

Model of Implementation of Corporate Social Responsibility (CSR) on Regional Roads in Indonesia

Ayu Surya Arsinta¹, Mohammad Ichsan²
{ayussurya30@gmail.com¹, mohammad.ichsan@binus.edu²}

Department of Civil Engineering, University of Indonesia, Depok, Indonesia 16424¹, Management Department, BINUS Business School Undergraduate Program, Bina Nusantara University, Jakarta, Indonesia 11480²

Abstract. It is known that regions in Indonesia are still struggling with funding for the handling of road infrastructure. In this case, the company can carry out its social responsibility to the environment through its Corporate Social Responsibility (CSR) program for road infrastructure. The purpose of this study is to identify the factors that support the creation of the company's CSR on regional roads and subsequently compiled them into a model for implementing CSR factors to improve regional routes in the company's environment. The method used is a literature review method that contains information, theories, and concepts. Data collection through questionnaires and the results of the questionnaires are identified using SEM-PLS and subsequently can be helpful to assist in the implementation of CSR.

Keywords: Corporate Social Responsibility, CSR, Road Infrastructure, Implementation Strategy

1 Introduction

One of the problems faced by local governments related to road infrastructure today is funding for road infrastructure development. According to Machmud [1], the pattern of regional development financing still relies on budgets sourced from conventional funds such as taxes and levies. The government still relies on increasing local revenue (PAD) in overcoming the limited development funds. This shows that the provincial government has not been able to finance it. CSR can be used as alternative funding for road infrastructure in the region to overcome this problem of funding road infrastructure.

Corporate Social Responsibility (CSR), according to ISO 26000 in Purnama's [2] link, is the responsibility of an organization for the impact of its decisions and activities on society and the environment, which is manifested in the form of transparent and ethical behavior that is consistent with sustainable development and public welfare; taking into account the interests of stakeholders, by applicable law and consistent with international norms; and integrated into all organizational activities, both activities, products, and services. Meanwhile, Suharto states that CSR is a business operation committed to increasing company profits financially and the region's socio-economic development in a holistic, standardized, and sustainable manner.

The author has conducted a preliminary survey to respondents, namely representatives from the Department of Public Works and Public Housing as a local government, regarding which

areas have received CSR funds for road infrastructure. Respondents who have received CSR are described in the table below.

Table 1. Results of a preliminary survey of road lengths funded by CSR.

District Code	Island Name	Length of Road Funded by CSR (km)
District A	Sumatera	18
District B	Sumatera	12
District C	Sumatera	1
District D	Jawa	1
District E	Jawa	7,7
District F	Jawa	3
District G	Jawa	4,6
District H	Kalimantan	39
District I	Sulawesi	4
District J	Kalimantan	300

Based on the above background, the authors would like to research the strategy for implementing CSR factors on regional roads in Indonesia by taking case examples from 10 regions that have managed CSR programs for road infrastructure.

2 Research Methods

2.1 Research Process

The first research process is a literature study. The variables obtained by the researchers from the results of the literature study were submitted to experts/experts for verification, clarification, and validation. Experts are asked to write comments, responses, and input and add or subtract the proposed variables. The results of the initial expert validation carried out data analysis phase 1 using descriptive analysis. The next stage is data collection. Data collection is done by distributing questionnaires to correspondents regarding the factors in creating road management programs and CSR for regional roads that have been verified, clarified, and validated by experts. This questionnaire will be analyzed using SEM PLS and then produce a model of CSR implementation of companies in Indonesia and the dominant factors of CSR implementation.

2.2 Modelling

The flow of the research process is described in the figure below.

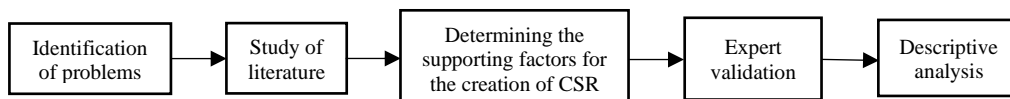


Fig. 1. Phase 1 analysis research process flow.

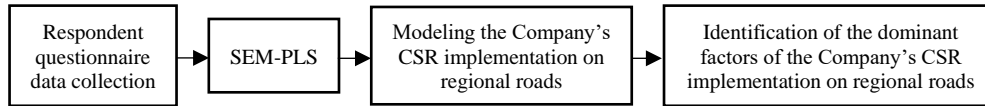


Fig. 2. Phase 2 analysis research process flow.

3 Results and Discussion

3.1 Factors supporting the company's road handling program and Corporate Social Responsibility (CSR)

Based on the results of expert validation on the factors of creating road infrastructure handling programs and the implementation of CSR, the following results were obtained:

Table 2. Results of road management program factors.

Road Management Program Factors	Characteristics	References
Road conditions	There is a cracked road	Wiyono, Widodo, & Maryuni [3]
	There is a grooved road.	Wiyono, Widodo, & Maryuni [3]
	There is a collapse	Wiyono, Widodo, & Maryuni [3]
	There is a pothole	Wiyono, Widodo, & Maryuni [3]
Traffic Volume	Light vehicles (sedans, jeeps, minibusses, pickups)	Wiyono, Widodo, & Maryuni [3]
	Heavy vehicles (buses, trucks)	Wiyono, Widodo, & Maryuni [3]
	Two-wheeled motor vehicle (motorcycle)	Wiyono, Widodo, & Maryuni [3]
Policy	Musrempang Kecamatan	Trissiyana [4]
	Musrempang Kabupaten	Trissiyana [4]
Land Use	Support for agriculture and plantations	Wiyono, Widodo, & Maryuni [3]
	Education support	Wiyono, Widodo, & Maryuni [3]
	Support for trade and services	Wiyono, Widodo, & Maryuni [3]
	Social and cultural support	Wiyono, Widodo, & Maryuni [3]
Fund	Budget allocation	Fatan, Purnawan, Putri [5]
Human	Excessive and repetitive vehicle loads	Munggarani, N. A & Wibobo, A [6]
	Non-adhesive spills such as oil, wastewater, water, etc. on the pavement surface	Munggarani, N. A & Wibobo, A [6]

Table 3. Results of CSR factors.

CSR Factors	Characteristics	References
Regulation	Government regulations Company regulations	Machmud [1] Machmud [1]
Institutional	Institutions from the government Institutional from the company Institutions from the community	Aulya, Suryono, & Prasetyo [7] Aulya, Suryono, & Prasetyo [7] Aulya, Suryono, & Prasetyo [7]
Partnership and Collaboration	Between Government and Companies Between Government and Society Between Companies and Society Transparency of the Company's CSR program policy plans to the Government and the Community.	Pamungkas [8] Pamungkas [8] Pamungkas [8] Majer, M [9]
CSR Program Preparation	The geographical location of an area Social aspects of society Community economic aspects Cultural aspects of society	Sagitaningrum [10] Sagitaningrum [10] Sagitaningrum [10] Sagitaningrum [10]
Corporate Responsibility	Corporate responsibility for the economy of a region Corporate responsibility to the environment Company responsibility to the law Corporate responsibility towards philanthropy/humanity	Yakovleva, N & Vazquez, D [11] Yakovleva, N & Vazquez, D [11] Yakovleva, N & Vazquez, D [11] Yakovleva, N & Vazquez, D [11]
Socialization	Socialization about CSR	Pamungkas [9]

3.2 Modeling between road management programs and the Company's CSR towards improving local road handling

The questionnaire results were processed using the SmartPLS application, and the results formed a model of the existing factors. Following are the results of this research modeling using SmartPLS.

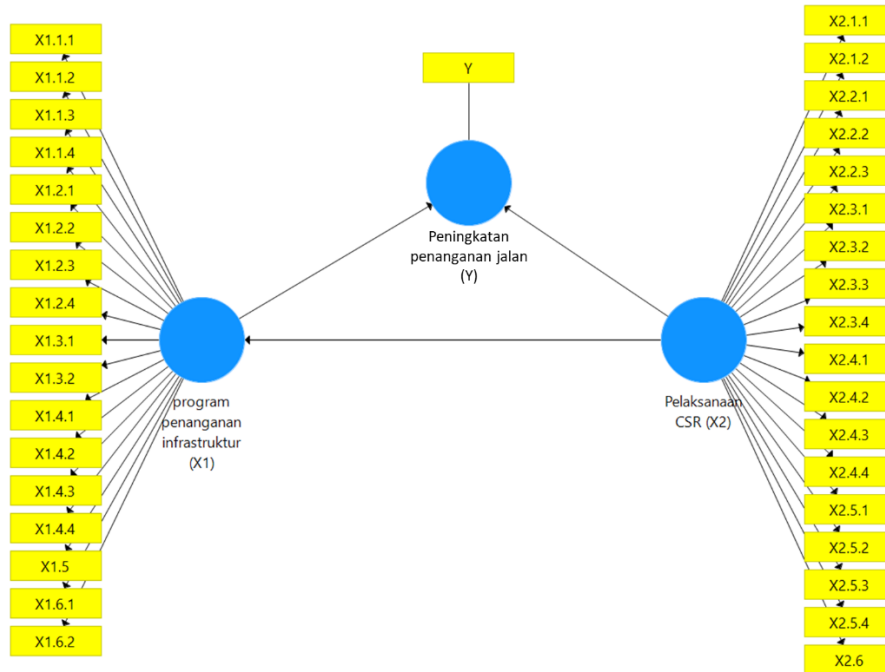


Fig. 3. Modeling between road management programs and the Company's CSR towards improving local road handling.

3.3 The dominant factor of the company's CSR implementation on improving road handling

From the T-test using the SmartPLS application, it can be concluded that the order of factors that influence the implementation of CSR from the most influential is as follows.

1. Institutions from the community
2. Partnership and collaboration between the company and the community
3. Teamwork and cooperation between Government and Companies
4. Company regulations
5. Institutional from the company

4 Conclusion

The T-test and the direct effect test on the SmartPLS application show that the road infrastructure handling program variable significantly affects the road holding improvement variable. Furthermore, the CSR implementation variable has a significant influence on the road infrastructure taking program variable. Meanwhile, the CSR implementation variable has an insignificant effect on the road handling improvement variable.

So this research shows that the implementation of CSR does not need to be made a special regulation by the government. But suppose the government wants to implement CSR to improve road handling. In that case, the government can apply the dominant factors for the creation of

CSR in this research, including create institutions of the community, build partnerships and collaborations between companies and communities, build partnerships and cooperation between the government and companies, make local government regulations and organize the institutions of the company. Suggestions for further research is that the company can be used as a point of view in future research.

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