Governance of The Corporate Social Responsibility (CSR) Program of Karang Mukti Village in The Development of Embung Batu Beureum Tourism

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KEYWORDS

ABSTRACT

Corporate Social Responsibility; Karang Mukti Village; Embung Batu Beureum.

This research aims to analyze the governance of Corporate Social Responsibility (CSR) programs implemented in Karang Mukti Village in the context of Embung Batu Beureum tourism development. Embung Batu Beureum Tourism is one of the important assets of the village in increasing community income, as well as preserving nature and local culture. CSR has a crucial role in supporting the success of this tourism development program. The methodology of this research uses a qualitative approach, with data collection through in-depth interviews, field observations, and document analysis related to CSR that has been carried out in Karang Mukti Village. The results showed that the governance of CSR programs in Karang Mukti Village has played an important role in supporting the development of Embung Batu Beureum tourism. Karang Mukti Village routinely monitors and evaluates CSR programs that have been implemented. This allows continuous improvement and adjustment of the program according to the needs of the community and tourism developments.

1. Introduction

Financial appearance is the main foundation in ensuring the operational balance of a company in accordance with the strategic vision that has been set. The success of economic performance can be measured by the registration and profit achieved by the entity every year (Setyaningsih & Asyik, 2016). The importance of profit is not a necessity that must be fulfilled by the entity but is a sign of maintaining the company's long-term prospects despite unforeseen problems in the past. Indeed, this financial performance makes it easier for management to carry out planned projects and communicate them to shareholders. The higher the economic performance of a company, the more successful it is in providing clear information to shareholders and other stakeholders (Hájek et al., 2014; Prasetyo & Meiranto, 2017).
Companies need to pay attention to the linkages between environmental sustainability, corporate social responsibility (CSR) governance, and community expectations as an integral part of their strategy to maintain financial performance stability and growth. The long-term economic performance of a company not only focuses on the interests of shareholders but also takes into account all stakeholders by implementing corporate social responsibility governance and conducting CSR activities that pay attention to human rights and environmental conservation. This suggests that financial performance and corporate social responsibility are inextricably linked, and social response will be a critical factor in future managerial decision-making (Okafor et al., 2021). Furthermore, financial performance also reflects the company's efforts to achieve a balance between its business aspects and the importance of maintaining harmonious relationships with all parties involved (Wulandari & Hidayah, 2013).

Research conducted by Sholihin et al. (2018) shows that the implementation of Law Number 40 of 2007 concerning Limited Liability Companies (UUPT) requires corporate social responsibility (CSR), even though it was previously voluntary. It has stirred debate between employers and governments, creating polarization of opinion. Some entrepreneurs feel that this obligation has the potential to violate human rights (HAM), have a negative impact on company profits, and incur additional operational costs that can disrupt business lines. However, the presence of Law Number 40 of 2007 is interpreted as an effort to create a more friendly and open business climate in Indonesia, with the aim of attracting diverse investments and providing legal certainty and protection to investors.

Investor performance towards companies in Indonesia has a critical role in improving global competitiveness, especially since the country is still in the development stage (Farida & Setiawan, 2022; Fernandez et al., 2020; Kadarusman & Nadvi, 2016). This highlights the importance of effective implementation of CSR governance in supporting sustainable economic growth and community welfare, as well as enhancing national economic competitiveness (Abdelhalim & Eldin, 2019; ElAlfy et al., 2020; Fallah Shayan et al., 2022). However, significant differences exist in the implementation of CSR governance between developed and developing countries, especially in terms of external pressures received. In developed countries, companies face pressure from various sources, such as governments, shareholders, and creditors. In contrast, in developing countries, lack of encouragement from the public causes companies to only sometimes implement CSR governance optimally. This has led to limited information on CSR performance, especially in social and environmental aspects (Abbas et al., 2019; Halme et al., 2020).

Embung Batu Beureum, located in Lemahabang Village, Karangmukti Village, Karangbahagia District, Bekasi Regency, began construction in 2019. Initially, the location was planned by the Bekasi Regency Government as a water reservoir to support the irrigation of agricultural land for farmers in the vicinity during the dry season. However, during the construction process, historical artifacts were found, such as pendant coins dating back to 1899, which were thought to date back to the Dutch colonial period. In addition to coins, other artifacts in the form of red bricks resembling the remains of ancient buildings were also found. The discovery of these historical objects sparked public interest, and finally, Embung Batu Beureum was used as a tourist attraction by the local village.

According to Karangbahagia Sub-District, Karnadi, this reservoir has an area of about 8,000 square meters and can irrigate agricultural land covering 50-60 hectares around it. The Head of
Karangmukti Village, Sumardi, explained that Village-Owned Enterprises (BUMDes) has been pursuing the management of Embung Batu Beureum to provide greater benefits to the local community.

The development of Embung Batu Beureum tourism requires support not only from the local government but also from the private sector. Corporate initiatives to contribute through Corporate Social Responsibility (CSR) programs can be a critical factor in realizing such development. Therefore, this study aims to examine the governance of CSR programs carried out by entities in Karang Mukti Village to support the development of Embung Batu Beureum tourism.

Karang Mukti Village was chosen as the research location because it has rich natural potential, and the private sector actively participates in the local community’s social and economic development. However, to ensure the sustainability of CSR programs and tourism development, entities in Karang Mukti Village need to have a deep understanding of CSR program governance.

The research is also essential to provide a better understanding of how cooperation between governments, companies, and communities can affect sustainable tourism development. By understanding the effective governance of CSR programs, the best model can be identified to involve all relevant parties in the development and management of Embung Batu Beureum tourism in a sustainable manner.

2. Materials and Methods

This study used qualitative research methods. According to Moleong (2018), qualitative research methods aim to understand the phenomena experienced by research subjects. In writing this study, researchers used the descriptive method because they wanted to describe or explain what was classified so that a conclusion could be drawn.

These conclusions were examined as visual data from the author’s research entitled "Corporate Social Responsibility (CSR) Program Governance in Tourism Development of Karan Mukti Embung Batu Beleum Village," conducted by the researcher of this study. Observation can be made more accessible.

In this study, primary data were collected directly from the village government through observation and interviews. The data source that researchers use to supplement the data is informants. The number of informants in this research is one person who is a village apparatus. Data collection methods in this study include a literature review and field research (observation and interviews).

The data analysis technique used in this study is descriptive analysis. The purpose of descriptive analysis is to describe and explain the data collected systematically. Data obtained from observations and interviews with village government officials were thoroughly analyzed to identify new patterns and insights related to Corporate Social Responsibility program governance.

3. Result and Discussion

The Karang Mukti Village Government’s management of the Corporate Social Responsibility (CSR) Program in the development of Embung Batu Beureum faces the challenge of limited resources. To overcome this, the village government designed a Collaborative Governance approach that involves active participation from various parties, including local communities. This concept
emphasizes close coordination between government and society in decision-making and implementation of development programs, with the aim of ensuring sustainability and achieving optimal results.

Coordination measures between the government and the community within the framework of Collaborative Governance are carried out based on joint initiatives from local community leaders and members. The primary purpose of this concept is to build a sustainable tourist destination around Karang Mukti Village so as to provide benefits for all parties involved. Thus, the idea of Collaborative Governance offers a win-win solution for all stakeholders, where the government gets the support of additional resources, and the community can benefit from the development carried out.

This research focuses on the application of the concept of Collaborative Governance, specifically in the management of government programs with the assistance and utilization of CSR funds. Through this approach, development programs such as the construction of Embung Batu Beureum can run more effectively and efficiently by involving active contributions and active participation from all stakeholders. Thus, synergy between the government and local communities can be improved so that development can run in accordance with local needs and aspirations. Through this collaboration process, it is hoped that sustainable development will be created and have a real positive impact on the progress and welfare of Karang Mukti Village and the surrounding environment.

Based on the theory of Collaborative Governance, there are four leading indicators used to measure the level of coordination, namely Condition, Institutional Design, Leadership, and Collaborative Process.

1) Condition

CSR governance in Karang Mukti Village shows conditions that support collaboration between the village government, the community, and other related parties. Socio-economic conditions in this village are relatively stable, with a reasonably high level of community participation in local development activities. The awareness of the importance of sustainable development and sustainable management of natural resources is also a supporting factor for good conditions for collaboration in CSR programs.

The level of education and public awareness of the importance of sustainable tourism development also creates enabling conditions for effective coordination between the village government and the community in the management of Embung Batu Beureum. The willingness of village governments to listen and respond to the aspirations and needs of the community is also part of the favorable conditions for the implementation of collaborative CSR governance.

2) Institutional Design:

The institutional design for CSR governance in Karang Mukti Village has considered the needs and interests of various stakeholders. There is a clear organizational structure and well-defined coordination mechanisms between village governments, community institutions, and other relevant stakeholders. A CSR Committee consisting of various parties involved has been established to facilitate dialogue and joint decision-making in terms of the management of Embung Batu Beureum.

The existing institutional design also reflects village governments’ commitment to cooperating with the private sector and non-government institutions in implementing CSR programs. This creates an opportunity for broader and inclusive collaboration in the
management of Embung Batu Beureum tourism, with various stakeholders involved in decision-making and program implementation.

3) Leadership

The governance of the Corporate Social Responsibility (CSR) program of Karang Mukti Village in the development of Embung Batu Beureum tourism shows the decisive role of leadership in directing and managing this initiative. Village heads, together with local government officials, play a crucial role in setting the vision and objectives of CSR programs and ensuring effective implementation. They lead by example, motivate local communities, and coordinate activities. With this strong leadership, CSR programs can be carried out smoothly and continuously, resulting in a positive impact on the development of Embung Batu Beureum tourism and the welfare of the surrounding community.

4) Collaborative Process

The collaborative process is the main foundation in the governance of the Karang Mukti Village CSR program. The village government works closely with various parties, including local communities, relevant government agencies, and private parties, to plan, implement, and evaluate this CSR program. This collaboration creates synergies between various stakeholders, expands available resources, and results in more holistic and sustainable solutions. Thus, CSR programs can run effectively and have a positive impact on the development of Embung Batu Beureum tourism and the empowerment of local communities as a whole.

4. Conclusion

Based on the results of the study, the governance of the Corporate Social Responsibility (CSR) program of Karang Mukti Village in the development of Embung Batu Beureum tourism faces various challenges of limited resources. However, through a Collaborative Governance approach that involves active participation from multiple parties, including local communities, village governments are able to overcome these challenges effectively. This concept allows for close cooperation between the government and the community in making decisions and implementing development programs so as to achieve sustainability and optimal results.

In addition, this study shows that applying the Collaborative Governance concept to the management of CSR programs in Karang Mukti Village can provide win-win solutions for all stakeholders. Through synergy between the government and local communities, the development of Embung Batu Beureum tourism can run more effectively and efficiently, taking into account local needs and aspirations. Thus, this collaboration is expected to create sustainable development and have a significant positive impact on the progress and welfare of Karang Mukti Village and the surrounding environment.

5. References


