ISSN 2226-1184 (Online) | Issue 5(149), May 2024



UDC 332

# COMMUNITY PERCEPTIONS ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY PERFORMANCE IN INDUSTRIAL PARK OF GASING VILLAGE, TALANG KELAPA DISTRICT, BANYUASIN REGENCY, INDONESIA

## Arbi M.

Study Program of Agribusiness, Faculty of Agriculture, University of Sriwijaya, Indonesia \*E-mails: arbiunsri@yahoo.com, biaarka@gmail.com

## **ABSTRACT**

Banyuasin Regency is one of the districts that has quite rapid industrial development compared to other districts in South Sumatra. One of the impacts of industrial activities is providing regional economic progress, especially in implementing CSR activity. Corporate social responsibility activities can enable a company to show its level of concern for the surrounding community, which of course makes a positive contribution to the community and the surrounding environment. The community certainly needs these social responsibility activities to improve the welfare of the local community. The aim of this research is to measure the social responsibility performance carried out by companies in Gasing Village, Talang Kelapa District, Banyuasin Regency. The research was carried out in April 2023. The data collection method used a survey method by conducting interviews and questionnaires with 30 people who were used as respondents. The types of data used in this research are primary data and secondary data. The data processing method to answer the objectives uses the Likert scale method. The results of this research show that in terms of the aspect of public perception of the performance of social responsibility (CSR) activities by companies around the Gasing Industrial Park as measured by economic, environmental and social components, it is in the medium category with a score of 6.96. So far, some people still think that CSR (social care) implementation activities have not been implemented in accordance with the expectations of the people living around the company's location.

## **KEY WORDS**

Corporate social responsibility, performance, community perception.

The existence of an industrial area in the midst of society is a manifestation and participation in improving and developing community development (Yusuf and Arief, 2021). This can be said in such a way because the company needs the surrounding community in the company's development activities and vice versa, where the community also needs the company to improve the community's economy (Adriansyah and Alisa, 2022). Therefore, the company and the community around the area are two components that influence each other. This can also prove that the company's activities are related to the economy of the community around the company area (Raharjo and Resnawati, 2019).

The establishment of a company in a community environment certainly has many impacts that are felt, both positive and negative impacts. With the presence of a company in the community, it is not uncommon for company activities to clash with community conditions. According to Fracucilia (2020), one of the things that can be done to improve community welfare is by carrying out corporate social responsibility activities. Assistance from local companies is also considered an important component whose role is certainly needed to realize the welfare of the local community. This is because community welfare cannot be realized if we only expect the government to play the main role, but other roles are also needed to realize community welfare, one of which is through assistance from surrounding companies (Wati. 2020).

The relationship between companies and society has become a topic of discussion regarding the obligations of companies towards society in addition to making as much profit as possible (Wilda, 2020). Therefore, through corporate social responsibility activities it is hoped that it can contribute to various community programs (Aini, 2015). With the hope that

ISSN 2226-1184 (Online) | Issue 5(149), May 2024



when the company carries out corporate social responsibility activities it can improve the welfare of the local community. Corporate social responsibility activities are believed to be one of the positive activities carried out by companies, which of course by carrying out positive social activities will bring many benefits to the surrounding community, so that there will be positive feedback from the community (Fahmi, 2019).

Research related to public perception of the existence of a company has been widely carried out, however studies regarding public perception, especially regarding the company's performance in social care activities for the surrounding community, have not been carried out much and are still rarely studied. The aim of this research is to measure the performance of social responsibility carried out by companies around the Gasing Village area, Talang Kelapa District, Banyuasin Regency.

## METHODS OF RESEARCH

This research was conducted on people living around the Gasing Industrial Area which is administratively included in the Gasing Village area, Talang Kelapa District, Banyuasin Regency. This location was chosen deliberately with the consideration that in this location many companies are active in the Gasing industrial area.

The method used in this research is a survey method with a sampling technique represented by heads of households who live around the research location. The main purpose of conducting a survey is to make conclusions about the characteristics of the population based on the information contained in the sample. Meanwhile, the sampling method in this study used a simple random sampling method. Random sampling was carried out because each population had the same opportunity to be selected as a research sample considering that the sample was homogeneous and had the same characteristics and conditions, namely the people who received and felt assistance from corporate social responsibility activities in the Gasing industrial park.

Determining the number of samples used the Slovin method with an error rate of 15% and obtained a sample size of 30 people from a total population of approximately 458 heads of families.

The data collected is primary and secondary data. This primary data was collected using a questionnaire, in accordance with the main research objectives and the model of approach to the research objectives. The primary data taken is the community's perception and performance of the implementation of company CSR programs around the Gasing Village area, Talang Kelapa District, Banyuasin Regency. Secondary data was collected through various literature at related institutions at the village level, which includes: village monographs, relevant institutional data leaflets, and report documents that are considered important in accordance with the research objectives. Next, the data and information obtained from the field are collected first and then analyzed tabulatedly and described descriptively, namely by presenting the data obtained in the field in the form of a systematic description. To measure the social responsibility performance carried out by companies around the Gasing industrial area, the Likert scale method was used. Data will be measured through 3 indicators, namely: economic performance indicators, environmental performance indicators and social performance indicators. Each indicator has 3 questions. Each question is given a score of 3 for high criteria, a score of 2 for medium criteria and a score of 1 for low criteria. The formula used to create class intervals is as follows:

> NR = NST - NSR PI = NR / JIK

Where: NR - Value Range; NST - Value Score Highest; NSR - Value Score Lowest; JIK - Amount Interval Class; PI - Long Interval.

For the class interval of each statement, the following calculations were used: NST = [9 statement x highest weight (3)] = 27; NSR = [9 statement x lowest weight (1)] = 9; JIK = 3 (Good, Fairly and Poor).

ISSN 2226-1184 (Online) | Issue 5(149), May 2024



Table 1 – Class Interval Values and Class Criteria for Measuring Corporate Social Responsibility
Performance in Gasing Village

No	Interval class value (Each total)	Interval class value (Each indicator)	Interval class value (Each question)	Criteria
1	$9,00 \le x \le 15,00$	$3,00 \le x \le 5,00$	$1,00 \le x \le 1,68$	Poor
2	$15,00 < x \le 21,00$	$5,00 < x \le 7,00$	1,68 < x ≤ 2,34	Fairly
3	$21,00 < x \le 27,00$	$7,00 < x \le 9,00$	$2,34 < x \le 3,00$	Good

Based on the results of the above calculations, the class interval values were obtained to measure visitor ratings from the 3 indicators presented in Table 1.

#### **RESULTS AND DISCUSSION**

Corporate social responsibility performance is the result obtained from activities that have been carried out in an effort to achieve predetermined goals. Social responsibility performance can also be interpreted as the result of work activities during a certain period in carrying out their duties. The purpose of this performance is to be able to adjust expectations of the performance of an activity to the main goals of the organization that have been determined. Good performance will be produced through conformity between efforts to achieve goals and organizational goals.

Table 2 – Total Corporate Social Responsibility Performance

No	Measure Component	Answer of Question			Rate Score	Critorio
		Poor	Fairly	Good	Rate Score	Criteria
1	Economic	7 (23,33%)	5 (16,67%)	18 (60%)	2,37	Good
2	Environmental	9 (30%)	15 (50%)	6 (20%)	2,09	Fairly
3	Social	0 (0%)	15 (50%)	15 (50%)	2,50	Good
	Total	16	35	39	6,96	Fairly

If the corporate social responsibility performance in Gasing Village is measured based on the views and observations of the local community, it can be seen from three indicators with each indicator having three questions asked to the local community as a form of community assessment of corporate social responsibility performance in Gasing Village.

Based (Table 2) it is known that the four indicators of corporate social responsibility performance are measured through economic work indicators with an average score of 2.37 which is included in the high criteria, environmental work indicators with an average score of 2.09 which is included on medium criteria and social work indicators with an average score of 2.50 which is included in the high criteria. The average results of corporate social responsibility performance in Gasing Village achieved an average score of 2.32, which is included in the medium criteria.

Table 3 – The Performance of CSR in Economic Indicators

No	Indicator of Economic Performance	Score	Criteria
1.	Increase Community Income	2,43	Good
2.	Increase Employment Opportunity	2,43	Good
3.	Increase Welfare Community	2,23	Fairly
Total	·	7,09	-
Averag	je	2,37	Good

Economic performance indicators are activities that pay attention to the impact that an organization has on the economic conditions of the surrounding community, where the results of observations through these indicators will find out what the economic conditions of the local community are, which of course is connected to the performance of corporate social responsibility in Gasing Village. Based on the research results obtained from the field, three questions will be seen regarding the performance of corporate social responsibility in economic performance indicators.

ISSN 2226-1184 (Online) | Issue 5(149), May 2024



The indicator of increasing community income has an average score of 2.43 which is classified as high criteria. This means that the presence of a company in Gasing Village can improve the economy of the surrounding community. The indicator of increasing employment opportunities has an average score of 2.43 which is classified as high criteria. This means that having a company in Gasing Village can open up wide job vacancies for the local community so that it can increase employment opportunities for the local community. The indicator of improving community welfare has an average score of 2.23 which is classified as medium criteria. This means that having a company in Gasing Village has quite a positive impact on improving the quality of life, livelihoods and independence of the local community.

Corporate social responsibility performance in economic performance indicators obtained an average score of 2.37 which is included in the high criteria (Table 3). According to the explanation outlined above, it can be concluded that the people in Gasing Village feel positive about the presence of companies around the Gasing Village community, especially in the economic sector. The people of Gasing Village feel that their economy has been helped because of the various kinds of assistance that have been distributed by companies in Gasing Village. In another sense, the performance of corporate social responsibility in Gasing Village succeeded in creating a good impression from the local community.

Environmental performance indicators are those that pay attention to the impact that an organization has on local biotic and abiotic ecological systems. Based on the research results obtained from the field, three questions will be seen regarding corporate social responsibility performance in environmental performance indicators.

**Environmental Performance Indicators** No Average Score Criteria 1. **Environmental Pollution** 2,60 Good 2. Responsive Pollution 1.97 Fairly **Environmental Concern** 1,70 Fairly Total 6,27 2,09 Fairly Average

Table 4 – The Performance of CSR in Environmental Indicators

The indicator of environmental pollution has an average score of 2.60 which is classified as high criteria. This means that waste generated from company operational activities in Gasing Village causes negative impacts on the natural environment, one of which is water pollution. Not a few companies channel the waste produced from their operational activities and then flow it into rivers. Meanwhile, most residents of Gasing Village still use river water to irrigate their homes. Many local residents feel disadvantaged due to polluted river water which makes the water cloudy and smelly. Not only is it colored and smelly, but river water is polluted by company waste, causing local residents who use river water for their daily activities to experience itching on their bodies after their skin is contaminated with the river water.

The responsive indicator for dealing with environmental pollution has an average score of 1.97 which is classified as medium criteria. This means that companies in Gasing Village are quite responsive in dealing with environmental damage caused by their operational activities. More precisely, the company will start moving if the local village government submits an official proposal to the company. The environmental concern indicator has an average score of 1.70 which is classified as medium criteria. This means that the local company is said to be quite concerned because the company will only pay attention to local damage if there is an official report. If there is no report, the company is not paying attention to the environment.

Corporate social responsibility performance in environmental performance indicators obtained an average score of 2.09 which is included in the medium criteria. According to the explanation outlined above, it can be concluded that companies in Gasing Village still lack responsibility regarding the waste generated from their operational activities and the awareness of the companies themselves still seems lacking because they will only act if there is a report.

ISSN 2226-1184 (Online) | Issue 5(149), May 2024



Social performance indicators are those that pay attention to how the organization implements policies for surrounding social conditions and the level of concern for local social conditions which of course can be enjoyed together. Social performance indicators include components of community social services, development of facilities and infrastructure, as well as providing assistance to the surrounding community.

Table 5 – The Performance of CSR in Social Indicators

No	Social Performance Indicators	Average Score	Criteria
1.	Community Service	2,57	Good
2.	Public Infrastructure	2,50	Good
3.	Assistance to Community	2,43	Good
Total	•	7,50	
Avera	ge	2,50	Good

The community social service component has an average score of 2.57 which is classified as high criteria. This means that companies in Gasing Village provide social services and community empowerment such as providing social assistance and assistance to local communities. Facilities and infrastructure development components with an average score of 2.50 which is classified as high criteria. This means that the construction of facilities and infrastructure such as houses of worship carried out by the company in Gasing Village is a form of company concern in improving public facilities and infrastructure which of course can be enjoyed by all the people of Gasing Village. The component of providing assistance from the company to the surrounding community, especially in Gasing Village, has an average score of 2.43 which is classified as high criteria. This means financial assistance for maintaining public facilities, assistance in the form of purchasing materials to build infrastructure. One type of assistance provided is in the form of distributing laptops to schools to improve educational facilities in Gasing Village, which is very beneficial for the people of Gasing Village.

Corporate social responsibility performance based on social performance indicators obtained an average score of 2.50 which is included in the high criteria. According to the explanation outlined above, it can be concluded that the company in Gasing Village has provided various kinds of assistance to the residents of Gasing Village, of which the local residents have certainly benefited. However, on the other hand, some people also believe that the assistance provided so far has not been fully targeted because it is only "charity" and has not led to a sustainable empowerment program.

# CONCLUSION

The results of this research show that in terms of the aspect of public perception of the performance of social responsibility (CSR) activities by companies around the Gasing Industrial Area as measured by economic, environmental and social components, it is in the medium category with a score of 6.96. So far, some people still think that CSR (social care) implementation activities have not met the expectations of the people living around the company location. This is because the nature of the assistance provided is still in the form of charity (gifts) and has not yet led to a community empowerment program based on potential and needs.

#### **ACKNOWLEDGEMENTS**

The author would like to thank all respondents from the community and from companies located around the Gasing Industrial Area, especially the people of Gasing Village, Talang Kelapa District, for their participation and assistance with facilities during the research. Apart from that, author would like to thank the Head of Talang Kelapa Subdistrict and his staff and all parties who have helped provide data during the research.

ISSN 2226-1184 (Online) | Issue 5(149), May 2024



## REFERENCES

- 1. Aini, A. K. 2015. Pengaruh Karakteristik Perusahaan terhadap Pengungkapan Tanggung Jawab Sosial Perusahaan (CSR) pada Perusahaan yang Terdaftar di Indeks LQ45 Bursa Saham Indonesia (BEI). Kinerja, 12(1), 1–11.
- 2. Aqiela, L., Raharjo, S. T., & Resnawaty, R. 2019. Implementasi Program Corporate Social Responsibility (CSR) El-Corps. Share: Social Work Journal, 8(2), 211–218.
- 3. Badan Pusat Statistik. 2022. Indikator Kesejahteraan Rakyat 2022. https://www.bps.go.id/publication/2022/11/30/71ae912cc39088ead37c4b67/indikator-kesejahteraan-rakyat-2022.html Diakses pada 24 Januari 2023.
- 4. Darmawan, I. G. G. 2018. Penerapan CSR (Corporate Social Responsibility) pada Perusahaan Air Melya CV. Bagas Tirta Utama dalam Kaitannya dengan Peningkatan Laba Usaha Perusahaan. Vokasi: Jurnal Riset Akuntansi, 7(1), 20–25.
- 5. Fahmi, M. 2019. Pengaruh Karakteristik Perusahaan terhadap Pengungkapan yang terdaftar di Bursa Efek Indonesia. Jurnal Riset Akuntansi Dan Bisnis, 19(1), 26–39.
- 6. Fracucilia, B. 2020. Persepsi Mengenai Manfaat Sosial Ekonomi dan Tingkat Kesejahteraan Anggota Unit Pengolahan dan Pemasaran Bokar Mendang Jaya di Desa Sri Kembang III Kecamatan Payaraman Kabupaten Ogan Ilir. Skripsi. Program Studi Agribisnis. Jurusan Sosial Ekonomi Pertanian. Fakultas Pertanian Universitas Sriwijaya.
- 7. Oktarinasari, E., Yusuf, M., & Arief, T., (2021). Penerapan Program Corporate Social Responsibility pada Perusahaan Tambang Batubara PT. X di Kabupaten Lahat. Jurnal Pertambangan, 5(1), 9-13.
- 8. Oktriawan, W., Adriansah, & Alisa, S. 2022. Kesejahteraan Masyarakat di Desa Campakasari Kecamatan Campaka Kabupaten Purwakarta. Muttaqien, 3(1), 1–14.
- 9. Sukmasari, D. 2020. Konsep Kesejahteraan Masyarakat dalam Perspektif Al-Qur'an. At-Tibyan, 3(1), 1–16.
- 10. Wati. 2020. Analisis Bentuk Pertanggungjawab Sosial pada PT. Telkom Idonesia, Tbk terhadap Kesejahteraan Masyarakat. Jurnal Akuntansi, 4(1), 22–36.
- 11. Wilda, Y. A., & Sunoko, A. 2020. Implementasi Corporate Social Responsibility (CSR) dalam Meningkatan Mutu Kualitas Pendidikan SMK NU Banat Kudus.