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# The policy network for effectiveness in corporate social responsibility

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### **ABSTRACT**

Research objectives to analyze the effectiveness of policy networks, strategies to face CSR problems in the city of Bandung. This research uses a qualitative approach, with the SWOT analysis method. The results of the study were the effectiveness of policy networks in CSR in Bandung, emphasizing strategy; S-O synchronization of the CSR program with the RPJMD (company program with ISO 26000: 2010 standard), strong regulations from the central, provincial and district/city levels; W-O strategy to strengthen coordination between stakeholders, academics and the community in CSR coordination meetings with related parties; S-T strategy of consolidation, integration, synchronization of company regulations and government programs, strengthening of the CSR Forum, enforcement of regulations on CSR, strengthening of regulations from head office to branch offices; The Regional Government's W-T strategy is to supervise, tighten CSR regulations, synergize communication between governments and companies, use internet technology, socialize and disseminate to related institutions, meetings and summons of CSR-related parties. The effectiveness of the Policy Network in CSR in Bandung City has the opportunity to develop by being obliged by law for companies to implement CSR that cares about environmental conservation, public awareness, regional autonomy, competent parties participate in participatory decision-making processes, democracyin realizing sustainable development.



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### Introduction

With the passage of globalization, where the level of competition between companies engaged in services and non-services is higher, every company must have a way to be able to maintain their existence(Prasetiyanti, 2013). Economic development that improves community welfare necessitates collaboration between the government and the private sector that provides mutual benefits, as well as government support(Lubis, 2018). So community service is the embodiment of the socio-economic principles of sustainable development. This agenda received the main emphasis in the Earth Summit based on the fact that there are still many people in the world who live with a minimum level of welfare. Likewise in Indonesia, the public service agenda is placed as the first agenda because the focus of development and environmental management in Indonesia is indeed directed at the socio-economic dimension without neglecting other dimensions. This dimension concerns poverty alleviation; Changes in production and consumption patterns; Population dynamics; Management and improving the health of housing and settlement development; Global trade system, economic instruments, and integrated economic and environmental accounts.

To make it happen is the responsibility of all parties, namely the government, business world and society. For the Government, the implementation of development to achieve community welfare is an obligation for all its people. For this reason, the government has various strategies, including a policy network strategy, in the sense that the government builds a network of cooperation with various parties so that development goals can be achieved more quickly.

The business world is required to be responsible for striving for the welfare of the community, both the community around the company and the wider community in order to support government programs to create a prosperous society; as confirmed in Law number 40 of 2007 concerning Limited Liability Companies (PT), article 74 paragraph 1 which states that the obligation for all companies in the form of PT to carry out corporate social responsibility or Corporate Social Responsibility (CSR).CSR requires a strong foundation for its implementation because, without a solid foundation, it will be difficult to expect to have a positive impact on society(Renyaan et al., 2019). According to Kotler in (Ine Mariane, 2019) research, CSR is part of the company's commitment to improving community welfare through good business practices and contributing a part of the company's resources. Since the enactment of this Law, corporate social responsibility has become mandatory, especially for companies that are legally incorporated as Limited Liability Companies (PT). According to Suharto in the journal (Mentari, 2015)CSR is a business operation that is committed not only to increasing company profits financially but also to the socio-economic development of the region in a holistic, institutionalized, and sustainable manner. In addition, as a company organization, it must follow international standards which are Guidance on Social Responsibility, namely ISO 26000, which provides voluntary guidance standards regarding the social responsibility of an institution that includes all sectors of public bodies or private bodies both in developing countries and countries progress, which includes 7 main issues, namely Community Development, consumers, healthy institutional activity practices, environment, labor, human rights, and Organizational Governance.So, currently, corporate social responsibility (CSR) has become a very important issue for many companies, both operating nationally and internationally. So one of the main ideas of corporate social responsibility (CSR) is related to the world's business is that the business world is not only looking for profit, but must also be ethical and play a role in the creation of social investment (Wirman, 2017).

The primary goal of CSR is to empower the community through community empowerment (community development) in order to support sustainable development, but the implementation must be more focused and detailed(Zainal, n.d.). One definition of Corporate Social Responsibility (CSR) is an organization's active pursuit of public and employee goodwill via philanthropic activities. to demonstrate care for society and the environment, the corporation runs external activities via partnerships in which all interested parties participate(Kurniasari, 2015).In (Yuliansyah, 2021) research shows that the results of research on Corporate Social Responsibility Philanthropy at BNI Syariah Kc. The Panorama of Bengkulu City is very influential on the interests of prospective customers. This is indicated by the magnitude of the effectiveness of Corporate Social Responsibility philanthropy in influencing the interests of prospective customers of Bank BNI Syariah Kc. Whichever panorama from the calculation results above the level of effectiveness, it is included in the sufficient and effective category because it is at a ratio of 80% to 100%. According (Andrianto, 2017) results of his research show that the CSR program that has been carried out by PT. Pelindo III(Persero) is very good and well planned. This is evidenced by the fact that the program is every year in its implementation, accompanied by a report on the position and financial activities on partnership programs and environmental development.

Corporate social responsibility has been carried out by large or multinational companies, state-owned companies, such as mining companies, and other private companies. Thus, the contribution of the business world through corporate social responsibility programs in supporting sustainable development in Indonesia is quite large. This can be seen from the high concern of the business world for the surrounding environment, both in economic, social and environmental aspects. It cannot be denied that sustainable development is currently supported by the participation of the business world in accordance with their respective capabilities and focus of attention (CSR-Kesos-Ministry of Social Affairs Forum). State-owned enterprises (BUMN) play a key role in the Micro, Small, and Medium Enterprises (MSMEs) sector and have a responsibility to do so(Pratama, 2013). In this regard, Rustanto (2011) states that the number of companies is 26,625 units and 72 BUMNs in the last 10 years have emerged the phenomenon of participation from companies to help support socio-economic problems in the community in the concept of corporate social responsibility (CSR). This is also supported by the various efforts of the provincial, district and city governments to issue laws and regulations related to the implementation of corporate social responsibility in the provinces, regencies and cities concerned. In West Java, in particular, West Java Governor Regulation number 30/2011 concerning Facilitation for the Implementation of Social and Environmental Responsibility in West Java has been issued

to facilitate the synergy of actors. In 2016, the City of Bandung received Rp. 32 billion from private company Social and Environmental Responsibility (TJSL) funds which was translated into 180 activities. The funds were channeled in various programs, both physical and non-physical development through the TJSL Bandung Forum. The Bandung TJSL Forum was formed by the Bandung City Government to collect, manage, distribute, and evaluate TJSL funds in the City of Bandung. This forum consists of elements from the government and Bandung City development stakeholders, including from the private sector, academia, and institutions. In 2016, this forum collected and managed TJSL funds from 194 companies in a transparent and accountable manner. "There is no success without solidarity. There is no success without hard work". In Indonesia, Corporate Social Responsibility (CSR) in most companies that have this social responsibility is only voluntary. Therefore, there are rules that make CSR an obligation to be challenged by business people(Gultom, 2022).

The city of Bandung already has a policy network strategy in the framework of sustainable development, including by embracing the business world in the city of Bandung. The number of companies operating in the city of Bandung can directly or indirectly influence development in the city of Bandung which focuses on sustainable development. In this connection the researcher formulates the following problems: 1) How is the effectiveness of the policy network in corporate social responsibility in the city of Bandung?; 2) How are the efforts to overcome networking, partnerships in corporate social responsibility in the city of Bandung?; 3) What is the strategy carried out in facing the constraints of the policy network in the current corporate social responsibility?

Policy network is referred to by Carlsson (2000) as an approach. Policy network, which is described as actors, the relationships between them, and their boundaries. Actors are those who are involved in a policy, both from public and private organizations. Networking in policy has a different meaning from participation. Policy networks not only require the participation or involvement of actors as participants, but also mutually beneficial relationships between participants or actors, which in the framework of good governance, consist of the government, private sector, society, and the international community.

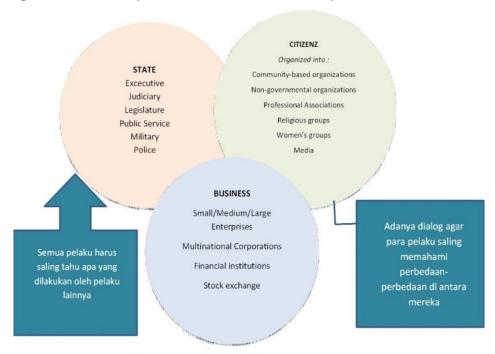


Figure 1. Policy Network

According Steurerin the journal (Cui et al., 2018) provides several reasons why the government has an interest in CSR issues. First, it is in line with the concept of sustainable development (sustainable development). The first motivation is related to foreign policy such as the human development program (human development program).

The second reason is, CSR policies are considered as an attractive complement to other regulations, for example in Indonesia in the Limited Liability Company law, in this case the government can show its concern for social and environmental issues even though this regulation on corporate social responsibility only gets a very small portion of it. the statute. Third, the implementation of CSR is still limited to a voluntary basis, so

the government needs to emphasize so that CSR implementation will get more focus from the company. The fourth reason is that many approaches in implementing CSR use the concept of a partnership program (partnership program) so that it will open up the potential for wider community involvement in sustainable development. This is closely related to managing relationships and roles with broader stakeholders such as business, government and civil society.

Sustainable Development Emil Salim (1990) also argues that sustainable development aims to improve people's welfare, to meet human needs and aspirations, and to equitable development between present and future generations.

Overview of Corporate Social Responsibility (CSR) Rudito stated that the relationship between the company and the local community is a social and cultural exchange, where the company introduces a business culture as well as a social life that is different from the surrounding community. local is an effort to adapt or create or increase trust between each (2013: 11).

### Method

# Approach and Type of Research

The approach used is qualitative, because the main concern of the researcher on the research variables and the research problems is considered very suitable with the qualitative design. Through a qualitative approach the researcher wants to emphasize more, reveal the meaning and understanding obtained to describe the policy network in the implementation of corporate social responsibility in the city of Bandung.

This type of research is descriptive, namely research that describes information data based on facts (facts) obtained in the field. This study examines the form, activity, characteristics, change, relationship, similarity and difference with other phenomena. Qualitative descriptive in this study is used to develop a theory that is built through data obtained in the field.

## Research Subject

The subjects in this study are people who are involved in CSR in the implementation of corporate social responsibility programs in the city of Bandung.

## **Determination of Informants**

In this research, informants were determined purposively, based on the consideration that the selected informants had the information needed in the study and the willingness to become informants, namely; Head of the Community Development Division of the Company, the City Government of Bandung, and the Management of the Bandung City CSR Forum.

#### Data collection technique

Researchers used several data collection techniques as proposed by Creswell in the journal (Zaluchu, 2020) who divided data collection techniques in qualitative research into three types, namely: participant observation with the category of passive participation, in-depth interviews, and studies. documentation.

## **Data Analysis and Interpretation**

Data analysis is the process of systematically searching for and compiling the data obtained. Researchers carried out a number of methodological steps on the data collected from data collection and data presentation, namely qualitative data analysis carried out through a systematic process whose implementation has been carried out since data collection and carried out more thoroughly, both since or during the field and after no longer in the field, by organizing data into categories, breaking down into units, synthesizing, arranging into patterns, choosing which ones are important and what will be studied, and making conclusions so that they are easily understood by oneself and others.

The steps in data analysis are as follows: Data Reduction; Data Display (Presentation of Data); and Conclusion Drawing. Although every design may not be perfect for all situations. Seven principles to help improve design include (1) an integrated approach; (2) all forms of decisions must be environmentally friendly; (3) impact analysis must emphasize the identification of the best possible; (4) impact analysis must be based on law, and must be specific, mandatory and must be applied; (5) the analysis process and related decision making must be open, participatory and fair; (6) acceptance conditions and conditions must be enforceable, the capacity must exist to monitor the effects and compliance with implementing regulations; (7) efficient implementation and various ways are structured to link the analysis of internal factors and external factors. Providing an alternative for decision making is carried out by a SWOT analysis. SWOT analysis compares the external factors, opportunities and threats with internal factors of strengths and weaknesses, Rangkuti (2007). SWOT analysis on internal factors and external factors is arranged in the following matrix:

Table 1. SWOT analysis		
	Strenghts (S)	Weakness (W)
IFAS	Determine the factors	Determine the factors
	Internal strength	Internal weakness
EFAS		
Opportunities (O)	Strategi SO	Strategi WO
Determine the factors	Create a strategy that uses your	Create strategies that minimize
External opportunities	strengths to take advantage of	weaknesses to take advantage of
	opportunities	opportunities
Threats (T)	Strategi ST	Strategi WT
Determine the factors	Create a strategy that uses strength to	Create a strategy that minimizes
External threats	overcome threats	weaknesses and avoids threats

Source: Rangkuti (2007)

## **Data Processing**

Data processing is carried out through the following stages: 1) Data categorization, grouping and data separation; 2) Coding data, providing codes or symbols according to the grouping; 3) Content analysis through secondary data; 4) Data triangulation to check the validity of the data.

## **Results and Discussions**

The effectiveness of the Policy Network in Corporate Social Responsibility in Bandung City in the perspective of sustainable development has a growing opportunity to be implemented. As companies are legally required to implement CSR and consumer awareness, more and more companies will care about environmental preservation. In addition, regional autonomy will provide opportunities for the achievement of better quality decisions, because competent parties participate in the decision-making process.

Based on the results of observations and interviews conducted by researchers by directly observing the conditions in the field, on average some companies have the ability to provide opportunities for better decision quality, because competent parties participate in the decision-making process, so as to achieve better quality decisions. This is in line with one of the conditions for realizing sustainable development, namely participatory, democratic, and opportunity self-determination. Therefore, more and more companies care about environmental preservation very well and carefully, it will show that the company has a sense of social responsibility in realizing sustainable development, and the company is achieving corporate sustainability.

The CSR programs referred to in this research are programs that are always oriented to the Basics of Environmental Management as a strategic guide in the implementation of sustainable development and must be implemented in an integrated manner in every development activity, whether carried out by the government, the wider community, or the world. effort.

Based on the results of interviews with researchers, on average they are happy and do not feel burdened so that sustainable development will increase, and the existence of the company and the preservation of the environment will be maintained through CSR programs. Based on the results of observations made by researchers in the field, it shows that the effectiveness of the policy network in corporate social responsibility is a nature conservation effort carried out by the company and in collaboration with the community.

The results of interviews conducted by researchers with respondents in this study, on average, respondents agreed that the activities carried out by the company in sustainable development helped the community in developing local commodities and the community greatly benefited from the existence of these CSR programs.

Based on the results of observations made by researchers while in the field, most companies experienced an economic increase in this sustainable development, both directly to the community and to the government. However, a small number of other companies are unable to experience significant economic changes due to several reasons, one of which is the inconsistency in CSR programs which are always oriented to the work of Environmental Management.

The results of interviews with informants, on average, agree with the statement stating that their economy has increased from the results related to CSR programs that are always oriented towards Environmental Management, which must be implemented in an integrated manner in every decision.

**Table 2.** Strategy Analysis For The Utilization Of Corporate Social Responsibility (CSR) in the SWOT Approach

## Internal factors

### Strength

- 1. Understanding of CSR policies
- 2. The conformity of CSR with the needs of the surrounding community.
- 3. Quality of government human resources and companies implementing CSR.
- 4. Good communication and friendship between the company and the government

#### Weakness

- 1. CSR regulations in accordance with the needs and capabilities of the bank or company.
- 2. Ability to face implementation constraints in the field

#### **Eksternal Factors**

## Opportunity

- 1. CSR implementation budget.
- 2. The behavior of the community receiving CSR.
- Good communication and communication between the company and the community.
- 4. The company's positive image in the eyes of the government and society

## SO strategy

- 1.Synchronization of CSR and RPJMD Programs (CSR programs support Government Programs)
- 2.Emphasize companies to follow ISO 26000: 2010.
- 3. The existence of strong regulations from the central, provincial and district levels.

### WO strategy

- 1. There is strengthening coordination among stakeholders.
- 2. It is necessary to include elements from academia and society in the coordination meeting on CSR
- 3.It is necessary to hold a CSR meeting with related parties, such as the government, companies, and community representatives.

#### Treath

- 1. Kesesuaian CSR dengan program pemerintah.
- 2. Kualitas SDM pemerintah dan perusahaanpelaksana CSR
- 3. Sarana prasaranapendukung
- 4. Koordinasiantarausulan CSR dengananggaran

## ST strategy

dan

- 1. There is consolidation, integration, synchronization of company regulations and government programs.
- 2. Strengthening the CSR forum regarding coordination for the CSR controling function
- 3. It is necessary to provide supporting facilities and infrastructure in the use of technology and information
- 4. It is necessary to enforce regulations on CSR
- 5. There is a strengthening of regulations from head office to branch offices on Corporate Social Responsibility (TJSP)
- 6. It is necessary to hold a coordination meeting in the proposed budget for CSR funds

# WT strategy

- Local governments need to supervise, tighten CSR and Responsibility Regulations Corporate Social Responsibility (TJSP), to companies in the city of Bandung.
- 2. The establishment of communication synergy between the government and companies.
- 3. Utilization of information technology such as internet networks to facilitate the delivery of CSR files and reports
- 4. Socialization and dissemination to related institutions to strengthen their functions and responsibilities regarding the CSR Program.
- 5.It is necessary to hold meetings and summons regarding those related to Corporate Social Responsibility (TJSP)

Source: Research Results

Based on the table above, it can be seen that for the effectiveness of the policy network in implementing corporate responsibility in the city of Bandung, it is necessary; The S-O strategy is a strategy to synchronize the CSR program with the RPJMD (CSR programs support government programs, emphasizing companies to

follow ISO 26000: 2010 standards, and the existence of strong regulations from the central, provincial and district / city levels.

The W-O strategy is to strengthen coordination between stakeholders and the need to include elements from academia and the community in coordination meetings regarding CSR, as well as holding CSR meetings to related parties, such as Governments, Companies, and Community Representatives.

ST strategy, namely the need for consolidation, integration, synchronization of company regulations and government programs, as well as strengthening of the CSR Forum regarding coordination for the CSR control function, with the provision of supporting facilities and infrastructure in the use of information technology, besides that it is also necessary to enforce the enforcement of regulations on CSR, by strengthening regulations from the head office to branch offices on Corporate Social Responsibility (TJSP), and a coordination meeting in the proposed CSR budget.

Whereas the WT strategy is the need for the Regional Government to supervise, tighten CSR and Corporate Social Responsibility (TJSP) regulations, for companies in Bandung City, by establishing communication synergy between governments and companies, the use of information technology such as internet networks to facilitate sending files and CSR reports, conduct socialization and dissemination to related institutions to strengthen their functions and responsibilities regarding CSR programs, and it is necessary to hold meetings and summons to parties involved in Corporate Social Responsibility (TJSP) in Bandung City.

From (Taliding, 2021) research, it can be concluded that PT Semen Tonasa has implemented CSR as a company obligation for production activities carried out by referring to the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies and Government Regulation of the Republic of Indonesia Number 47 of 2012 concerning Social Responsibility and Limited Liability Company Environment. In addition, the implementation of CSR by PT Semen Tonasa in 2017–2019 has been running quite effectively by looking at the comparison between the work program and the realization that occurs in the field, as well as interviews conducted with the Head of Environmental Development & CSR and local residents who feel the social responsibility of PT Semen Tonasa.

## **Conclusions**

Companies that want to achieve corporate sustainability are required to have CSR programs that are oriented towards sustainable development. The CSR programs referred to are programs that are always oriented to the Basics of Environmental Management which are set as strategic guidelines in the implementation of sustainable development and must be implemented in an integrated manner in every development activity, whether carried out by the government, the wider community, or the business world so that maintained the existence of the company and at the same time environmental sustainability. The effectiveness of the Policy Network in Corporate Social Responsibility in Bandung City in the perspective of sustainable development has the opportunity to develop to be implemented, along with the legal obligation for companies to implement CSR and public awareness, more and more companies will care about environmental preservation. In addition, regional autonomy will provide opportunities for the achievement of better quality decisions, because competent parties participate in participatory decision-making processes, democracy, and the opportunity to self-determination.

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