company allocated a budget of IDR 54,200,000 for four activities; 1) Assistance of drilled wells for clean water facilities and for irrigating rice fields for the residents of the village of Arahan was IDR. 25,000,000. 2) Assistance of fans for Al Iqro Musholla was IDR. 1,000,000. 3) Assistance for the construction of Neighborhood Security Posts was IDR. 13,160,000. 4) Assistance for the construction of the HKBP church was IDR. 5,000,000. 5) Assistance for the construction of Albanna Islamic Boarding School was IDR. 5,000,000.

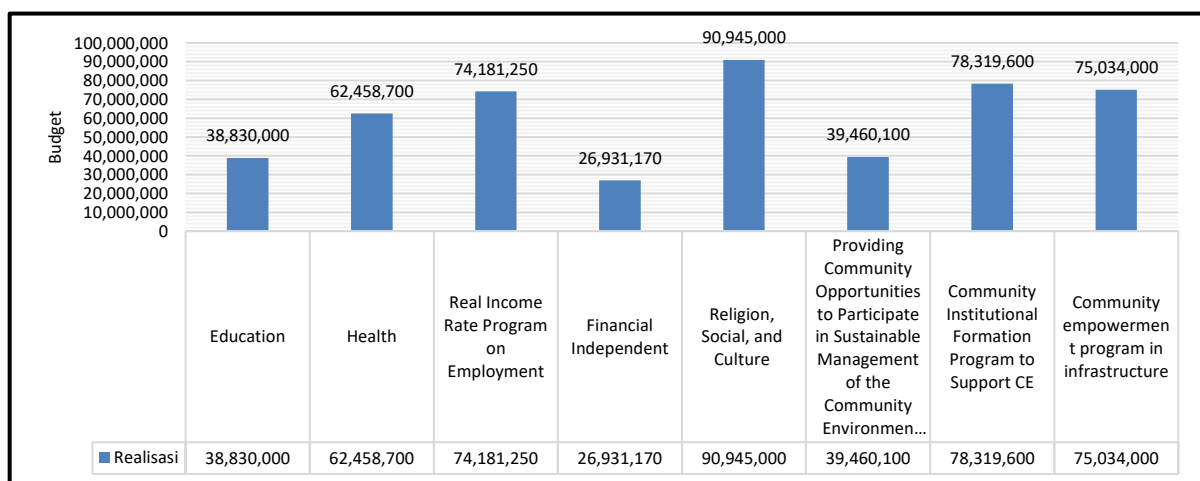


Figure 7 – The Graph of the Implementation of the Company's Main Program CE 2021 Budget (Source: Public Relations and CSR Department of GGB Company)



Year 2021 was the first year of the company implementing the CE master plan referring to the Minister of Energy and Mineral Resources Decree 1824 K/30/MEM/2018. The implementation of the company's CE program followed the program that had been prepared in master plan. Based on the secondary collected data, the company's 2021 CE program did not change much or in other words, activities ran 100 percent even though the company had to make additional budgets to accommodate follow-up proposals from beneficiaries. As a result, the company must have increased the budget from IDR. 400,000,000. to IDR. 486,159,820. The graph of the implementation of the company's main program CE 2021 budget was shown in Figure 7.

The detail activities in each main program described as follows.

1. Education Program. Two activities were implemented in this program with a total of IDR 38,830,000 or 8% of the total 2021 CE budget. Those activities were 1) Education achievement assistance intended for outstanding and underprivileged students in the villages of Araham, Banjarsari, Prabumenang, and Gunung Kembang in the form of educational scholarships. The amount of scholarship assistance was given with a total of IDR. 26.830.000 2) Assistance in the form of goods, namely textbooks and general knowledge, was donated to fill the primary school library in ring 1 village with a total budget of IDR. 12,000,000.

2. Health Program. In this program the company allocated 13% or IDR. 62,458,700 into three activities. Those activities were 1) Assistance for Integrated Healthcare Center (posyandu) activities, toddlers and the elderly was intended for residents of the villages of Araham, Banjarsari, and Gunung Kembang in the form of medical devices and teaching aids with a total of IDR. 38,458,700. 2) Assistance for the honorarium of the Technical Implementation Unit of Public Health Center (UPT Puskesmas) of GGB Company in Perabumenang village was IDR. 18,000,000. 3) Assistance in the form of laptops and printers for the operations of the head of Prabumenang Public Health Center was IDR 6,000,000.

3. Real Income Rate Program on Employment Program. The company implemented five activities with a total budget of IDR. 74,181,250 or 15% of the total CE budget in 2021. Those activities were 1) Goat animal assistance (figure 4.7) for goat farming group established by the company in ring 1 village of Araham, Banjarsari, Prabumenang, and Gunung Kembang with a total of IDR. 43,082,000. 2) Assistance for entrepreneurship training for 4 villages in the IUP of GGB Company was IDR. 13,999,250. It was intended for young people from the village of ring 1 held in the meeting hall of the Koramil 405-02. 3) Development of ring 1 village agriculture in the form of assistance with agricultural equipment, fertilizers, and grass and pest poisons was IDR. 3,800,000. 4) Assistance in establishing a demonstration garden for a living pharmacy in the yard of the West Merapi Police Station with a total of IDR. 7,500,000. 5) Donation of seeds and fertilizers for the demonstration garden at the Koramil 405-02 East Merapi area with a total of IDR. 5,800,000.

4. Financial Independence Program. The company implemented four activities with a total of IDR. 26,931,170. Those activities were 1) Assistance for the snack food home industry for the MSME group in Banjarsari village. The assistance was in the form of chips making equipment, packaging, and packaging labels with a total of IDR 6,035,120. 2) Assistance for home industry of tempe chip craftsmen in Gunung Kembang village in the form of chips making equipment, packaging, and packaging labels with a total of IDR 5,235,500. 3) Assistance for the home industry for making snacks in the form of tools for making snacks, packaging, and packaging labels in the village of Prabumenang, with a total of IDR 6,315,550. 4) Assistance for the home industry for bag craftsmen made of rope material in the village of Prabumenang in the form of embroidery tools and rope threads with a total of IDR 9,345,000. Out of the total implemented budget of IDR 486,159,820, the portion of this program was the smallest allocation, which was only 6%, whereas the Financial Independence of the community was one of the variables to assess the positive impact of the company's existence on the community.

5. Religion, Social, and Culture Programs. The company carried out nine activities with the highest total budget among the eight other programs implemented by the company which



amounted to IDR. 90,945,000 or 19%. These program consisted of; 1) The honorarium for the Koran teacher and the cleaning staff of the Al Hikmah Mosque for one year with a total of IDR. 12,000,000. 2) Eid al-Adha sacrificial animal assistance for ring 1 villagers of Araham, Banjarsari, Prabumenang, and Gunung Kembang with a total of IDR 65,000,000. 3) Assistance for Isro Mi'raj activities organized by youth groups in Gunung Kembang village with a total of IDR 1,000,000. 4) Assistance for Tilawatil Qur'an week activities in Banjarsari village with a total of IDR 1,500,000. 5) Assistance for marawis equipment activities in the village of Prabumenang with a total of IDR 1,500,000. 6) Assistance for the celebration of the Independence Day of the Republic of Indonesia in the village of Banjarsari with a total of IDR 1,000,000. 7) Assistance in celebrating the event to enliven the Independence Day of the Republic of Indonesia in the village of Araham with a total of IDR 2,000,000. 8) Assistance in the form of volleyball and soccer equipment in the village of Araham with a total of IDR 4,945,000. 9) Assistance to commemorate the birthday of the Prophet Muhammad SAW in the village of Gunung Kembang with a total of IDR 2,000,000.

6. Providing Community Opportunities to Participate in Sustainable Management of the Community Environment around the Mine Program. There were three activities implemented by the company with a total budget of IDR. 39,460,100 or 8%. Those activities were 1) Provision of partnership assistance with waste banks in the form of motorized tricycles (Bentor) transporting garbage in the village of Araham with a total of IDR. 32.860,000. 2) Assistance for the cleaning staff of the East Merapi sub-sector of Araham village with a total of IDR. 3,600,000. 3) Assistance for the development of the climate village program (Proklm) with a total of IDR. 3,000,000.

7. Establishment of Community Institutions to Support CE. In this program the company allocated IDR.78,319,600 or 16% of the total 2021 CE budget for 16 activities. The programs were described as follows; 1) Assistance with a photocopy machine for youth groups in Gunung Kembang village was IDR. 27,983,600. 2) Assistance in making souvenirs in the village of Banjar Sari was IDR. 3,336,000. 3) Assistance for CSR-PKBL activities in Lahat district was IDR. 10,000,000. 4) Assistance for the inauguration of community organizations in Lahat district was IDR. 1,500,000. 5) Assistance in the procurement of uniforms for community organizations in Lahat city was IDR. 1,500,000. 6) Assistance in opening the Volly Ball tournament for Youth Club in Prabumenang village was IDR. 5,000,000. 7) Assistance for community organization activities was IDR. 1,500,000. 8) Funds for the inauguration of the Scout Kamabiran by the Scout Kamabicab, East Merapi sub-district was IDR. 2,000,000. 9) Assistance for the National Level SBSI Lahat congress in 2021 was IDR. 2,500,000. 10) Assistance to commemorate the day of Dharma Karya Dhika was IDR. 5,000,000. 11) Assistance for environmental awareness on the impact of dust by IEEPL in West Merapi sub-district was IDR. 5,000,000. 12) Assistance for the Sinar Peramate Youth Volly Team in Prabumenang village was IDR. 1,000,000. 13) Assistance for Headman Training activities in East Merapi was IDR. 4,000,000. 14) Assistance for headman election (Pilkades) in the village of Banjarsari was IDR. 2,000,000. 15) KONI assistance for Lahat district in the Porprov event in OKU Raya was IDR. 5,000,000. 16) Assistance in organizing the headman election (Pilkades) in Gunung Kembang village was IDR. 1,000,000.

8. Community Empowerment Program in Infrastructure.

The company allocated 15% of the total CE budget in 2021 or IDR. 75,034,000 for 11 activities. Those activities were described as follows; 1) Assistance of drilled wells for clean water facilities and irrigation for rice fields for the residents of the village of Araham with a total of IDR. 23.66 million. 2) Assistance of facilities and infrastructure for the East Merapi District Office with a total of IDR. 6,541,000. 3) A wall fan for the Al Iq'ro Mosque in Prabumenang village with a total of IDR. 1,000,000. 4) Assistance for infrastructure, drive thru, of Lahat Police with a total of IDR. 8,633,000. 5) Computer and laptop assistance for Kodim 0405 Lahat partners with a total of IDR. 10,250,000. 6) Establishment of Neighborhood Security Post for hamlets 1, 2, 3, in Banjarsari village with a total of IDR. 5,450,000. 7) Assistance for AC procurement for Merapi Police Criminal Investigation Unit with a total of IDR. 4,500,000. 8) Assistance for the raid on the Kodim 0405 Lahat area with a total of IDR. 5,000,000. 9) Assistance for the construction of the Al Qur'an Albanna Islamic



Boarding School Building, Merapi village, West Merapi sub-district with a total of IDR. 5,000,000. 10) Assistance for the construction of the HKBP Metani Church Building in Karang Raja Muara Enim village with a total of IDR. 5,000,000. The graph of the percentage of the budget for each main program from the total budget implemented by the company in the 2021 CE program could be seen in Figure 8.

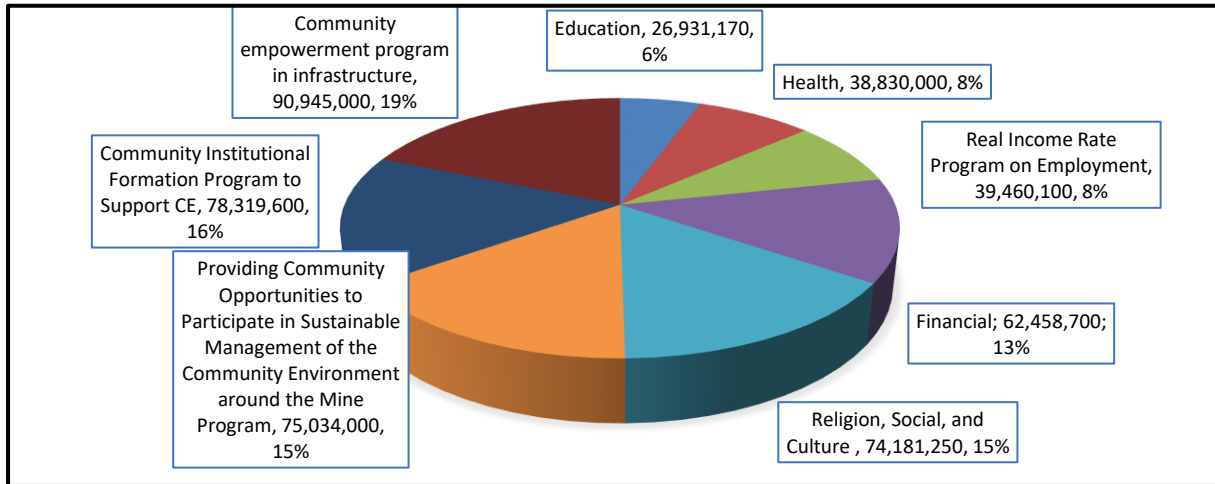


Figure 8 – The Graph of the Percentage of the Budget for Each Main Program from the Total Budget Implemented by the Company in the 2021 CE Program (Source: Thesis Research Data Processing Results, 2021)

DISCUSSION OF RESULTS

Golden Great Borneo Company in order to survive in keeping the environment needs legitimacy from the community around the mine. Legitimacy by definition is a gift from the community to the company. It can also be interpreted as something that the company expects from the community. Eddy Rismanda (2005) as quoted by Oktavia (2018), she states that CSR is a form of company communication with the surrounding community.

Based on the primary and secondary data that had been collected, the company's implementation performance went well according to the plan that had been prepared. The reference to the Minister of Energy and Mineral Resources Decree No. 1824 K/30/MEM/2018 became an effective basis for companies in planning and compiling activities to be implemented. Apart from being planned, directed, measurable, and systematic, the planning purposes were activities that were prepared as proposals from below or from the community of potential beneficiaries so that it really became a priority need for the beneficiaries. Targeted meant the objectives of the activities to be carried out had been determined and had gone through a study between the community as potential beneficiaries and the company and related stakeholders. This was because the activities that had been determined were the result of an agreement that was preceded by discussion and question and answer before the activity was determined as one that would be implemented. Measurability meant the process of determining activities was preceded by a discussion of the details of the activities to be implemented. There was a mapping, interview, and focus group discussion (FGD) phase between the beneficiaries and the company so that the activities that had been set really matured in terms of the implementation time, the place of implementation, the party who will carry it out, and the budget. Meanwhile, systematic meant all parties who will be involved in the implementation of activities, which were companies, beneficiaries, and relevant stakeholders who had known at the appointed time and the activities which would be implemented. Moreover, by knowing the weight of the CSR activities, the company was more alert in preparing its human resources to carry out the activities by forming a special CSR team that was incorporated in the Department of Public Relations and CSR.

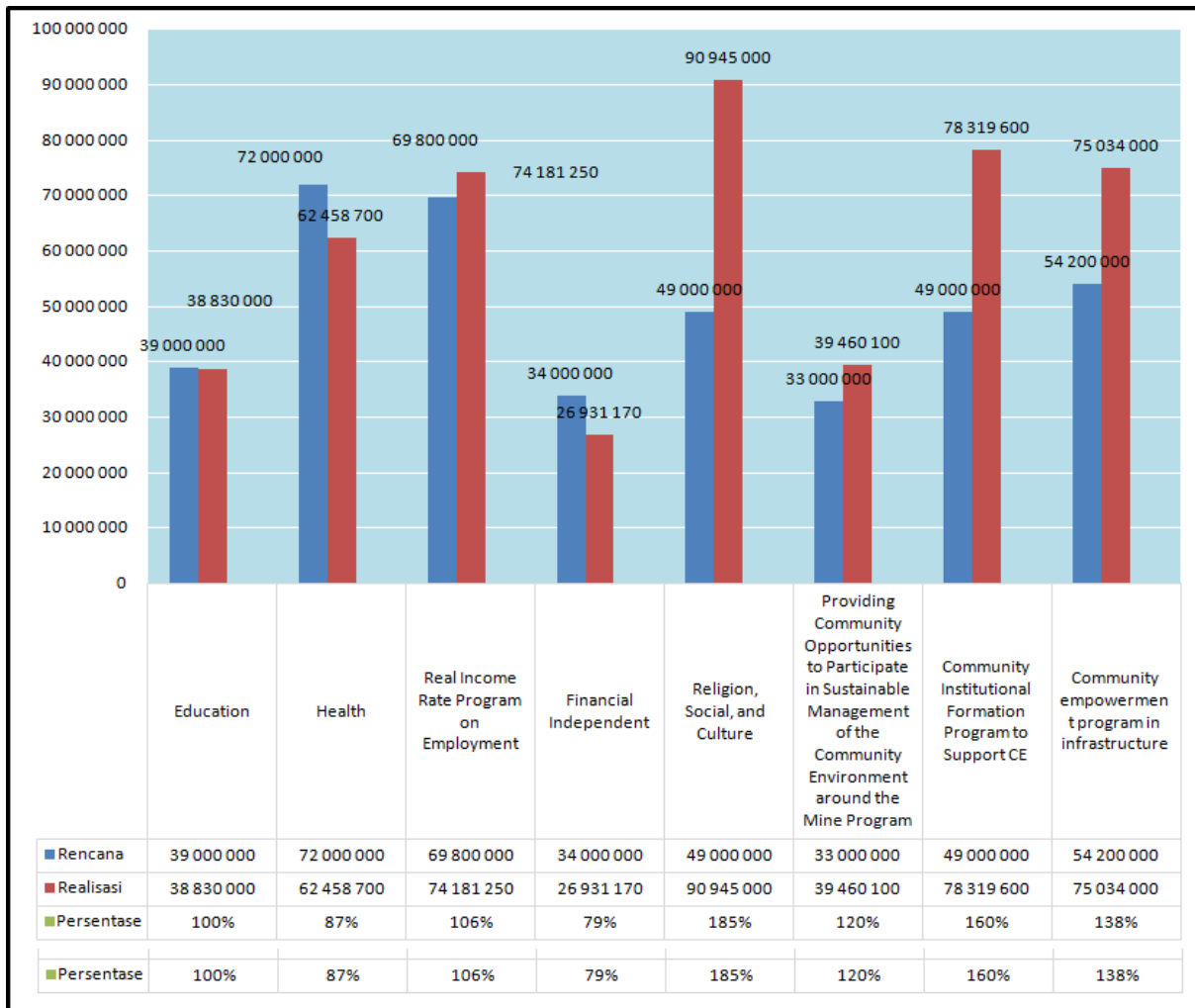


Figure 9 – The Comparison Graph of the Budget for the Main CE Planned and Implemented Program in 2021 Source: Thesis Research Data Processing Results, 2021

Lestari (2014) explains that one of the causes that makes CSR implementation slow is human resources or in other words, the unpreparedness of the personnel, who will carry out the activities, is the cause of the inhibition of CSR implementation.

Based on data on the CSR plan and CSR implementation as well as the results of interviews using a transcript matrix of the beneficiary communities and the company, the implementation of CSR could be carried out in accordance with the plans that had been prepared and contained in the company's 2021 CE master plan. The comparison graph of the budget for the main CE planned and implemented program in 2021 was shown in Figure 9. However, in terms of budget absorption there was an increase where in the planning stage. The company originally allocated a CSR budget of IDR. 400,000,000, but due to new offers for follow-up activities that were accommodated in the current year, the activity budget became IDR. 486,159,820 or in calculation there were an addition of IDR. 86,159,820. The graph of planning and implementation budget absorption reached 121.54 percent as shown in Figure 10.

In terms of activity implementation, the company also made adjustments following several changes to proposed activities or new priority proposals submitted by beneficiaries. In addition, there were also several activities that had been prepared at the time of their implementation. There was a budget adjustment due to the difference in the price of aid goods for the beneficiaries such as the price of assistance for sacrificial animals that went up and down, as well as the price of equipment assistance for beneficiaries that changed due to the scarcity of goods and places to order goods. However, in 2021 the company still had a



remaining CSR budget of IDR. 30,924,130 which came from activities managed with beneficiary partners and the remainder of the expenditure on purchasing aid goods for the beneficiaries. It was because the price of the goods obtained was relatively cheaper than the planned cost budget which had been compiled. Referring to the Decree of the Minister of Energy and Mineral Resources 1824 K/30/MEM/2018, appendix II concerning Guidelines for the Preparation of the CE Master Plan, Chapter IV letter e concerning the CE financing plan, in point 2, it states that the annual CE program financing must be managed directly by the mining business entity. Point 3 states that if in its implementation there is a balance of financing for the Annual CE program at the end of the current year, the remaining financing for the CE program could be used as financing for the following year's CE program.

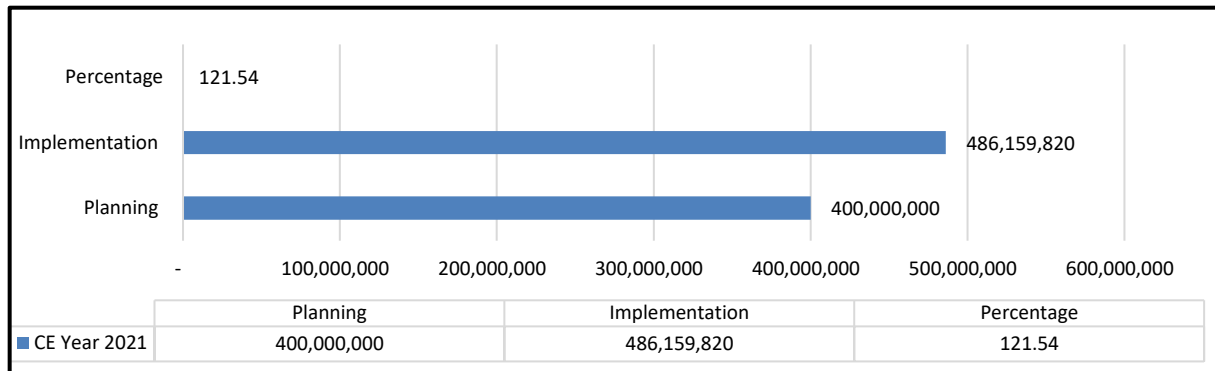


Figure 10 – The Graph of Planning and Implementation Budget Absorption Reached 121.54 Percent (Source: Thesis Research Data Processing Results, 2021)

The discussion of each main program was explained as follows.

1. Education Program. There was no change in the implementation of the Education program. All activities went according to plan. Educational achievement assistance was given to outstanding students at the elementary level in the ring 1 area, Arahan village, Banjarsari, Prabumenang, and Gunung Kembang. The total budget realized by the company was IDR. 26,830,000 out of the plan IDR. 27,000,000 so there was a remaining budget from this activity about IDR. 170,000. or the absorption of the budget was by 99 percent. For the assistance of library books, a total of IDR. 12,000,000 was disbursed or the absorption of the budget was 100 percent. Overall, 99.5 percent of the budget for the Education Program was absorbed.

2. Health Program. For the Health program, in 2021, the company strengthened health services at the Unit of Public Health Center (UPT Puskesmas) of GGB Company which was built by GGB Company in Gunung Kembang village in 2018. The company provided assistance in the form of laptops and printers as operational support facilities with a total of IDR. 6,000,000 and provided incentives for honorary health workers at the Public Health Center (Puskesmas) about IDR. 18,000,000. Meanwhile, for the four villages in the ring 1 area, the company provided nutritional complementary foods for toddlers and the elderly with a total of IDR 38,458,700. The absorption of the budget for these three activities reached 87 percent.

3. Real Income Rate Program on Employment. As a form of sincerity to encourage the strengthening of the community's economy through sustainable business units, the company distributed goats for cultivation. In 2021 in each ring 1 village, a goat farming business group was formed. One group contained five members and got three peanut goats consisting of one male goat and two female goats.

Group members were tasked with maintaining by finding food in the forest around the village and maintaining the cleanliness of the goat cages until they breed successfully. Meanwhile, the company helped finance the manufacture of goat cages as well as animal health assistants by veterinarians.



The company's mission, from this initial group, would continue in a rolling manner to form a new group and so on. Each member would later get a share of the profits from raising goats to get a pair of goats. Only then did the member separate from the initial group and form his own and independent business. Meanwhile, his role in the initial group was replaced by a new member as a shepherd. The time limit was until they managed to get a pair of goats to be cultivated independently and so on. For this goat livestock assistance, the company disbursed funds about IDR 43,082,000.

The primary data from the interview of the researcher with the goat cultivating business group admitted that they were happy with the program regarding of the general type of peanut goat which was easy to maintain, not easy to get sick, and fast breeding;

...“We are happy to be assisted by goats by the company. This business is easy to run. No need for high knowledge. We do this together. So it's a shared responsibility. If there are many who take care of this, of course, it will feel easier and lighter. Goats are also safe because many are taking care of them”... (Banjarsar Headman).

Besides the goats program, the company also provided knowledge for mothers and the younger generation of Ring 1 by holding entrepreneurship training, agricultural development, and establishing a demonstration garden for a living pharmacy. The total budget realized by the company for this program was IDR. 74,181,250. The budget implementation in this program reached 106.6 percent.

4. Financial Independence Program. According to the plan that had been prepared, the company implemented four activities with a budget realization of 79 percent. The form of activity was in the form of providing assistance to strengthen business capital for home industries that produce snacks in Banjarsari village, tempe chip craftsman industry in Gunung Kembang village, various snack industries in Prabumenang village, and rope craftsman industry in Prabumenang village.

...“This assistance is quite useful for mothers in our village. Besides being able to fill time at home. The handicrafts made of talikur can also be sold. It can increase income at home”... (Chairman of Family Empowerment and Welfare (PKK) Prabumenang Village).

Although all activities went according to plan, it was unfortunate that this program received a very small portion of the budget, namely 6% or IDR. 26,931,170 of the total implemented funds of IDR. 486,159,820. At least it was supposed to get a share of 10% so that more small businesses would have got help from the company.

5. Religion, Social, and Culture Programs. Besides assistance for Islamic religious holidays (PHBI) activities and Lahat district birthday celebrations, the company distributed sacrificial animals for each ring 1 village. The initial budget allocation for these sacrificial animals was only IDR. 30,000,000 with sacrificial animals in the form of goats. However, because there was a change in the demand for cattle for sacrifice from the community, which was submitted at the beginning of the current year, the company changed it into cows so that the budget adjustment was made to IDR. 65,000,000. The total budget implemented by the company for this program was IDR. 90,945,000, which increased from the original budget of IDR 49,000,000. The percentage of budget realization was 185%.

6. Providing Community Opportunities to Participate in Sustainable Management of the Community Environment around the Mine Program. In this program, the company helped household waste disposal vehicles in the form of motorized tricycles. In 2021 motorized tricycles (bentor) assistance were given to the village official of Araham. The results of an interview with the Head of the Department of Public Relations and CSR, the following year, the similar assistance would also be given to other ring 1 village official. The total budget for this program was IDR. 39,460,100, which meant there was an increased of the planned budget of IDR. 33,000,000. The percentage of budget realization was 120%.

7. Community Institutional Formation Program to Support CE. To encourage the realization of the independence of youth organizations, the company provided photocopy machines for the Karang Taruna group in Gunung Kembang village. In addition to being a forum for job opportunities, this business was also still promised because in this village and the surrounding villages, there was no photocopying business. For other activities, the company assisted scouting activities, assistance for volleyball tournament activities,



environmental care assistance for street sweepers, and assistance for press partners. In the form of funds for the inauguration of press organization administrators, the accumulated budget for this program was IDR. 78,319,600 from the original planned IDR. 49,000,000. There was a budget adjustment of IDR 29,319,600. The proportion of budget realization was 160%.

8. Community empowerment program in infrastructure. The main activity in this program was the construction of drilled wells for the people of Araham village. The company helped finance the construction of the well for IDR. 23,660,000. In addition, assistance for the construction of the Albanna Qur'an Islamic boarding school in Merapi village, West Merapi sub-district, construction of the HKBP Metani church in Muara Enim, assistance for the construction of neighborhood security posts for hamlets 1, 2, 3, Prabumenang village, and assistance for the work of the TNI Kodim 0405 Lahat. The total program budget issued by the company was IDR. 75,034,000. with a budget realization percentage of 138%.

From the results of interviews with informants, it was found that there were no significant obstacles in the implementation of the company's CSR activities during 2021. The implementation performance went well in accordance with the plans that had been drawn up in the Community Empowerment Program master plan. The implementation in 2021 was enough to become a reference for the team of the Department of Public Relations and CSR in optimizing the implementation of CSR.

Researchers formulated four important competencies that must be possessed by the company's CSR team so that the company's implementation continued according to plan:

1. The ability of human resources of the company's CSR team to build communication, both verbal and direct contact with the company's internal authorities and external stakeholders. This meant communication with shareholders to remain committed to realizing the plans that had been set as programs and the CSR team's communication skills to stakeholders and potential beneficiaries must be maintained so that activities could run according to plans and objectives.

2. The ability of the company's CSR team to collect and map problems in the community. This meant that the sensitivity of the company's CSR team was required to be able to see and understand comprehensively what were the obstacles and problems in the community in various fields as capital to synchronize the activities to be made.

3. The ability to formulate programs based on proposals received from stakeholders and potential beneficiaries and to re-communicate the proposals that had been finalized to potential beneficiaries. This was the key to the success of CSR implementation so that the objectives of the activities to be implemented were truly in accordance with the expectations of the beneficiaries. In addition, the voice of stakeholders should be a reference for follow-up by considering that stakeholders have a deep understanding of crucial and urgent issues that exist in the community. These inputs and suggestions were important in order to compile a series of priority activities amidst the limited budget prepared by the company.

4. The ability of the CSR team to communicate and convince shareholders or shareholders so that the activities that had been determined could have been realized.

On the other hand, even though it had set an activity plan, the implementation of CSR in 2021 carried out by the company also paid attention to new follow-up proposals from work partners that were urgent which had not been included in the master plan for the 2021 CE main program. This showed that working partners and the ring 1 community still expected more from the company. Adjusting the activity budget or crossing (moving) the budget in several main programs was a consequence that must have been carried out by company management while still not reducing the activity budget that had been set in the company's CE master plan. The company even submitted a measurable additional budget to accommodate the new proposals it received.

Meanwhile, the existence of a pandemic that occurred in 2021 was not at all an obstacle for the Public Relations and CSR Department Team to run the program. Activities continued to be carried out according to the agreed schedule, but still by disciplining 3M's health protocols such as wearing a mask, keeping your distance, and washing your hands.



The results of interviews with informants described the satisfaction and good image of the company in the eyes of the community. Ring 1 communities covering the villages of Arahan, Banjarsari, Prabumenang, and Gunung Kembang generally acknowledged the existence of GGB Company. It had provided many benefits to the community around the mining area. Moreover, the company was really committed to carrying out the activity plans that had been prepared based on the suggestions and input of the beneficiaries in the company's CE master plan that has been determined. Even this satisfaction was conveyed by the village official in the form of support by giving written appreciation to the company for the company's CSR performance and the company's concern for the community.

..."we as headmen are ready to support the activities that will be carried out by the company. Including if there is a problem in the community, we are ready and will help fully so that the company's operations are not disrupted'...(Head of Prabumenang Village). The headman of Arahan, Banjarsari, and Gunung Kembang also conveyed the same expression.

Likewise, the head of the Gunung Kembang youth organization who received the assistance of a photocopy machine said that he was quite grateful to the company. Regarding of the assistance provided was not only providing assistance with machines but also assistance in store management, store financial management, and marketing of photocopying and office stationery businesses.

In the health sector, the company had made a major contribution to improving community health services in ring 1. One Public Health Center (Puskesmas) building was built by the company to improve health services for the community around the mine in 2016. Then, the building was donated to the Lahat Regency government through the Health Department. In its operations, the company continued to assist such as providing incentives for honorary staff who work at the Public Health Center (Puskesmas).

..."GGB Company has served us well. This Public Health Center (Puskesmas) is a proof of the company's seriousness in improving this ring 1 community health service"... (Head of Technical Unit Implementation of Public Health Center (UPT Puskesmas) of GGB)

The researcher concluded the company's ability to continuously maintain good relations with the community through the implementation of CSR was able to provide positive and sustainable change for the community around the mine and able to maintain the stability of the company's operations. The creation and maintenance of a conducive climate for the mining environment indirectly kept the company's production targets and sales targets running according to plan. As disclosed by the GGB Company, the success of overcoming social problems and maintaining good relations with the community contributed positively and significantly to the company's performance. Especially in terms of meeting coal sales targets because the coal transportation route from the mine to the coal station in Arahan crosses four villages in ring 1.

..."In 2021 there will be no demonstration of residents closing the road. Frequently, the company's operations are stopped due to demonstrations by residents blocking the road. So practically the delivery of coal from the stock pile to the station cannot be done. This means that the achievement of sales targets is disrupted. However, the existence of good relations with the community around the mine, especially the headmen, community leaders, youth and other elements of the community are all easy to overcome. If there is a dispute, it is easy to be muted and resolved. All of this is inseparable from the company's active role through CSR" (Head of Mining Engineering).

CONCLUSION

The conclusion of the analysis of the performance of CSR implementation of The GGB Company in 2021 in the era of the covid-19 pandemic in Lahat Regency to the community around the mining area was:

1. The performance of the company's CSR implementation ran optimally even during the pandemic. The reference to Decree of Ministry of Energy and Mineral Resources of the Republic of Indonesia number 1824 K/30/MEM/2018 was effective as a guide in implementing the activities that had been prepared because the format of program



preparation was based on the needs and priorities of the prospective beneficiaries at that time. This was evidenced by the percentage of CSR implementation achievement when measured from the main program plans that have been prepared by the company. It exceeded the target, which was 121.54 percent. This increase occurred due to the addition of new proposals from work partners and stakeholders around the mining area which were accommodated by the company in the current year. However, the company still had a budget remaining from the implementation in 2021 which would have been added to the 2022 program amounted to IDR 30,924,130;

2. Factors that influence the implementation of corporate CSR could not be separated from the four competencies that must be owned by the CSR team; 1) Being able to communicate and maintain good relations with shareholders and stakeholders; 2) Being able to collect and map problems in the community; 3) Being able to formulate programs based on proposals received from stakeholders and potential beneficiaries; 4) Being able to communicate and convince shareholders that the commitment to implement the activities that had been determined could be realized;
3. The performance of the company's CSR implementation had a positive impact on the company's operations. With a note, the company was able to maintain good relations with the community through the implementation of CSR which could provide positive and sustainable change for the community around the mine. The creation and maintenance of a conducive climate for the mining environment indirectly kept the company's production targets and sales targets running according to plan.

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