# DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) MODEL OF PRODUCTIVE INDEPENDENT BUSINESS ESTABLISHMENT OF MARINE RESOURCES MANAGEMENT (CASE STUDY OF PT. INDONESIA POWER UP SEMARANG)

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### **ABSTRACT**

Investors or companies in Indonesia have an obligation to perform Corporate Social Responsibility (CSR) activities by allocating part of the funds taken from company profits. PT. Indonesia Power UP Semarang, located in Tanjung Mas Port area, which administratively located in North Semarang Subdistrict, has a high commitment to perform these activities. Aside from complying the government's recommendation, another underlying factor is to support the Government of Semarang to reduce poverty, especially in the North Semarang Subdistrict which is the first ring of Corporate Social Responsibility goal of PT. Indonesia Power UP Semarang. This commitment is stated in the Indonesia Power In Power Care Program, a Corporate Social Responsibility (CSR) program which designed through the identification of problems and mapping the needs of the target community. The performed program is empowering and sustainable. This program targets community groups with a fisherman profession to be more creative in managing marine resources. The activities are exercised in the form of providing capital assistance, equipment, marketing management training, packaging management training, and production quality improvement training.

Keywords: Empowerment, Sustainability, Corporate Social Responsibility, Marine Resources

### 1. INTRODUCTION

The practice of Corporate Social Responsibility in Indonesia is a necessity that must be obeyed by business people. This program is intended not only as a form of company compliance with legal aspects but also as an effort to respect business ethics. Business ethics regarding the existence of a company must be able to provide positive value for the people who live around the company's location. The regulation on CSR in Indonesia is contained in Law No. 40 of 2007 concerning Limited Liability Companies namely social and environmental responsibility is the company's commitment to participate in sustainable economic development in order to improve the quality of life and the environment that is beneficial, both for the company itself, the local community, and the community in general (Viky, 2016.4)

The concept above clearly illustrates the obligations and demands that companies are not just profit-oriented, but the existence of the company must be able to contribute in improving the quality of life of the community around the company, as well as helping to improve the local economic growth through the creation of productive economic independent business, so that it will reduce the poverty rate of individuals, families, or surrounding communities. Even though the existence of Corporate Social Responsibility (CSR) activities have been legalized by legislation, in practice, there are still many business people who do not implement the legal recommendations, such as the results of a survey conducted by Suprapto (in Hasan: 2014) in 2005 to 375 companies in Jakarta, showed that 166 or 55.25% of the companies did not perform CSR activities, 209 or 55.75% perform CSR activities in the form of familial activities (116 companies), donations to religious institutions (50 companies), donations to social institutions (39 companies), and community development (4 companies), shows the ironic fact that the obligations which have a legal value or content are not even able to effectively move the awareness of business people to care about the surrounding environment. In the Public Relations perspective, Corporate Social Responsibility (CSR) activities are a form of corporate goodwill in building good relationships with stakeholders community so that it will have an impact on non-material gains that benefit from a long-term investment process.

Many business people who perform Corporate Social Responsibility (CSR) activities consider more on the economy compared to social and environmental motives. This, however, is legitimate, but the orientation that focuses solely on obtaining financial benefits often makes this activity performed without careful planning, the funds allocated are relatively small, and tend to be a charity by not considering sustainable empowerment. The company considers that because it is not economically profitable, the motive that emerges is more on legal compliance efforts.

This is in line with what was conveyed by Chairil (2014: 40), who said that the CSR program is intended so that business people, both industrial and corporate sectors, can contribute to a healthy economic growth, by taking into account environmental factors. However, in the conclusions of the research conducted by Nursahid (2006: 26) on three state-owned enterprises, most of the social assistance provided by SOEs is still charity rather than philanthropy. The choice to engage in charitable activities is not a mistake, but when viewed from its strategic incentive value, the activity is consumptive and does not encourage the emergence of independence which will provide sustainable benefits.

The activities of Corporate Social Responsibility (CSR) implementation and procedures are regulated by using the Directors' Decree Number 25.K/010/IP/2014 Regarding the Guidelines for Social and Environmental Responsibility, and Directors' Decree Number 26.K/010/IP/2014 Regarding the Guidelines for Implementation of In Power Care in PT. Indonesia Power. The purpose and objectives of the social and environmental responsibility decree are to realize the company's vision and mission, especially to environmentally friendly and the realization of good governance in the form of tangible contributions to sustainable development, providing support for a long-term business success, meeting stakeholder expectations towards the company, aligning the company's activities with the applicable legal norms and legislation. While the purpose of the In Power Care Decree is to provide support for long-term business success, promote goodwill

of the company and build a positive reputation among the community and local government as well as stakeholders in general, creating a conducive environment between the company and the surrounding community and increasing community access to achieve better socioeconomic conditions and more empowered, independent, and better quality of welfare (Darmawan, 2017,22)

The concept of Corporate Social Responsibility (CSR) above illustrates the ideal conditions and would have high effectiveness if performed consistently. PT. Indonesia Power UP Semarang is operationally located in the northern coastal area of Semarang. When associated with indicators of economic quality and welfare, most of the people who inhabit the area are in the pre-prosperous or poor category. Report of the Head of Regional Planning Agency of Semarang City at the Socialization of Provisional Outreach and Declaration of Public Tests Verification and Identification of Poor Residents of Semarang City Year 2015, North Semarang Subdistrict showed the highest poverty rate compared to other 15 Subdistricts. The number of poor households was 13,775, with a number of poor people reaching 46,100 people. Data shows the number of poor people in Semarang City is 117,933 households with a number of poor people reaching 379,636 people, with Very Poor categories of 105 people, Poor as much as 55,446 people, and almost poor of 324,085 people. (http://simgakin.semarangkota.go.id/2016/website/berita/detail/26/lreport-kepala-bappeda-uji-pu blik-2015)

Although carrying the ideal concept of Corporate Social Responsibility (CSR), the fact shows that there are so many groups of people living in poverty, in fact, the highest poverty is in the industrial pockets with many factories operating on location. Observing these realities and then relating them to the implementation of Corporate Social Responsibility (CSR) activities shows the inconsistency between programs and achievements. Ideally, with many companies operating in the region, it should be directly proportional to the increase in welfare and poverty reduction in these locations. But from year to year, the poverty rate always rises. In a certain period, the number of achievements is not too significant or the percentage of decline is relatively small.

The people of North Semarang who live side by side with the majority of the industrial sector work as fishermen. The main income of the family is obtained through fish catches. According to BPS data (2011) in Mita (2014: 51), the largest number of fishermen are in Tanjungmas Urban Village, North Semarang with a total of 2,345 fishermen. The Tambak Lorok area is one of the coastal areas located in Tanjungmas Urban Village, where most of the people have a livelihood as fishermen. The fishermen who live in Tambak Lorok are mostly traditional fishermen who still use simple tools at work and are very dependent on the weather. Herusansono (2012) said that the Tambak Lorok Urban Village is included in the category of poor urban village with more than 500 families.

Through abundant fish natural resources, the fishermen should not live in the poor category, but the reality is that in fact most of the poor are determined by the government as an inadequate community group. Whereas in addition to obtaining income from fish catches, the fishermen also received a huge amount of funding from companies around them through the activities of Corporate Social

Responsibility (CSR). This lack of economic conditions raises questions about whether the current model of CSR activities have touched the main problems of the community around poverty, or activities performed we carry out in the form of consumptive charity or beneficiary communities mentality who did not have the desire to be independent and productive.

### 2. RESEARCH METHODS

This article is written based on scientific studies using research methodology to ensure the quality of research results. The type of research is qualitative-based with case study research approach. This article tries to explore the uniqueness and success of Corporate Social Responsibility (CSR) activities of PT. Indonesia Power UP Semarang in the Establishment of Independent Productive Business in Marine Resource Management, in addition to reviewing the Development of CSR Models in SOEs, the analysis used to view and find the substance specifications. Development of CSR Models was performed using matchmaking analysis patterns. A single source of information was obtained through in-depth interviews with PT. Indonesia Power UP Semarang Board of Directors, examination of supporting documents, and supplemented with relevant primary and secondary data

### **Theoretical Framework**

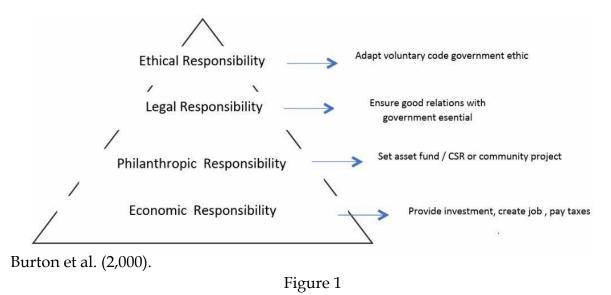
Corporate Social Responsibility (CSR) according to ISO 26000 Guidance Standard on Social Responsibility is the responsibility of an organization for the impact of its decisions and activities on society and the environment, through transparent and ethical behavior that contains several elements that are consistent with sustainable development and community welfare, paying attention to stakeholder interests, in accordance with applicable law and consistent with international norms, integrated in all organizational activities, in this sense by covering both activities, products and services. According to Suhandri M. Putri (2008: 1) Corporate social responsibility is the commitment of the company or the business world to contribute to sustainable economic development by paying attention to corporate social responsibility and focusing on the balance between attention to economic, social, and environmental aspects.

Much of the CSR literature suggests that CSR is a concrete articulation in the form of developing relationships between organizations and stakeholders. The focus of this activity is not only about questioning the provision of financial assistance to the environment but CSR activities are expected to consistently contribute to the needs of the target audience, and in the study of public relations, CSR activities will create harmonization of stakeholder attitudes to business interests (Cutlip, Center & Broom, 2006; Gruning and Ledingham, 1999).

The design of CSR activities only refers to and is contained in the company's vision and mission, company profile, and becomes a part of economic, social and environmental performance indicators, which will be a benchmark of the successful implementation of good CSR activities, Gulzhan Buldybayeva (2014) refer to the main elements as follows:

- 1. *Promise*: CSR is the fulfillment of the company's promise of social concern whose profits for the company are not tangible but its success is evident
- 2. *Proposition*: CSR is a concrete form of business correlation with the company's commitment to maintaining environmental security
- 3. *Evidence*: CSR activities are evidence of a partnership between business and the environment
- 4. Result : CSR is objective evidence to increase business credibility

Another theory that supports this research is the Multiple stakeholder orientation theory, CSR must begin by identifying the needs of stakeholders who are power, level of importance, and legacy-oriented. CSR activities that refer to stakeholder interest orientations will help determine the priority of activities starting with the stages of internal preparation, appointing leaders who are responsible for the program, coordinating with the marketing department, appointing a communication and coordination team for socializing programs and operational explanations, compiling the CSR team, shareholders, industrial and government relations, crisis and risk management, adopting techniques that are relevant to the management of stakeholder orientation, comparing stakeholder expectations of interests with business interests (Aminu Ahmadu Hamidu, 2015, 86). The model for implementing CSR activities on disaster management in the most recent developing countries refers to Pinkston and Carroll (1996), Edmondson and Carroll (1999), and



The benefits of Corporate Social Responsibility (CSR) activities for companies according to Radyati (2008: 74) are as long-term benefits of business continuity by gaining support from the community because through these activities the company will be closer to the community, there is a guarantee of supply of raw materials, and forming good company reputation. The company's reputation according to Fomburn in Halim (2008: 45) is a way of view or perception of the company by stakeholders both inside and outside the organization.

A good reputation can be used as an evaluation model approach, an indicator of success of CSR activities according to Assessment Factors by Corporate Citizenship Company (Yakovleva 2005, 23) in Emily A. Coleman (2011) can be seen from several elements as follows:

Table 1 CSR Evaluation

No	Indicator		Benchmarks
1.	Shareholder	1.	Return on investment
		2.	Corporate governance
2.	Employees	1.	Salary and Benefits
		2.	Health and safety
		3.	Training and staff
		4.	Development
		5.	Diversity
		6.	Communications
3.	Consumer	1.	Price/ value
		2.	Quality of product
		3.	Advertising policy
4.	Business	1.	Jobs sustained
	Partner	2.	Payment of bills
		3.	Technology transfer
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No	Indicator	Benchmarks
5.	Government	Tax contribution     Local economic impact     Transfer pricing     policies
6.	Community	Charity contributions     Local economic impact     Transfer pricing     policies
7.	Environment	Sustainable raw
		materials
		2. Emissions to water
		and air
		3. Energy efficiency
		4. Waste management
		5. Reduced packaging
		6. Consumer education

The success of Corporate Social Responsibility (CSR) activities lies in its ability to create high self-reliance on the target, according to Radyati in Darmawan (2017: 16) to explain the efforts that need to be done by the company in maintaining the sustainability of Corporate Social Responsibility (CSR) in a way by not giving money in the community but on the provision of knowledge through training, training successive cadres of Corporate Social Responsibility (CSR) activities called duplication of leadership cadres (cadre cloning) both from internal or external companies, programs that have been successful can be used as pilot projects to be applied to other regions by adjusting local characteristics and wisdom.

#### 3. RESULT AND DISCUSSION

## 3.1. Commitment of Indonesia Power UP Semarang to the Economic Independence of Fishermen in North Semarang

High poverty in North Semarang Subdistrict has mobilized and initiated PT. Indonesia Power UP Semarang to design ideas that respond to the problem of community in the first ring through the Corporate Social Responsibility (CSR) awareness program and commitment. Aside from complying government's recommendations or regulatory aspects, another underlying factor of the designed program is to build a good relationship with the environment around the company. The regulatory reference used is Law No. 25 of 2007 Article 15 concerning investors who are obliged to apply the principles of good corporate governance and performed corporate social responsibility, to continue to respect the cultural traditions of the communities around the business site by performing activities that take into consideration of the business ethics.

As a company with a vision to become a public company with a world-class performance and friendly environment, PT. Indonesia Power is committed to create Corporate Social Responsibility (CSR) in sustainable development that cannot be separated from the company's sustainable business activities. Related to this, regulations and procedures regarding PT. Indonesia Power CSR is required in the Decree No. 25K/010/IP/2014 which contains guidelines on social and environmental responsibility, the purpose and objectives of the Decree are intended to embody the company's mission and vision that emphasizes environmentally friendly business and the realization of good corporate governance. The CSR activities performed aim to make a real contribution to sustainable development, and provide support for long-term business success and fulfill the expectations of the company's stakeholders, in addition to aligning the company's activities with applicable legal norms and legislation.

The Corporate Social Responsibility (CSR) program is no longer considered a means of issuing company costs only. The performed CSR is considered as a strategic investment of the company for sustainable growth. Moreover, this program can be used as a means of achieving various added values, not only for the company but also for the surrounding environment. The implementation of the activity refers to the principle of Triple Bottom Line of Corporate Social Responsibility (CSR) where companies must pay attention to three important elements including Profit (companies must be oriented towards seeking economic benefits that allow it to continue to operate and develop), People (companies must take into consideration the human welfare where the program focuses on helping the surrounding communities who are not economically independent to actively improve their welfare capacity), Planet (the Company cares about the biological environment), some CSR programs that are based on this principle are manifested in the form of greening the environment.

Corporate Social Responsibility is a basic obligation that must be fulfilled by the company in order to maintain the relationship between the company and stakeholders, especially the community around the site of PT. Indonesia Power UP Semarang that was performed in the form of In Power Care Program. PT. Indonesia

Power UP Semarang conducts Corporate Social Responsibility activities which are exercised in the form of Community Development Program basically has become the company's commitment in Sustainable Development which cannot be separated from the comfort activities of the company's business continuity. The decision to perform this activity began with conducting social mapping research to map the social and economic potential of the target and formulate a blueprint for PT. Indonesia Power CSR. This activity is performed as a basis for the preparation of effective CSR activities by producing output information in the form of:

- 1. Evaluation and Impact Results from the implementation of the In Power Care program for the last 3 (three) years.
- 2. Perception of Company Existence, Implementation of COMDEV Activities, and Community Satisfaction Index (CSI), and beneficiaries of the last 3 (three) In Power Care Programs
- 3. Urban Village map profile and monograph availability.
- 4. Availability of urban village conditions, natural resources and environment, season map, and community income calendar availability.
- 5. Availability of a map of figures that influences the network between actors, community groups, and their interaction patterns (map of the influence of social institutions), including socioeconomic structures of influential and non-influential social groups on the company.
- 6. Availability of priority maps of problems, potentials, and needs of the community including social, economic, and environmental conditions, human resource potential, natural resource potential, social capital, financial capital, and public infrastructure conditions.
- 7. Availability of map of women participation in the household economy, education, and health.
- 8. Identification of mechanisms/forums that are the means used by the community in discussing public/public interests.
- 9. The implementation of the workshop to compile, analyze, and make conclusions made into a joint agreement regarding the mapping of stakeholder management techniques. The formulation of recommendations for follow-up on the results of Social Mapping and Stakeholder Mapping.

The efforts to produce effective CSR activities are also performed through stakeholder mapping in the form of stakeholder involvement to provide accurate relevant ideas and information. Stakeholders involved are selected who have the power of forming public opinion and broad influence of interests such as the involvement of urban village officials including Hamlets (RW) / Neighborhood (RT), Community Social Institutions (BKM, LPMK, PKK, Karang Taruna, and other groups), Religious, Adat/Community Figures, Youth, program beneficiaries and others. In addition, observations are also exercised on the program target locations, maps of community conditions in the past three years, both in terms of social, economic, environmental and social institutions, points of social conflict potential and centers of community activities around the company.

Other forms of gap identification were also obtained through in-depth interviews with key informants from company management from various CSR

policies, opinions and public perceptions and other stakeholders regarding the existence of PT. Indonesia Power UP Semarang. Key informants from the local government (urban village/subdistrict) to check secondary data of 2013-2016 related to the development of urban development both in social, economic, and environmental / infrastructure aspects as well as the Five-Year Development Plan for the future (2015-2019).

The stages of social mapping research are the first steps taken to produce data that can be used to identify problems and mapping the need and want gap identification. In the context of public relations, the company performs the function of boundary spanning in the form of social mapping research conducted in the context of convergence-oriented communication on the interests and needs of the CSR executive and beneficiaries. According to Grunig in Kurniawan (2016: 20) Management relies on boundary spanners, in this case, the public relations role is to observe the environment.

Boundary Spanning contributes to the effectiveness of CSR organizations in at least two ways: observing the environment to show top management what the situation is and helping top management to decide how the organization should act. PT. Indonesia Power Public Relations Department performs a social mapping function in the context of seeking information for decision-making forms and targets of recipients of Corporate Social Responsibility (CSR) activities, with a large investment capital expected to have a large impact on social and economic change on the beneficiaries as well as the company's business. Boundary Spanning through social mapping activities results in the PT. Indonesia Power CSR Road Map that holds the following principles of empowerment and sustainability:

- 1. The process of drafting the strategic plan involves relevant parties (community, government, and other companies)
- 2. The compilation of PT. Indonesia Power CSR Road Map and Leading Programs and CSR Road Map.
- 3. Availability of map of community needs in an effort to improve the socioeconomic welfare of the community in the form of Community Empowerment Activity Plans or called Community Action Plan / CAP concerning aspects: -Community Assistance - Community Relation Service - Community Empowerment.
- 4. Strategic Planning and Community Development Work Plan (COMDEV).
- 5. Five Year Strategic Plan of 2015 2019

### 3.2. CSR activities conducted by Indonesia Power UP Semarang responded to the Semarang City Government's appeal.

The Semarang City Government in implementing poverty reduction cooperate with all stakeholders (SOEs, Regional SOEs, Banking, Business World, Private sector, State and Private Universities, NGOs, and community organizations) to jointly make efforts to improve the welfare of the community.

The government policy is in line with the policy of PT. Indonesia Power, which is a company with a vision to become a public company with world-class performance

and is environmentally friendly, is committed to creating Corporate Social Responsibility (CSR) in sustainable development that cannot be separated from the sustainability of the company's business activities.

Management of PT. Indonesia Power is committed to providing support for long-term business success, promoting the goodwill of the company and building a positive reputation among the community and local government as well as corporate stakeholders in general, creating a conducive and harmonious environment between companies and communities around the company site, and increase community access to achieve better socio-economic-cultural conditions and become more empowered and independent with better quality and welfare.

One of the targets of the poor category is Fishermen who live in Bandarharjo Urban Village, North Semarang District. As a commitment to help reduce high poverty rates and encourage economic independence, PT. Indonesia Power UP Semarang recommends the following CSR activities.

-	Type of			Kondisi				Development
No	Potential	Total	Unit	Good	Broken	Current Conditions	Potential	Opportunities
1	Smoked Fish Businessman	35	person	V		Venture Capital     Production     Equipment is still     simple     Masks as health     protection from fish     smoke do not yet     exist	<ul> <li>Entrepreneurs</li> <li>Workers</li> <li>Raw Material</li> <li>Production Equipment</li> <li>Production Sites</li> </ul>	Fish fuming centers is in RW 02, hygienic smoked fish processing is performed and without causing waste from the
						Marketing is still at the local level		smoked fish process  Marketing Management Training
2	Fish cattle feed making	1	person	V		Business Capital has not been maximized     Production equipment is still simple     Production implemented by only 1 person     Marketing is still limited to waiting for huwers	<ul> <li>Abundant raw materials</li> <li>Production equipment is available</li> <li>Buyer is available</li> <li>Producing 50kg in one day</li> </ul>	<ul> <li>Assisted by equipment and training of fish cattle feed making process</li> <li>Product Quality Improvement Training</li> </ul>

Table 2 Conditions, Potential and Opportunities for CSR Implementation

In addition to Bandarharjo Urban Village, and the ongoing efforts to support poverty reduction policies by the Semarang City Government in 2016 have developed Thematic Village, which is a program that emphasizes the participation of the community and existing institutions aimed at building environmental trademarks through enhancement/development of the local potential owned in the region. One area close to PT. Indonesia Power, and in accordance with the Road Map of previous empowerment activities, namely the processing of bandeng presto (i.e smoked milkfish, a superior product in Semarang city) is the Tambakrejo Urban Village, Gayamsari Subdistrict. Tambakrejo Urban Village was designated as

Kampung Sentra Bandeng by Semarang.City Government (http://gerbanghebat.semarangkota.go.id/kampung-tematik/).

One of the bandeng presto businesses in Tambakrejo who has received production equipment assistance through community empowerment activities in 2017 is the UKM "Putri Laut". CSR assistance is distributed in the form of production equipment of a set of LTHPC which is proven to be able to increase the productivity and quality of bandeng presto produced.

The business is also growing because of the constraints of equipment limitations so far can be overcome with the use of LTHPC. Bandeng presto "Putri Laut" business is growing, but there are still some limitations, including not having a vacuum system packaging device so that the product cannot last long. Products will last longer if before being packaged it passes an oven drying process to reduce moisture content. With the increase in production, quality, and packaging, it needs to be balanced with the expansion of marketing, so that business turnover increases. So far, the marketing of bandeng presto "Putri Laut" is still conventional and limited in the Semarang region. If marketing increases, it is expected to increase profits and absorb more local residents. Another problem is that the packaging dos has not included a proximate analysis containing information on the nutritional value of fish (bandeng presto, crispy fish). In the business site, there is also no business nameplate with the activity sponsor/assistance provider.

The implementation of the activity is performed in the form of a unit of vacuum packaging: Automatic Vacuum Packager model DZ300. Technical specifications for vacuum packaging equipment are as follows:

- 1. Chamber Size: 385x280x50mm (A), 160x300x215mm (B)
- 2. Sealing Bar: Single-L260xW8mm (A), Double-L280xW8mm (B)
- 3. Vacuum Pump Capacity: 10m3 / h
- 4. Cycle Time: 10-20sec
- 5. Power Supply: 220V / 50Hz6. Power Consumption: 0.4KW7. Machine Size: 490x450x320mm.

This tool has been used by fostered partners

Based on the partner's explanation, the vacuum packaging device is very helpful in the packaging process, which is faster and better quality. By using a new packaging tool, one process of 2 milkfish takes 1 minute long. While with the old packaging device, 1 milkfish takes 2 minutes, and the results are not maximal or the density level is less so it does not last long. In other words, with the help of a new vacuum packaging device, it can increase productivity 4 times or 400 percent. Product marketing also increased, with the production of 80 kg of milkfish run out within 3 days, or an average of 27 kg of milkfish per day is successfully sold. If the selling price is IDR 70,000 / kg, the business turnover is around IDR 1,890,000 per day or IDR 56,700,000 per month.

In addition, a unit of bandeng presto oven was also provided in order to reduce the moisture content of milkfish products after being cooked with LTHPC. To improve the quality of bandeng presto, which is to reduce the moisture content, it is necessary to put in the oven before packaging. This oven appliance is in the usage test process and will be given to the fostered partners of CSR beneficiaries to increase sales turnover.

Redesigning a more interesting product packaging bandeng presto and more complete information whereas the old packaging does not contain nutritional value information (proximate test) therefore needs to be tested in the Laboratory. The test results have come out as shown above with good results where protein content is quite high (20.36%). The information will then be included in the packaging, in addition to providing packaging training for more credible products on the market. PT. Indonesia Power UP Semarang also provides marketing communication training for bandeng presto products by utilizing social media and online marketing. PT. Indonesia Power UP Semarang currently also helps facilitate bandeng presto products and other processed fish (crispy fish) from the products of the "Putri Laut" trained partners which can be ordered through the application (GOJEK / Go Food). In addition to passing applications that support the lifestyle of digital society, marketing is also carried out through WhatsApp / SMS media so that the choice of consumers to buy products increases. However, conventional marketing is still exercised (through salesmen).

During the last two years period, PT. Indonesia Power UP Semarang conducts Corporate Social Responsibility (CSR) activities that focus on pioneering productive independence in managing marine resources as follows:

Table 3: CSR Activities to Encourage Economic Independence of Fishermen in North Semarang

No	Description of Activities	Location	Group Total	Number of People
1.	Strengthening Program for Milkfish Aquaculture Production in Tanjung Mas and Tugurejo Urban Village, Semarang City.	Tanjungmas and Tugurejo	Groups	25 People
2.	Independent community training program through urban farming model of green urban village in Tanjung Mas, Semarang City.	Tanjung Mas	1 Group	40 People
3.	Environmental development program of PT. Indonesia Power UP Semarang through Zero Environmental Impact: Development of Aquaponics Model in Tanjung Mas Urban Village.	Tanjungmas	1 Group	5 People
4.	Seaweed Cultivation and Processing Program in Tugurejo Urban Village, Semarang City.	Tugurejo	2 Groups	22 People
5.	Empowerment program for women in the site area through processing of food made from milkfish.	TapakTugurejo	1 Group	10 People
6.	Coastal Community Empowerment Program in Semarang City through productive economic training of <i>bandeng presto</i> processing in Kemijen and Tambakrejo Urban Village, Semarang City.	Kemijen and Tambakrejo	2 Groups	14 People
7.	Community empowerment program for production, improvement, and procurement of vacuum packaging equipment to support the acquisition of SNI certificates and increase marketing for fish processing SMEs in Tanjung Mas Urban Village, Semarang City.	Tanjung Mas	1 Group	12 People
8.	Household economic empowerment program through improving the quality of smoked fish processed products in Bandarharjo Urban Village, Semarang City.	Bandarharjo	1 Group	40 People
9.	Community empowerment program: The innovation of indigo batik production by processing waste into an economic value product in the center of smoked fish	Bandarharjo	1 Group	10 People

 processing in Bandarharjo Urban Village, Semarang City.		

### c. Collaboration of CSR Motives in Legal Perspectives, Business Ethics, and Public Relations

The motives or reasons behind the company conducting Corporate Social Responsibility (CSR) activities are quite diverse. The variety of reasons is influenced more by the goodwill of management and the knowledge of the leadership about the benefits of the activity for business continuity. The CSR In Power Care program was launched in the framework of the company's goodwill to establish good relationships with the community around the company. Moreover, it is also aimed at helping the government overcome the high number of poverty and tends to show an increase every year. The reasons that are in compliance with the principle of legal compliance becomes a driving factor of government awareness to contribute to increasing welfare and creating economic independence so that the status of the target community changes from the poor group.

Government regulations that bind the implementation of CSR are confirmed in the PT (Limited Liability Company) Law No. 40 of 2007 which states that a company that runs a business in the field of or concerned with natural resources must perform social and environmental responsibilities (Article 74 paragraph 1). Furthermore, Law No. 25 of 2007 concerning Investment. Article 15 (b) states that "Every investor is obliged to performed corporate social responsibility." But both laws are still too weak and general. Further confirmation is regulated in Law No. 19 of 2003 concerning SOEs. This law was further elaborated by the Regulation of the Minister of State-Owned Enterprises No. 4 of 2007 which regulates starting from the number of funds to the procedures for implementing CSR (Majid, 2017: 134 - 148)

In addition to being tied to the legal aspects, the essence of Corporate Social Responsibility activities must provide benefits to all relevant groups. The existence of the company that appears from the performed CSR activities must have value and have an impact on stakeholders such as employees, local government, non-profit organizations, customers, suppliers and the community where the company operates. Good economic performance enables more promising long-term development, such as improving employee welfare so that it can be used to conduct entrepreneurial activities and increase the capacity of the local economy. (Mohammed Belal Udin, Daffodil International University Journal of Business and Economics, Vol. 3, No. 1, January 2008). The residents of North Semarang Subdistrict, the majority of whom work as fishermen through the PT. Indonesia Power UP Semarang CSR activities are encouraged through incentives to aid milkfish processing equipment so that it will increase the amount of income. In the perspective of public relations, CSR is expected to play a very strategic role in supporting business interests. The efforts to get positive effects from CSR activities at an early stage are carried out by gap identification in the form of social mapping research, observation and also in-depth interviews with key groups. The model or step is in line with the CSR strategic planning process proposed by Wibisono in Natalia (2014: 1414).

### Planning Stage

In planning, there consists of three main steps, namely Awareness Building, CSR Assessment, and the CSR Manual Building. Awareness Building is the first step to building awareness about the importance of CSR and management commitment. This effort can be done through seminars, workshops, group discussions, and others. The second step is CSR Assessment is an effort to map the condition of the company and identify aspects that need priority attention and the right steps to build a corporate structure that is conducive to apply CSR actively. The third step is CSR Manual Building, the basis for compiling the manual is the result of the assessment. Efforts must be made, among others, through benchmarking, extracting from references or for companies that want instant steps, the preparation of this manual can be done by asking for help from independent experts from outside the company.

### 2. Implementation Stage

In the implementation stage, there are three main steps, namely, socialization, implementation, and internalization. The stage of socialization is needed to introduce the components of the company to various aspects related to the implementation of CSR, especially regarding the guidelines for implementing CSR. The aim is that the CSR program that will be implemented has the full support of all components of the company so that in its journey there are no serious obstacles that can be experienced by the organizing unit. The second stage is the implementation, the implementation of activities performed basically must be in line with the existing CSR guidelines, based on the road map that has been prepared. While the internalization stage is a long-term stage. Internalization includes efforts to introduce CSR in the entire business process of the company, for example through performance management systems, duplication procedures, production processes, marketing, and other business processes.

### 3. Evaluation Stage

The evaluation phase is the stage that needs to be conducted consistently from time to time to measure the extent of the effectiveness of CSR implementation. This step is not limited to compliance with regulations and standard operating procedures but also includes company risk control.

### 4. Reporting Stage

Reporting is needed in the step of building an information system both for the purposes of decision-making processes and the need for material and relevant information disclosure regarding the company. So in addition to functioning for the needs of shareholders, it also required for other stakeholders who need it.

Stage 1 Stage 2 Stage 3 Stage 4 No Activities Planning Implementation Evaluation Reporting Action No No No No Yes Yes Awareness Directors' Decree Building Directors ' Form Letter 7.E/012/IP/2014

Table 4. CSR Planning Stages

_	CCD	- 1	1						
2	CSR Assessment	V							<ul> <li>Legal Aspects</li> </ul>
	Assessment								<ul> <li>Business Ethics</li> </ul>
									Public Relations
3	CSR Building	√							PT. Indonesia Power UP Semarang
	C								Strategic Framework
									SOP availability in supporting
									the implementation of
									COMDEV activities
									<ul> <li>Regulation on Social and</li> </ul>
									Environmental Responsibility
									(Laws and Regulations)
									• GCG Road Map year 2015-2019
									PROPER-based CSR perspective
									Indonesia Power Way
									indonesia i ovi ei vi aj
									<ul> <li>PT. Indonesia Power Strategic Framework</li> </ul>
									•
									Decree of managing director
									COMDEV implementation
									SOP availability in supporting
									the implementation of
-	Socialization			<b>V</b>					COMDEV activities  Socialization was held for feedback
	Socialization			٧					from the results of the review, social /
									stakeholder mapping to the
									respondents and the urban village
									officials and Regional Leadership
									Consultation at the subdistrict level
									while the Workshop examines the
									results of the review, the social /
									stakeholder mapping, and program
									needs as well as get feedback from
									Workshop participants (Management PT. Indonesia Power CSR which is
									held for 1 day with a
									representative place).
5	Implementation				<b>V</b>				Compliance with the prepared road
L			<u> </u>						map
6	Internalization							1	-
7	SOP				_	_	1		Director 's Decree No.
									25.K/010/IP/2014
									(Guidelines for Social and
8	Danfama						V		Environmental Responsibility)
8	Performance Evaluation						٧		Establishment of a Social Network through the In Power Care forum
9	Reporting						1		Third parties implementing CSR
′	Reporting						'		provide
									progress reports
10	CSR							<b>V</b>	Publicity, News Release, Social
	Dissemination								Media,
									and Internal Communication

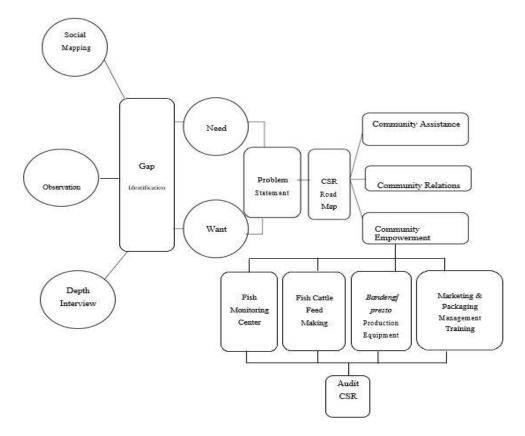
PT. Indonesia Power UP Semarang evaluates the implementation of CSR activities that have been performed, this evaluation is useful to find out which programs can be considered successful and which are considered failures. Evaluation is conducted directly by using the success achievement indicators set out in the CSR road map. According to Subarsono in Khairil (2016: 727), the notion of policy evaluation is an activity to assess the level of performance of a policy. Evaluation can only be done if a policy has run in a certain time till when a policy must be evaluated. Suchman in Winarno (2002: 169) quoted again by Khairil (2016) suggests that there are six steps in policy evaluation, namely:

a. Defining program objectives to be evaluated

PT. Indonesia Power UP Semarang in the CSR road map that will be performed determines the program's specific objectives, namely improving the quality of

the welfare of the surrounding community, setting these goals based on problems found after social and stakeholder mapping and conducting interviews with key stakeholders, the road map weaknesses do not include specific size and measurable objectives so that they cannot be used as a reference for evaluation.

- b. Analysis of problems
  - Analysis of the problem is presented comprehensively, supported by accurate and relevant data through a variety of research methods. Social mapping is used to determine economic capacity and description of the target environmental infrastructure so that it will produce an analysis that provides convenience and clarity in determining the main problem.
- c. Description and standardization of activities Standardization of activities has not been explained by using detailed indicators of measuring instruments that can be operationalized, but in the provision of milkfish fumigation assistance are given an analysis of measuring instruments for the ability to operate products-producing tools and analyze the marketing achievements and profits to be obtained.
- d. Measurement of the future level of change Changes can be made by comparing the objectives presented with the numbers and then compared with the results of the assessment scores at the end of the activity when there is an increased difference to measure the positive attitude, it can be concluded that these activities are categorized as successful
- e. Determine whether changes observed are the result of these activities or due to other causes (e.g. exposure to information about organizations in the mass



media)

Figure 2. CSR Model of Marine Resources Management PT. Indonesia Power Up Semarang

The above model shows all stages in planning, implementation, and reporting activities are performed well. The stages of social mapping research, stakeholder mapping, observation and FGD show a commitment that illustrates the company's strong commitment so that CSR activities that are performed really touch the subject matter and not merely a social charity.

It is very important to encourage people to become independent and to be able to meet the needs of creative businesses that provide input to family income. PT. Indonesia Power UP Semarang has the aim to help the Semarang City Government especially in the effort to overcome the high poverty rate in North Semarang District.

### 4. CONCLUSION

Corporate Social Responsibility (CSR) activities by companies or investors are not only appeals but have become obligations. The company is expected to allocate profits to help improve the welfare of the community around the company. PT. Indonesia Power UP Semarang, located in North Semarang Subdistrict, has a strong commitment to help overcome the high-level poverty in the area. The North Semarang District where the majority of the people work as fishermen is are provided with capital assistance and equipment to start entrepreneurship through the In Power Care Program.

The program is a form of Corporate Social Responsibility (CSR) activities that are not only exercised because of government recommendations and legal compliance but also an effort to uplift the welfare of the community around the company to be more independent. The program is intended so that the fishermen groups that are categorized as poor can be more productive and independent in managing marine resources. The program was designed by looking at the results of research conducted in the form of social mapping, stakeholder mapping, focus group discussions, and observations. This stage is a necessity so that CSR efforts succeed in changing the economic conditions of the target communities. The decision to implement these activities is based on the results of research and considering the capacity of the company. The distribution of funds is given not in the form of money to the community, but in the form of capital assistance managed by community groups, and the profits will be distributed equally to all group members. The program consists of pioneering the establishment of milkfish, seaweed, fish feed, fuming and vacuuming equipment, small industry financial management training, and goods packaging training. All of these programs arise not from the initiatives of the aid provider companies but also taking into consideration the problems and respond to the main needs of the target communities. The company encourages the empowerment of local communities to be more creative in managing the assistance and able to improve the quality of their own welfare independently. The impact of these activities in addition to decreasing

poverty rates also provides benefits for the company's convenience and smoothness to performed business activities.

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