

## Integration Strategic Plan Corporate Social Responsibility in the Regional Development Planning of Buleleng Regency

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### Abstract

*This study is aimed at understanding the CSR (Corporate Social Responsibility) program which is still applying in Buleleng regency, in order to explore the company's perception regarding the plan of CSR (Corporate Social Responsibility) integration with regional development plan in Buleleng regency and arranging a CSR (Corporate Social Responsibility). This study uses a qualitative method with study subjects including company and the corporate social and environmental responsibility Facilitation team of Buleleng regency. The study's results show that (1) CSR (Corporate Social Responsibility) program which has been applying so far in Buleleng regency has encountered several obstacles such as the data form and activity administration. (2) The company perception of integration plan shows that the company supports the plan in general as long as it continues to adopt the company's business interests. (3) The form of integration expected by the company can be carried out at the planning and implementation stages of activity. (4) The priority areas that planned to receive CSR (Corporate Social Responsibility) founding, they are must be the areas which is in line with goals and objectives of the Buleleng regency local government plan. (5) The Strategic Plan for Integration of CSR (Corporate Social Responsibility) with regional development plan is described in the strategy for implementing activities and in the form of activity proposals.*

### Keywords

coorporate social responsibility;  
regional development; strategic  
plan



## I. Introduction

The implementation of Corporate Social Responsibility in Indonesia has been mandated and has a clear legal basis including the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies, especially Article 74 and Law of the Republic of Indonesia Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies. .

Stipulation of Buleleng Regency Regional Regulation No. 7 of 2017 concerning Corporate Social and Environmental Responsibility (TJSLP), Buleleng Regent Regulation No. 7 of 2021 concerning Implementing Regulations of Regional Regulation Number 7 of 2017 concerning Corporate Social and Environmental Responsibility and Regent's Decree Number 188.45/304 / HK/2021 concerning the Buleleng Regency Corporate Social and Environmental Responsibility Facilitation Team is an effort of the Buleleng Regency local government to improve company involvement in CSR activities in Development in Buleleng Regency.

Although some legal basis for the implementation of CSR in Buleleng Regency has been made, until now the implementation of CSR in Buleleng Regency has not been integrated with development programs. Based on the results of the 2017 Buleleng Regency

CSR Implementation Study Final Report study and initial observations that have been made, several CSR programs that have been carried out by companies in Buleleng Regency were carried out without being organized. Submission of proposals is carried out independently by the community as well as by regional officials individually without coordinating with the TJSLP facilitation team formed in the district. This causes many programs/activities that are actually more priority and need to be addressed immediately, are not implemented because they do not receive CSR funds.

The main focus of the problem that will be studied in this research is related to the unavailability of data on proposed CSR activities that are integrated with the Buleleng Regency Regional Development Plan. With the integration of CSR activities, it is hoped that it can serve as a guide to direct the implementation of CSR activities in Buleleng Regency in order to support the achievement of development targets in accordance with the Buleleng Regency Regional Development Plan.

## II. Review of Literature

### 2.1 Draft Corporate Social Responsibility

Definition proposed from corporate social responsibility: "The social responsibility of business implies the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Carroll, 2017). According to Carroll (1979) the social responsibility of business includes economics, law, ethics, and finally discretionary (voluntary) expectations to be given to the community at a certain time or better known as philanthropic responsibility.

Joseph McGuire (1963) who argued that the idea of social responsibility presupposes that corporations have not only economic and legal obligations, but also certain responsibilities to society that go beyond these obligations. The focus of corporate social responsibility is not just showing efforts to determine accountability or obligations that are too static. However, social responsibility fully describes the social efforts or business performance of the corporation.

Motivation comes from the Latin word *movere* which means drive or driving force (Purba and Sudibjo, 2020). In implementing CSR, business companies have their own motives and interests, for example economic motivation, motivation to obtain social recognition and security licenses from stakeholders around the company, or as a company's ethical goals. Therefore, many companies develop their own CSR program models according to business goals and corporate ethics (Nadjib & Zainal, 2020).

Rachman et al. (2011) in (Nadjib & Zainal, 2020) compiled a book entitled Complete Guide to CSR Planning, also stated that companies need to develop community participation around company operations, in order to obtain programs that are appropriate and needed by the surrounding community. Various methods such as deliberation and discussion with local stakeholders were developed by the managers of business companies related to CSR to capture program aspirations from local communities and adapt them to the interests of the company.

### 2.2 Regional Development Planning

According to Tjokroamidjojo (1997), planning in the broadest sense is a process of systematically preparing activities to be carried out to achieve certain goals; how to achieve the best goals with existing resources to be more efficient and effective; and determining the goals to be achieved or to be carried out, how, when, and by whom.

Based on the Minister of Home Affairs Regulation Number 86 of 2017 Regional development planning is a process to determine future policies, through a sequence of choices, involving various elements of stakeholders, in order to utilize and allocate existing resources within a certain period of time in the region. In accordance with the Instruction of the Minister of Home Affairs Number 70 of 2021, the Buleleng Regency Government has prepared the Buleleng Regency Regional Development Plan (RPD) for 2023-2026 and has been ratified through Buleleng Regent Regulation Number 9 of 2022.

### **2.3 CSR Implementation Policy**

The implementation of CSR in Indonesia has been regulated in several regulations including: The Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies is specifically discussed in Article 74, Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibilities of Limited Liability Companies, especially Articles 4 and 5.

The legal basis for implementing CSR in Buleleng Regency is regulated in several regulations including Buleleng Regency Regional Regulation No. 7 of 2017 concerning Corporate Social and Environmental Responsibility, Regent Regulation Buleleng Regent Regulation No. 7 of 2021 concerning Implementing Regulations of Regional Regulation Number 7 of 2017 concerning Corporate Social and Environmental Responsibility and Regent's Decree Number 188.45/304/HK/2021 concerning the Buleleng Regency Corporate Social and Environmental Responsibility Facilitation Team.

All of these legal bases will be the basis for planning, implementing and evaluating CSR activities in Buleleng Regency.

## **III. Research Method**

This type of research is descriptive qualitative research with research subjects includes 18 informants representing companies operating in Buleleng Regency and 15 informants from the Buleleng Regency Corporate Social and Environmental Responsibility Facilitation Team. The criteria for company informants are company manager or employees who work in the department/unit/section that handles the company's CSR. Data collection was carried out using the FGD method and literature study, where the FGD was carried out in stages with Company informants and then with TJSLP Facilitation Team informants.

## **IV. Results and Discussion**

### **4.1 Results**

#### **a. Previous CSR activities**

Based on the recap data of CSR activities for the 2017-2022 period in Buleleng Regency, in terms of the types of CSR activities in the form of Physical and Non-Physical activities where proposals are submitted directly by the community/community group, facilitated by regional officials or surveyed and verified directly by the Company. Some of the companies that provide CSR are companies whose headquarters are in Buleleng Regency or outside Buleleng Regency. The priority targets for providing CSR are people who are affected / are around the company's location and people who are outside the company's affected area. In the CSR activities that have been carried out, obstacles were found such as the absence of CSR proposal data, there is no coordination between

companies in terms of handling CSR needs and there is no administrative format for activities such as the handover of work.

#### **b. Company's Perception regarding the CSR Integration Plan with the Buleleng Regency Regional Development Plan**

All company informants considered that the CSR integration plan with the Buleleng Regency Regional Development Plan was appropriate. The integration of CSR activities is considered to have an impact, including making it easier for companies to find data on potential targets, can create collaboration between companies, encourage more equitable development, CSR can be right on target and have an impact on cooperation/coordination in solving CSR problems in the field. However, several informants also said that the integration must continue to adjust to company policies.

#### **c. The Form of Integration expected by the Company**

##### **1. Forms of Integration at the Planning and Implementation Stage**

Related to the form of integration expected by the company, the form of integration that wants to be known is the integration at the planning stage and the implementation stage of CSR activities. At the planning stage, out of 18 company informants, 17 informants stated that the company would directly choose from the recapitulation of the proposed CSR activities prepared by the government and in line with the company's CSR policies and 1 other informant chose to go directly to the community to determine potential CSR targets/activities by reasons to be more confident and make it easier to assess the conditions and needs of prospective CSR recipients. At the stage of implementing CSR activities, the informants' answers indicated that 14 companies wanted to carry out their own CSR activities but did not rule out the possibility of partnering with the TJSLP TEAM in terms of monitoring the sustainability of CSR activities that had been implemented, while the other 4 companies chose that the implementation and supervision of CSR activities were carried out by the company itself on the grounds that the company's CSR became corporate responsibility as well as for reasons of facilitating the process in the field.

##### **2. The form of integration of sustainable management of the area**

Of the total company informants, 15 company informants stated that it was possible if the company carried out CSR in a selected area in a sustainable manner and collaborated with other companies.

#### **d. Planned Priority Areas for CSR Funding**

Based on the data submitted by the company, the priority areas of the Company are quite diverse, but in general they can be grouped into several types of activities, namely: Community economic development/SMEs, Environment, Education, Health, Religion, Social and Sports. From the local government's perspective, through the agreement of the Buleleng Regency TJSLP Facilitation Team, the activities proposed to receive CSR are activities that are in line with the Regional Development Plan so that CSR activities will support the achievement of Buleleng Regency's development goals.

#### **e. Strategic Plan for Integration of CSR with Regional Development Plans**

The Strategic Plan for Integration of CSR with the Regional Development Plan of Buleleng Regency for 2024-2026 is prepared based on priority programs contained in the RPD and several thematic priority programs which are also national priorities such as

poverty alleviation, stunting reduction and reduction of housing and slum areas. The strategic plan for integrating CSR with the regional development plan of Buleleng Regency is prepared in the form of a matrix of activity plans for the period 2023-2026 which contains details of proposed activities, locations, volumes, units, unit prices and information.

The proposed CSR activities are grouped into several fields, namely the Health Sector, the People's Economy Sector, the Social Sector, the Religious Social Sector, the Sports Sector, the Education Sector, the Environment Sector and other fields in this case in the form of a proposal for disaster management infrastructure.

## **4.2 Discussion**

### **a. Previous CSR activities**

CSR activities that have been carried out previously in Buleleng Regency have not been organized and are still running independently. The unavailability of a list of CSR needs/target data causes companies to seek CSR recipient targets independently or are waiting for proposals from the community so that a matrix of proposals for regional CSR activities is needed.

The implementation of CSR will require implementation rules and an activity administration system because the Regional Regulations and the TJSLP Regional Regulations have not yet found detailed implementation rules and administrative systems for activities. In addition, the lack of coordination between companies has caused some CSR activities to be less effective, thus requiring inter-company coordination facilitated by the TJSLP Team.

### **b. Company's Perception regarding the CSR Integration Plan with the Buleleng Regency Regional Development Plan**

The results of research related to the company's perception of the CSR Integration Plan with the Buleleng Regency Regional Development Plan indicate that in general the company supports the plan. In line with the research results (Nadjib & Zainal, 2020) the Buleleng Regency Government also has to adopt the company's business interests. It is also possible to provide space/promotional media for companies that have implemented CSR or propose awards for companies that meet the award recipient criteria.

The shift in the concept of CSR to Creating Shared Value (CSV) mentioned by several informants shows that some companies have viewed CSR activities as no longer just a responsibility/burden but also creating social values together so that the company hopes to be easier to coordinate. and directly involved in integrating CSR activities in line with government programs.

### **c. The Form of Integration expected by the Company**

At the activity planning stage, almost all companies are willing to choose from the recapitulation of proposed CSR activities prepared by the government that are in line with the company's CSR policies. This shows the company's confidence in the Government's performance in the proposal drafting process. In order to maintain the company's trust, in the process of planning CSR activities, companies through CSR Forums still need to be directly involved/socialized so that the Company can see the source of the proposal. The role of the TJSLP Facilitation Team in verifying activity proposals is also very important so that the proposals that will be submitted to the company provide a clear picture of the potential recipients of the activity, the needs of the community and the budget plan.



At the stage of implementing CSR activities, all companies want to carry out their own CSR activities as part of their business interests so that the company gets the reputation and trust of the community. It is also possible for the company to coordinate with the government through the TJSLP Team if it encounters obstacles in the field, including those related to maintenance/sustainability monitoring after CSR activities.

The management of the area in a sustainable manner and collaboration between companies, based on research results show that it is possible to realize this, but the plan for managing the area in a sustainable manner requires more in-depth discussion and planning to determine the division of tasks and budgeting between local governments and companies.

The form of integration expected by the company is in line with the results of Zainal's research, 2020 where according to the wishes of the company in Buleleng Regency, the integration of CSR activities with regional development programs also needs to consider the reciprocal form of CSR activities carried out by the company. Local governments should still pay attention to the company's business interests such as the ease of the licensing process, security guarantees from the surrounding community, the company's reputation in the eyes of the community, as well as government guarantees as a bridge connecting the company with the surrounding community.

#### **d. Planned Priority Areas for CSR Funding**

The results of the study indicate that the priority areas of the company that are planned to receive CSR funding are the areas of community economic development/MSMEs, Environment, Education, Health, Religion, Social and Sports. This field is also in line with the Buleleng Regency Regional Regulation No. 7 of 2017 in article 12 which mentions the development areas that are the targets of the TJSLP implementation. On the other hand, the Buleleng Regency Government prepares proposals for CSR activities according to the company's priority areas and in line with development priorities according to the Buleleng Regency Regional Development Plan 2023-2026.

#### **e. Strategic Plan for Integration of CSR with Regional Development Plans**

Based on the research findings, several strategies for implementing CSR in the future in Buleleng Regency include:

1. Mapping and preparing a list of potential CSR companies in Buleleng Regency
2. Prepare technical SOPs for the implementation/administration of CSR activities that are simple and uncomplicated
3. Increase socialization related to the CSR Integration Strategic Plan with the Buleleng Regency RPD to companies both from Buleleng Regency and companies whose parent is outside the Regency
4. Prepare a timeline for submitting proposals that are adjusted to the company's proposal acceptance schedule and schedule CSR Bazaar activities with the company on a regular basis
5. Assisting the implementation of CSR activities if required by the Company
6. Monitoring and evaluating CSR activities on a regular basis
7. Establishing a CSR Forum
8. Giving awards and media exposure for the company

Judging from the Regional Regulation of Buleleng Regency No. 7 of 2017, the matrix of the CSR integration plan with the Regional Development Plan that has been designed is in line with the regulation where according to article 13 the form of application

is in the form of community empowerment, partnerships and environmental development, donations and donations and promotions. The proposed activities in the matrix should be reviewed and re-verified at the beginning of each year on a regular basis by the TJSLP Facilitation Team so that activities that have not been realized can be proposed in the following year.

Each proposed activity needs to be immediately accompanied by a complete proposal that describes the principles of benefits, impacts, and the expected improvement/leverage with the intervention of CSR funds, to give the company an idea that the company's budget will be utilized as well as possible.

## V. Conclusion

CSR activities that have been running so far in Buleleng Regency are in the form of physical and non-physical activities, submissions are made directly by the community/community group, facilitated by the regional apparatus of Buleleng Regency, or determined directly by the Company. Individual/Group/Regional CSR Recipients of Buleleng Regency. The previous CSR implementation also encountered obstacles, namely the absence of CSR proposal data, the absence of coordination between companies and no format for administering CSR activities.

The company's perception of the Regional Government's plan to integrate regional development programs with CSR activities in Buleleng Regency shows that in general the company supports the plan. However, the Buleleng Regency Government is also expected to continue to adopt the company's business interests.

The form of integration expected by the Company begins at the planning stage of activities and the stages of implementing CSR activities. The government needs to consider the reciprocal form of CSR activities carried out by companies such as the ease of the licensing process, security guarantees from the surrounding community, the company's reputation in the eyes of the community.

The priority areas that are planned to receive CSR funding in Buleleng Regency are areas that are in line with the goals and objectives of the Buleleng Regency Regional Development Plan for 2023-2026

The strategic plan for integrating CSR with the regional development plan in Buleleng Regency is described in the CSR activity implementation strategy and matrix which will be reviewed and re-verified at the beginning of each year on a regular basis by the Buleleng Regency TJSLP Facilitation Team..

In the future, the Buleleng Regency Government is advised to implement several strategies to encourage the implementation of CSR, and other researchers are advised to be able to assess the effectiveness of the company's CSR programs in encouraging the achievement of development targets according to the Buleleng Regency Regional Development Plan.

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