IMPLEMENTATION OF CSR
(CORPORATE SOCIAL RESPONSIBILITY) IN INCREASING
THE IMAGE OF PT PERTAMINA

Fina Tri Lestari1*, Kartika Pradana Suryatimur2
1,2 Undergraduate of Accounting Study Program, Faculty of Economics, Universitas Tidar Magelang, Central Java, Indonesia
E-mail: 1) finatrilestari@untidar.ac.id, 2) kpsuryatimur@untidar.ac.id

Abstract
This research aims to find out the implementation of the CSR (Corporate Social Responsibility) program carried out by PT. Pertamina (Company) in order to improve the company's image. The research strategy employed is qualitative in nature. This research was not conducted to test the hypothesis between the two research variables, but rather to describe the extent to which CSR programs implemented by PT. Pertamina can contribute to the enhancement of the company's image. This study's data is derived from the 2021 annual report of PT. Pertamina, which was obtained from IDX, as well as articles and other documents relevant to the research topics. On the basis of the research findings, it can be concluded that PT. Pertamina has implemented its CSR program in accordance with its vision and mission. The implementation of CSR by PT. Pertamina has a significant impact on the enhancement of the company's image, reputation, and credibility. In this case, what PT. Pertamina has to do is improve the implementation of the programs being carried out so that it can expand the target development of the CSR programs being carried out and more people will benefit, re-mapping of the community's economic conditions before and after program implementation, and the need for regular monitoring and evaluation processes to obtain feedback in an effort to increase program benefits in the future.

Keywords: Company Image, Corporate Social Responsibility, Limited Liability Company

1. INTRODUCTION
In conducting their business activities, corporations are not solely profit-driven. But is also concerned with environmental sustainability (planet) and social welfare (people). Even though maximizing profits is the primary reason for establishing a company, it is not permissible for the business to do so at the expense of the interests of other stakeholders. The community is one of the most essential stakeholders for the company. The community is the party that indirectly feels every detail of the policies issued by the company. Society also has a close relationship with the formation of corporate image which is also a pillar for the survival of a company.

Corporate Social Responsibility (CSR) or corporate social responsibility is currently increasingly popular among the public and business people (Thalia & Andrina, 2022). As explained by Hadi (2011: 48) in Wijaya et al. (2015), the early history of the development of social responsibility in the 1950-1960s was still understood simply. Social responsibility is understood as the company's generosity towards the surrounding community. However, currently Corporate Social Responsibility (CSR) is a form of company commitment to the interests of society and the surrounding environment. According to the World Business Council on Sustainable Development in Sultoni (2021), Corporate Social Responsibility is a commitment from a business or company to behave ethically and contribute to sustainable economic development, as well as improve the
quality of life of employees and their families, the local community and the wider community.

One of the companies implementing CSR programs to improve its corporate image is PT Pertamina (Company). As one of the companies engaged in the distribution of energy and a company owned by the ministry of BUMN, PT Pertamina (Company) also carries out social responsibility (CSR) as a form of their commitment to care for the environment and also the community, especially those affected by activities his efforts.

According to Rusdianto (2013), one of the benefits that can be obtained by companies if they carry out CSR well is an increasing corporate image. According to Sulandjari & Nanda (2020), the image itself is an impression, feeling or conception that exists in the public about a company, an object, a person or about an institution. Every company needs to have a good image in the eyes of stakeholders. This positive reputation and image is the main non-financial capital and added value for the company to be able to grow in a sustainable development. Hildawati (2020) explain that “by doing CSR, companies can improve their good image in the eyes of society. This will be an opportunity for the company to be able to continue to develop its business units, and ultimately increase the company’s profitability in a sustainable manner”.

Based on the background described above, the authors decided to conduct research by raising the title, “Implementation of CSR (Corporate Social Responsibility) in Increasing The Image of PT Pertamina”, to find out how the implementation of the CSR strategy carried out by PT. Pertamina (Company) through various programs has towards improving the company's image.

2. LITERATURE REVIEW

2.1. The concept of Triple Bottom Lines

Fajirnaski (2017) explains that “the concept of triple button lines was first introduced by Elkington & Rowlands (1999) through his book ‘Cannibals with Forks, The Triple Bottom Line of Twentieth Century Business’. This concept views that if a company wants to continue to run and develop, it needs to pay attention to the 3Ps, namely Profit, People and Planet”.

Meanwhile Elkington (1999) in Firmansyah (2018) suggests that “a company that shows its social responsibility will pay attention to improving the quality of the company (profit); society, especially the surrounding community (people), as well as the environment (planet)”. 2.1.1. Profit

Prasista & Setiawan (2016) also explains that “essentially profit is additional income that can be used to ensure the survival of the company”. But by adhering to the concept of triple bottom lines, the company is not only responsible to shareholders by bringing in the maximum profit. However, companies must also realize that both directly and indirectly, the profit earned is inseparable from the support of stakeholders. So it is appropriate if the company set aside a little profit for the interests of stakeholders.
2.1.2. People

The people is one part of the stakeholders who have a large enough contribution to the company's existence. It is inevitable that every operational activity of a company has the potential to have an impact, both positive and negative, on the surrounding community. The continuity and development of the company can be achieved if the company pays attention to the social dimension. The result of ignoring this social dimension is the emergence of resistance from the community and other parties related to the company, causing conditions that are not conducive to the company's business activities.

2.1.3. Planets (Environment)

There is a causal relationship between humans and the environment. In simple terms, if you take good care of the environment, the environment will provide great benefits to humans. Vice versa, lack of concern for the environment can cause various diseases, natural disasters or other natural damage that must be borne by humans.

2.2. Corporate Social Responsibility (CSR)

According to the World Business Council on Sustainable Development in Sultanı (2021), Corporate Social Responsibility is “a commitment from a business or company to behave ethically and contribute to sustainable economic development, as well as improve the quality of life of employees and their families, the local community and the wider community”. Another definition of Corporate Social Responsibility is the company's responsibility to adapt to the needs and expectations of stakeholders with regard to ethical, social and environmental issues.

In Indonesia, the Government has issued regulations regarding corporate social responsibility (CSR) for limited liability companies (PT) which are contained in article 74 of Law No. 40 of 2007 concerning CSR obligations for PTs. Specifically, companies whose business activities involve or are related to natural resources are required to exercise social and environmental responsibility.

According to Bajra et al. (2016) said that “there are several basic reasons companies carry out social responsibility”, namely:

1) The company's social involvement with the community in fulfilling the obligation that he has sensitivity to social problems in society.
2) Increase the good name of the company, public sympathy, employees and investors so that the company gets economic feedback or reciprocity.
3) Fulfilling the wishes of investors, namely in helping the performance of government programs such as conservation, cultural preservation, improving education, and providing employment to the surrounding community.
4) Increasing the positive response to the norms and values of society.

2.2.1. Benefits of Implementation of Corporate Social Responsibility (CSR)

According to Sugianto & Soediantono (2022), the benefits of implementing social responsibility are as follows:

1) Maintain and enhance the company's reputation and brand image.
2) Obtain a license to operate socially.
3) Reducing the company's business risk.
4) Widen access to resources for business operations.
5) Opening up wider market opportunities.
6) Reducing costs, for example related to the impact of waste disposal.
7) Improving relations with stakeholders.
8) Improving relations with regulators.
9) Increase employee morale and productivity.
10) Opportunity to get an award.

If the implementation of CSR is able to be carried out effectively, it can provide benefits not only for the company, but also for society, government and the environment (Rusdianto, 2013).

2.2.2. Implementation Model of Corporate Social Responsibility (CSR)

Carroll (1991) developed the CSR pyramid concept, which offers a theoretical and logical justification for why a business should implement CSR for the surrounding community. According to Carroll (1991), “CSR is the top of a pyramid that is closely related, and even synonymous with philanthropic responsibility”. There are at least four CSR models which will be described as follows:

1) Economic responsibility
   The company must be operated on a profit-based basis so that it can increase the responsibility for supporting employees, paying taxes and other company obligations.

2) Legal responsibility
   The business activities carried out are expected to fulfill the economic objectives of the actors based on law. Companies must be able to comply with applicable laws as a representation of the rule of the game.

3) Ethical responsibility
   Company policies and decisions are based on fairness, are free and impartial, respect individual rights, and provide equal treatment to achieve company goals.

4) Voluntary responsibility
   The company's social action policy is based on the company's desire to make social contributions that do not have a direct reciprocal interest.

2.3. Corporate Image

According to Suwito (2018), image is “an impression, feeling or conception that exists in the public (external parties) about a company, an object, a person or about an institution or organization”. Further, Sutrisno et al. (2017) highlight as the view or impression of other parties in viewing the company, image is also an important asset of the company or organization and the impression obtained is based on knowledge and experience”. The corporate image will establish a reputation. Meanwhile, a strong reputation is established through everyday operational actions that are consistent with the company's values.

In research of Oktina et al. (2020), there are several reasons why CSR is very important in the formation of a company's image or reputation. The reason for this is the element of transparency that positions the company as if it were always under a microscope so that anyone can see it, allowing anyone to quickly discover social responsibility activities. The following factor is the knowledge of consumers in selecting products and companies, which is not only based on the financial sector but also on social and environmental factors. The universe's sustainability is the third factor. And finally,
globalization, wherein people in this era seek a balance between the desires of the corporation and those of the general public.

2.3.1. Factors Affecting Corporate Image

There are five factors that influence the formation of organizational or corporate image (Annisa & Adiarsi, 2017), namely:

1) Physical identity: in this case what is seen is visual (organization name, logo, text font choice, color, building figure, and office lobby), audio (such as organizational jingles), communication media (company profile, brochures, leaflets, annual reports, and media coverage).

2) Non-physical identity: seen from the history of the organization or company, philosophy, beliefs, values and culture.

3) Organizational management: such as vision, mission, system, policy, rule, flow or procedure, technology, human resources (HR), organizational strategy, job design, service system, product positioning.

4) Result quality, product quality, and service: a designed product, good or service reflects quality management. The better a work result accompanied by maintained quality, the better the image of the organization/company. Five-star service is certainly very impressive in the eyes of consumers. Maximizing service is also an ideal form of public relations.

5) Activity and relationship patterns: assessed from the organization's or company's relationship with the public, the response of the organization's social responsibility, the quality of communication, customer experience, and communication networks.

The factors that influence the formation of the image of the organization or company mentioned above which indicate corporate social responsibility (CSR) are Activity factors and Relationship Patterns, especially the response of organizational social responsibility.

2.3.1. Relationship of Corporate Social Responsibility (CSR) to Corporate Image

Basically, every company in carrying out its operational activities has its own goals, one of which is to make a profit, improve the company's image and so on. This company goal can be achieved by the company through the strategy of implementing CSR (Corporate Social Responsibility).

According to Ulum et al. (2014), companies that carry out their social responsibility consistently will get broad support from the community who benefit from the various activities they carry out. The implementation of CSR programs will improve the company's image and in the long run will accumulate into a company's reputation.

According to a survey conducted by Environics International (Toronto), Conference Board (New York) and Prince of Wales Business Leader Forum (London) in Hardiani (2016), that “60% of 25,000 respondents in 23 countries are of the opinion that corporate social responsibility is one of the factors forming a good image of a company”. The survey is sufficient to explain that the implementation of CSR will shape public opinion in the form of image towards the company. The accumulation of corporate image will form a very meaningful reputation for the company. Not only beneficial in relationships with its customers, but also with other stakeholders.
3. RESEARCH METHODS

This study used qualitative research methods, with the aim of exploring and building proportions or explaining meaning in existing reality. Therefore, this research was not to test a hypothesis between variables, but to describe how the implementation of the CSR program that had been carried out by PT Pertamina with the hope of improving the company's image.

The data used in this study were obtained from the annual report of PT Pertamina (Company) in 2021 which was accessed on the official PT Pertamina website and from the website idx.co.id. In addition, other data that can support, namely from the articles and documents needed.

The type of research used was descriptive research, namely research that describes certain conditions. Research that emphasizes data collected in the form of words or pictures.

4. RESULTS AND DISCUSSION

4.1. PT Pertamina (Company)

PT Pertamina (Company) is a state-owned company and is a national energy company. The purpose of a limited liability company is to seek profits based on the principles of effective and efficient management of the Company and to contribute to increasing economic activity for the welfare and prosperity of the people. The government issued Law No. 8 of 1971, which regulates Pertamina's role as the only state-owned company tasked with oil and gas exploitation, beginning with managing and producing oil and gas from oil fields throughout Indonesia, processing it into various products, and distributing and serving fuel oil and gas throughout Indonesia.

The products produced by PT Pertamina (Company) include: 1) Fuel oil (BBM) which is marketed in retail to the public, 2) Fuel which is marketed for industry, consisting of non-subsidized and a small portion of subsidized BBM, 3) Special fuels (BBK) which are marketed in retail to the public include Pertalite, Pertamax, Pertamax Plus, Pertamax Turbo, Pertamax Racing, Dextile, and Pertamina Dex, 4) Aviation Fuel, namely Avtur, Avgas and Methanol Mixture. 5) Domestic gas products that are marketed retail and industry, 6) Petrochemical products, and 7) LNG for industry, LNG for trains, LNG for vehicles, LNG for mining etc.

4.2. CSR Program at PT Pertamina (Company)

PT Pertamina (Company) is a public company owned by state (BUMN) and is a national energy company. This is in line with its vision of “Becoming a World Class National Energy Company”. PT Pertamina was founded in the 1950s. That way PT Pertamina has been around for more than 60 years. PT Pertamina is dedicated to upholding the harmony and preservation of nature, the environment, and the local community in an effort to achieve sustainable business growth. The execution of social and environmental responsibility (TJSL), which is related to TJSL governance, environmental management, consumer protection, community development, and the Partnership and Community Development Program, allows for the realization of this commitment (PKBL).

Sondakh & Lapian (2022) explain that “at the Nusantara CSR Award 2021 award event which was held on September 15, 2021. PT Pertamina (Company) won 55 awards.
from 9 categories namely Best of The Best CSR of The Year, Best CEO of CSR of The Year, Improving the quality of education, Community economic empowerment, Improving the quality of health, Developing tourist villages, Involving the community in handling waste, Empowering people with disabilities, Integrating programs for broad impact, Inspiring leaders of CSR practices, Health and economic assistance (charity) for handling the COVID-19 emergency”.

PT Pertamina has implemented a CSR program based on the concept of the triple bottom line, which stands for people, planet, and profit (3P). This is the focus of PT Pertamina's operations, where the products developed and services provided are designed to care about environmental sustainability, particularly the earth, for the benefit and future of future generations. The CSR of PT Pertamina focuses on four issues, which serve as its pillars: the Social Pillar, the Economic Pillar, and the Environmental Pillar.

PT Pertamina issued a Sustainability Policy in accordance with global dynamics that prioritize sustainable practices for sustainable business through environmental, social, and corporate governance (LST) management. The Sustainability Policy was created to encourage compliance with laws and regulations, as well as to create long-term value for stakeholders through the development of sustainability practices throughout the business. The Sustainability Policy outlines PERTAMINA's initiatives to better integrate the Company's strategies and activities in the context of ESG, particularly by contributing to human resources, the environment, economic and social development, and the SDGs. This aligns with PERTAMINA's goals of becoming a leading and reputable energy company, as well as being recognized as an environmentally friendly, socially responsible, and good corporate governance company.

PT Pertamina's sustainability policy includes the following indicators 1) Environmentally Friendly Company, 2) Socially Responsible Company, 3) Good Corporate Governance. In addition, PT Pertamina (Company) has pillars and realization values regarding TJSL which include:

1) The Social Pillar, in which there are programs without poverty, health, education, gender equality.
2) Economic Pillar, regarding programs on clean energy, decent work and economic growth.
3) The Environment Pillar, includes programs on responsible consumption and production, climate change, ocean ecosystems, land ecosystems.

PT Pertamina (Company)'s CSR program includes:

1) Management of the environment

Environmental management is conducted by implementing PERTAMINA's Sustainability Expectations for HSSE Management Excellence (SUPREME), which are based on best practices, national regulations, and international standards (ISO). Additionally, PERTAMINA enforces the HSSE Policy, which applies to employees, partners, visitors, contractors, suppliers, and customers. Environmental management is intended to support PERTAMINA's goal of becoming an environmentally friendly energy company, in accordance with the Sustainability Policy and ESG management support. In order to achieve its goals, PERTAMINA is working to combat climate change, reduce its environmental footprint, and safeguard biodiversity.
2) Social Management

Social management carried out by PT Pertamina (company) includes involvement and community development consisting of the PUMK program, providing assistance or other activities.

In the environmental management strategy carried out by PT PERTAMINA (company), efforts are made to be able to overcome climate change, namely reducing greenhouse gases (GHG) and decarbonization. To make a direct contribution to the environment, PT Pertamina (company) established a new Emission Reduction Roadmap to meet the GHG emission reduction targets in the energy sector. The implementation of 5R (reduce, reuse, recycle, replace, return, treatment, and disposal) for waste management is another measure taken to reduce the environmental footprint. Then, PT PERTAMINA implemented 311 programs for biodiversity protection. Targets of the program are endemic and protected species, one of which is the implementation of a mangrove recovery program in response to the YYA-1 Well oil spill by enhancing mangrove vegetation.

PT PERTAMINA (Company) also encourages Sub holdings, subsidiaries, and operating units/business units to participate in the Company Performance Rating Assessment Program in Environmental Management as a means of evaluating environmental management (hereinafter referred to as PROPER). The Ministry of Environment and Forestry is in charge of organizing PROPER (hereinafter referred to as KLHK).

Then in the program strategy regarding social management, PT PERTAMINA is involved and carries out community development which is guided by Law No. 40 of 2007 concerning Limited Liability Companies. The form of the program is Micro Small Business Funding (hereinafter referred to as PUMK) and Providing assistance.

The PUMK Program aims to empower micro, small, and medium-sized enterprises (MSMEs) by providing working capital assistance, coaching, and expanding marketing access for small business actors. MSE empowerment is implemented through the PERTAMINA UMKM Academy, technology grants, certification and licensing, product displays, learning facilities, publications for fostered partners, collaboration with E-commerce, the SME 1000 catalog, and virtual exhibitions in an effort to encourage MSMEs to gradually upgrade.

While the focus of other social management activities is the provision of assistance to the community, both those in the immediate vicinity of the workplace and the general public, this is accomplished through the implementation of corporate social responsibility (CSR). PT PERTAMINA also contributes to the government’s CSR programs pertaining to the COVID-19 pandemic that are being promoted in 2021. The contribution made by PERTAMINA in 2021 is the establishment of a vaccination center and the construction of a COVID-19 emergency hospital, as well as the provision of various other aid totaling IDR 1.7 trillion in the form of ventilator assistance, masks, personal protective equipment (PPE), and vitamins for medical personnel and the community. Additionally, PERTAMINA distributes oxygen to 504 hospitals in Indonesia. PT PERTAMINA also supports the Government-initiated Climate Village Program (henceforth Proklim) as a national movement for community-based climate change control.

In addition to focusing on environmental management and social management, PT PERTAMINA continues to enhance the quality of its products and services for customers by providing assurance of product quality, service quality, customer safety and health,
complaints and complaint resolution, and digitalization of services. In 2021, PERTAMINA will invest 15,238 million IDR in customer service enhancements.

4.3. Corporate Image of PT Pertamina (Company)

Programs and activities carried out by the company are important values in the formation of the company's image and reputation. In this case, PT PERTAMINA has implemented CSR well in accordance with the concept owned by the company. This can be seen from the realization of the distribution of funds in each program implemented by the company which has indirectly fulfilled the aspirations and needs of the people who need it.

From these CSR programs and activities, PT PERTAMINA wants to form positive perceptions and views from the community regarding the company's performance and corporate values which are the characteristics of the company. Where, in addition to carrying out its operational activities, PT PERTAMINA also pays attention to and is very concerned about the environment and the community around them, both in the area of the head office or its subsidiary branches. Because after all, companies have an obligation and responsibility to keep the environment around their business safe and not cause adverse impacts and the lives of the people are guaranteed.

5. CONCLUSION

Based on the research results, it can be concluded that the implementation of Corporate Social Responsibility (CSR) carried out by PT. Pertamina (Company) has been running well and has played an active role in shaping positive perceptions from the public to improve the company's image. This will also have an impact on the reputation and credibility of the company which will increase as well.

In general, PT. Pertamina has effectively implemented its CSR in line with its vision and mission. This is evidenced by the implementation of CSR programs that meet the needs of the community, resulting in a positive impact on the company, such as improved image, reputation, credibility, and recognition from prestigious award events. Therefore, the more a company contributes to its social responsibilities, the better its corporate image will be. With a better and more positive image, a company's reputation and credibility will also improve.

To enhance its corporate image, PT Pertamina should consider implementing the following recommendations. Firstly, it is necessary to improve the implementation of its CSR programs to expand their reach and benefit more people in the target communities. This would entail developing effective strategies and allocating sufficient resources to support the programs. Secondly, the company should conduct an assessment of the economic conditions of the community before and after the implementation of the programs to evaluate their effectiveness. This would involve re-mapping the economic conditions of the community to identify the impact of the programs on the local economy. Finally, PT Pertamina should establish a regular monitoring and evaluation system to gather feedback and improve the program's effectiveness for future implementations. This would enable the company to continuously improve its CSR initiatives, enhancing its reputation and credibility in the process.
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