Implementation Motives And Communication Models of CSR Program in Indonesia and Malaysia

Adhianty Nurjanah[1], Frizki Yulianti Nurnisya[2]
{adhianty@umy.ac.id, frizkinurnisya@umy.ac.id}

[1,2,] Department of Communication, University Muhammadiyah Yogyakarta

Abstract. The purpose of this study is to find out the motives of implementation and the CSR communication model because now the demands for higher corporate awareness will have to be socially responsible and ethical in carrying out their business, including in the implementation of Corporate Social Responsibility (CSR). This study examines 2 cross-country companies, namely PT Sarihusada Generasi Mahardhika (SGM), Indonesia and Int3Tree, Malaysia. This research method uses case study methods and belongs to the type of qualitative descriptive research. The results show that the implementation motives between the two companies have similarities, namely Socially Responsibility Business Practices, support in community development tailored to the business or business activities of the community. While the communication models also have similarities because it uses dialogical communication so that it is able to solve the problem of rejection of CSR programs by the community at the beginning of its activities.

 Keywords: Motives, Corporate Social Responsibility (CSR), Commercial Companies

1   Introduction

The existence of various demands and the increasing awareness of the company related to the obligation to be socially responsible and ethical in carrying out its business, the concept of Corporate Social Responsibility (CSR) is an integral part of the company's survival in the future. Business companies cannot be separated from the environment in which the company operates. According to Kotler and Lee [1] Corporate Social Responsibility (CSR) is a company's commitment to improve the welfare of the community as a consideration of business practices and forms of contribution from company resources. The essence of this definition does not refer to business activities regulated by the prevailing laws and regulations, but rather to the voluntary commitment of the company so that it is chosen and implemented in its business practices. In other words, Corporate Social Responsibility (CSR) has now become a mirror of social development in a democratic society, so that Corporate Social Responsibility (CSR) is a company effort to help the government increase economic and social growth with a balanced approach so that it can become a company tool to achieve prosperity for the whole community.

In Indonesia, based on the Limited Liability Company Law article 74 which contains rules on social and environmental responsibility, it implies that business companies are required to carry out CSR. In addition, according to the Investment Law No. 25 of 2007 articles 15 and 34 stated that companies that do not implement CSR will be subjected to administrative sanctions in the form of written warnings, cancellation of business activities, freezing of business activities, even revocation of business activity licenses. In addition, for state-owned enterprises (State-Owned Enterprises), there is a State-Owned Enterprise Minister Regulation No. PER-05 / MBU / 2007 dated April 27, 2007, where state-owned enterprises were required to set aside funds for partnership programs in the amount of 2% of the company's net profits and 2% for the Community Development Program. Although in Indonesia there are

already laws that become the basis for the implementation of CSR programs, each company has a different motive in implementing CSR programs.

However, in Indonesia the form of Corporate Social Responsibility (CSR) mostly only provide voluntary financial support (voluntary), generosity-driven (philanthropic), not in the form of community development activities (Community Development). In addition, the implementation of the CSR program has not thought about the goal of wanting to change its behavior (knowledge, skills and attitudes) so that the community is able to help themselves. In this case, the Corporate Social Responsibility (CSR) program of the company only provides material assistance or direct cash assistance to the targets without providing supports of the community empowerment process through counseling, guidance or training so that the community can be independent. Assistance provided by companies in the form of capital, education, health, religious facilities and so on is still top down and it lacks attention to the aspirations of the community. Thus many forms of its Corporate Social Responsibility (CSR) are not achieved for the sustainability [4]. In addition, the company still does not consider that CSR is a social investment for companies so that CSR programs need to be part of their business ethics [5] The company's more ideal CSR motive is not only to seek mere profit or mandatory and even philanthropy but to carry out CSR as a form of socially responsible business practices to contribute to realizing people's welfare. The selection of the two countries is due to the similarity of the characteristics of the community in which the elements of society become important things that must be considered in the implementation of CSR programs.

2   Research Methods

This research is a type of qualitative research. The research method used is a case study method that will highlight various factors that regulate communication, illustrating its uniqueness while providing an in-depth understanding of the cases to be observed. Data collection techniques use primary data, namely interviews with related informants who are selected purposively to meet research needs, while secondary data were collected using literature study techniques and documentation to confirm and strengthen data for analysis. In this study selected informants namely Endah Prasetioningtias as Public Affairs & Internal Communicatios Manager of PT SGM, Suendra Acting as Security & Community Relations Analyst-East PT SGM, Agus Triyono as the PKPU Project Manager, Sriyadi as the village chief of Logede, Zumaroh as the chairman of FMDL, Suminten as the beneficiary. The informant from Int3Tree is Haziq Bin Shezali as Int3Tree Marketing Executive and Muhammad Farhan Bin Hamidudin as Int3Tree administration officer and beneficiaries, namely Puan Subaidah Binti Ilhamsyah and Noor Azlina Binti Rafli Imam. The data in this study will be analyzed qualitatively. Qualitative research is a procedure that produces descriptive data in the form of written words, or people's opinions or observed behaviors [6]. Qualitative data analysis requires researchers to carry out activities simultaneously through data collection, data interpretation and research reports writing [7]. The data obtained were analyzed using interactive analysis models [7]. Thus data analysis is not carried out separately with data collection, but it is an activity carried out together. During data collection, researchers move interactively in 3 components of analysis namely data reduction, data presentation and final conclusions / verification [8]. According to Miles and Huberman [9] an interactive analysis model is an analysis model consisting of three components, namely the data reduction, data presentation, and conclusion drawing.

3 Results and Analysis: Motives and Communication Model of CSR Program in Indonesian dan Malaysian Companies

3.1 Motives of PT Sarihusada Generasi Mahardhika in Implementing CSR Program

One of the practices of PT SGM's social responsibility through the CSR program is the Logede Village community empowerment program that has been successfully implemented from 2014 to 2017. The success of this program begins with the initiative of PT SGM itself which previously had good relations with the local government, namely the Karangnongko District Government. The CSR program begins with a survey and assessment during program planning and the result is that Logede Village is eligible to make the location of the CSR program for 3 years. On Logede Village CSR program, PT SGM is not alone but partners with NGOs (Non-Governmental Organizations) namely PKPU Human Initiative as the program implementing partner. PKPU was chosen as the companion partner based on the track record that it has succeeded in assisting the community in the Rumah Srikandi CSR program which is the CSR program of PT SGM in Yogyakarta.

3.2 Communication Model of PT Sarihusada Generasi Mahardhika in CSR Program

In delivering the CSR program of Logede Village PT SGM conducted various direct approaches to the beneficiary communities of the program and local government elements, as shown in figure 1.
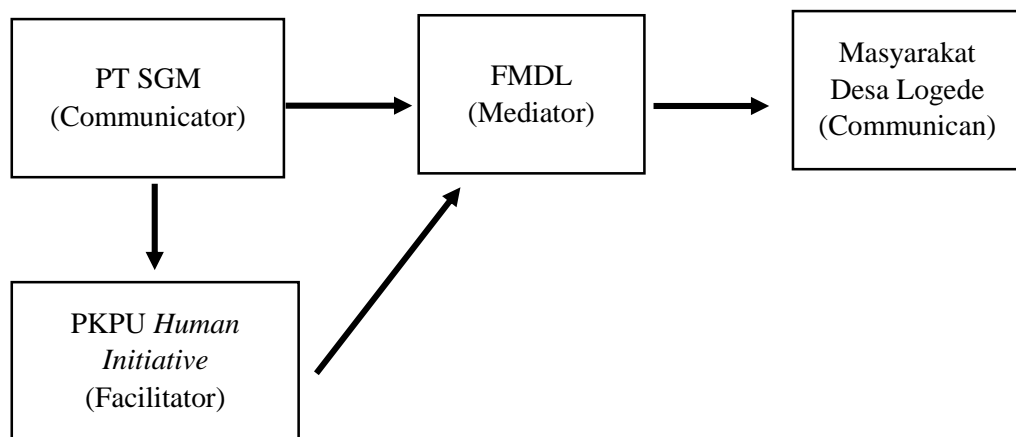
Fig 1. CSR Communication Model between PT SGM and Logede Village Community

The communication process that took place between PT SGM and the Logede Village community was carried out through PKPU as a facilitator in the field and FMDL as a mediator. This is done by communicating directly / face-to-face dialogue together to discuss the problems and needs of the Logede Village community. There are also CSR activities of the Logede Village community as an effort to improve the quality of life in the health, education and economy in Logede Village with various activities, namely: 1) *Posyandu* Routines, 2) *Pondok Gizi* (Nutrition
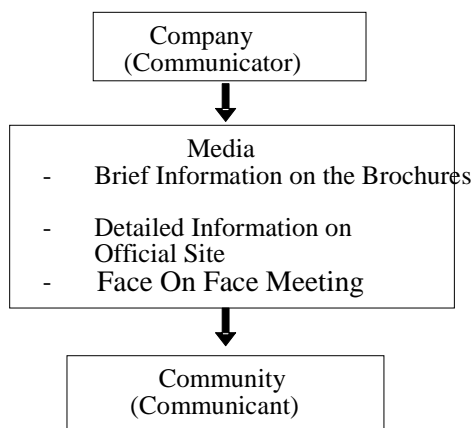
Post) Activities, 3) Pre-School Teachers Community School Activities and 4) Waste Bank activities that aim to improve the household economy through the effort to save waste.

3.3 Motives of Int3Tree Malaysia in Implementing CSR Program

Int3Tree in implementing CSR programs with the motives of socially responsible business practices, business practices that have social responsibilities according to the community needs. This is done by providing support in the development of a very community with business or business activities owned by the community, in this case the beneficiary, the person closest to the company, the agent, adjusting the potential of the community and their needs related to training and designing business strategies. For the community development it is carried out in various fields of life, especially in the economic field.

3.4 Communication Model of Int3Tree Malaysia in CSR Program

The company has designed a communication process that is mature how to start the communication process that has mutual understanding and communication means that should be done to establish two ways communication with each stakeholder, including the people who are opposed to the company's activities. After providing detailed information on the official website and many people who give questions or merely ask for confirmations. So the next thing that must be prepared is a mature implementation to give a first impression which is good for the trainees, so they feel at home during the training, feel that there is knowledge that can be taken, so that eventually they will come back again and even provide information by inviting the closest people to the event.At the end of the activity they did not demand the attendance of participants in a hard-sell way for the next session. They only give an idea of what will be done in the next session and allow participants to consider independently whether to come back or feel enough to attend only once at the first session. It can be concluded that to establish dialectical communication with the community, the company Int3Tree uses conventional media such as brochures and face-to-face, as well as using new media, namely designing an official company website that continues to change and reform for better services. Shown on figure 2.

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┌─────────────────────┐
│     Company         │
│  (Communicator)     │
└─────────────────────┘
           │
           ▼
┌─────────────────────────────────────┐
│              Media                   │
│  -  Brief Information on the Brochures│
│                                       │
│  -  Detailed Information on           │
│     Official Site                     │
│  -  Face On Face Meeting              │
└─────────────────────────────────────┘
           │
           ▼
┌─────────────────────┐
│     Community       │
│  (Communicant)      │
└─────────────────────┘
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Fig 2. Communication Model between Int 3 Tree and Beneficiary Communities of the Commerce Training Program

Another interesting thing received by the research team is that as a company that has carried out CSR activities, they do not conduct evaluation activities regarding their CSR activities, for example counting the number of participants in each period or just documenting the activities they have done.

3.5 Analysis towards CSR Communication Model on the CSR Program of PT SGM & Int3Tree

The CSR program is designed as a corporate strategy to reflect the value of the organization and also as a form of economic value creation in a way that also creates value for the community by addressing their needs and challenges [10]. Changes in business practices by many companies have changed a variety of marketing communication tools, including CSR programs. Now many companies do communication blending through collaborating advertisement, personal selling, sales promotion, public relations, sponsorship, and many more to achieve sales goals. One strategy that can be used is to utilize CSR activities because by doing this activity the company can obtain benefits from both the company's image, maintaining relationships with new customers, avoiding sanctions from unethical actions to maintaining the company's good image as an investment in the future[11].

PT SGM also does this, namely CSR is carried out for the purpose of community empowerment that later can create the reputation of PT SGM in the eyes of its stakeholders. However, the Int 3Tree company does not carry out CSR activities at all to improve the company's reputation or image. Although in Malaysia there is also a law which states that if a company conducts CSR activities it will reduce the taxes that must be paid, but Int3Tree states that the implementation of CSR activities is purely due to their awareness to contribute to the community. In fact they refused to publish CSR activities because they were afraid of bringing *riya,* unlike other companies that often publicize their CSR activities to shape the company's reputation and positive image. In this case Int3Tree decided to implement a CSR program so that the beneficiary community could have more value for themselves, both have expertise in the economic field in order to have financial independence and mental training in order to become a formidable person facing daily problems - day. Int3Tree takes into consideration their activities even though these activities are not directly related to the company's core business. Int3Tree's CSR activities are built on a sense of humanity so that the way to approach implementing partners and beneficiary communities is also done with mutual understanding through dialogical communication.

Baxter [12] writes if it takes dialectical-dialogical communication between communicators and communicants, because through dialogical communication both parties will find differences, find equations then define and continue to redefine so as to form dynamic communication in its relationship. As with the design of this CSR activity, the company begins dialectical-dialogical communication by looking at the needs of the beneficiary community of CSR programs.

Baxter also wrote that "*the relationship was never in the form of a series of statements of a single person but a process that runs back and forth over time because the relationship is not something you think cognitively in your head, but is the result of the discourse"*. In this case Dialogical communication is able to build a required relationship; the communication is to be bidirectional. In this case the company PT SGM uses FMDL which comes from elements of the community who have a close relationship with the beneficiary community of the CSR program. With the strategic communication between PT SGM and the Logede Village community conducted through PKPU as a program facilitator and FMDL as a program mediator in the community by direct face-to-face dialogue aimed at understanding the physical, social, economic and political conditions in Logede Village communities. The success of the Logede Village CSR program is supported by

dialogical two-way communication to communicate the company's vision and mission and build community participation played as objects and program subjects at the same time.

FMDL which consists of local community leaders such as chiefs of the village, chiefs of RT / RW, religious leaders, PKK cadres, youth organization, village midwives, as mediators between PT SGM and Logede Village communities is very effective due to its physical proximity that is living in the same village, having the same background, same language and culture so that the message of empowerment is easily accepted and followed by the local community. There is no suspicion because those who deliver the program come from among those they already know. Besides that there are physical similarities in the same location, language, culture also influences the emergence of community enclosures towards CSR programs so that people also have an emotional closeness to CSR programs; having a sense of belonging to this CSR program by being actively involved in every CSR program in Logede Village. The results of this research are in line with the opinion of Leslie A Baxter that Dialogue as a Constitutive Process that with a dialogical communication approach can explain and construct the social world, including self and personal relationships.

Unlike Int3Tree Company, communication is done directly by Executive Marketing because the company is a new company that does not have a public relations division, especially CSR. Control of the quality of the delivery of messages to partners and beneficiaries was also continued because according to many studies stated "research in business-to-business services associates commitment with trust, perceived value, involvement of service providers and quality of interaction between clients and service providers" [13]. So with direct involvement using dialogical communication the quality of trust will arise from stakeholders to the company.

Beside that, the use of communication tools in communicating CSR programs from companies to beneficiary communities is an important thing to do. Communication tools that can be used are official sites, social media accounts, and presentations using power points. This, as explained by Ruben, explains that to understand the communication process "it is useful to consider how we function as users and creators of verbal, written and non-verbal messages" [14]. Communication tools used in PT SGM through face-to-face meetings with communication tools in the form of power point presentations that contains Logede Village CSR program. The same goes for Int3Tree companies that use Executive Marketing as communicators who are representative companies, using Communication tools in the form of official sites, social media accounts, presentations with power points. In this case the program communicator must pay attention to each use of the word, the diction used and the way to respond to the needs of the communicant including choosing what communication media is most appropriate for the public. Int3Tree has prepared a strategy to deal with the culture that there are still many people in Malaysia who are not interested in the business world by using short and solid brochures first. Then social media is also prepared for those who want to consult anything including education about commerce.

Strategic communication carried out by the company through its representatives must optimize its effectiveness by fulfilling the following aspects [15]: 1) Communication carried out lasts two ways in a reciprocal manner; 2) Activities carried out consist of information dissemination, implementation of persuasion and assessment of public opinion; 3) The objectives achieved are organizational goals; 4) The intended target is the public inside and public outside the organization; 5) The expected effect is a harmonious relationship between the organization and the public. It is because these forms of CSR program undertaken by PT SGM and Int3Tree were more of providing training to the beneficiaries, then the right concept used in this analysis is the extension as a product of communication management that has a purpose: 1) To secure understanding - gives the sense of an innovation; 2) To establish acceptance - after knowing and accepting must continue to be fostered; 3) To motivate action - then motivated to take action / practice.

In those two companies, PT SGM and Int3Tree, the issue of rejection at the beginning of the CSR program could be minimized due to dialogical communication by both parties between the company and the community. Based on the results of communication research through dialogue between the company and the community has the goal of achieving mutual understanding so that the form of communication is carried out in various ways through several media as needed. There is no desire from communicators to do propaganda and domination for their own benefits. This is because both parties have the same rights and communication channels. After the trust is formed, both parties, especially the communicant, will open themselves to receive new information from the communicator, so that the attitude of worry and rejection can be minimized and even able to be accepted by the community. Thus the CSR program which initially had experienced rejection could eventually be well received and implemented by all beneficiaries of the CSR program.

4   Conclusion

There are similar motives of the company in implementing CSR programs in Indonesia and in Malaysia. PT SGM implements a CSR program as a business and social commitment (Socially Responsible Business Practices) which is an implementation of the vision of the SGM One Planet One Health company of which the meaning is in its business not only to increase capital or profit but to contribute to the health of the community and the planet as well as to aim to improve reputation company in the eyes of its stakeholders. Similarly, Int3Tree companies in Malaysia carry out CSR programs with the motive of Socially Responsibility Business Practices by providing commerce training for the public on a regular basis so that the public can utilize financial potential through the business of buying and selling.

The CSR communication model conducted by PT SGM to the community through PKPU as a program facilitator in the field and FMDL as a mediator that bridges the interests of the company and the beneficiaries of the program by using hearing meetings with village and community officials supported with a communication tool in the form of presentation programs using PowerPoint related to Logede Village CSR programs. At Int3Tree company that uses Executive Marketing as communicators and also use Communication tools in the form of official sites, social media accounts, presentations with power points. In those two companies, PT SGM and Int3Tree, the issue of rejection at the beginning of the CSR program could be minimized due to dialogical communication by both parties between the company and the community. In the CSR program of PT SGM and Int3Tree Malaysia in order to achieve the success of the CSR program, the realization of community welfare requires continuous communication and cooperation between companies and the beneficiary communities of the program even though the CSR program has already exited the program. This is done so that the beneficiary community of the CSR program can be independent and always eager to continue the sustainability program.

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