



THE NEW HORIZONS ABOUT CSR PARTNERSHIPS: A CASE STUDY OF CSR PARTNERSHIPS IN CILEGON, BANTEN

Ade Manggala Hardianto^{1*}, Basuki² Bonnie Soherman³,

^{1,2,3}University of Surabaya Indonesia, Indonesia

Corresponden Author:

Email: ade.manggala.hardianto-2016@feb.unair.ac.id¹.

Abstract

CSR partnership is a new horizon that involves stakeholders such as the local government of Cilegon city, companies, and non-governmental organizations. This study explores CSR partnerships to promote community welfare in Cilegon city. This research is qualitative by modifying action research to reflect CSR partnerships such as commitment and mission, initiative and awareness, vertical and horizontal relationships, proper behavior and fairness principles, and transparency. This research benefits by building a shared attitude (collaboration) and CSR partnership orientation to form actions.

Keywords: CSR partnership, collaboration, and mutual orientation

INTRODUCTION

The local government of Cilegon city, as a heliocentric center of CSR practices, has issued regional regulation number 10 of 2012 regarding the role of CSR partnerships in the city of Cilegon. The local government builds five joint actions to implement CSR partnerships: the synergy of shared responsibilities, leading sector CSR practice activities, building a sense of brotherhood, and a communicative attitude between the city government and CSR partnerships in Cilegon. The practice of CSR is a non-APBD program assisted by a company domiciled in the city of Cilegon to improve the people's standard of living, income, social equality and realize the RPJMD for the city of Cilegon. In addition, the CSR program is a manifestation of the company's commitment to the environment, especially in the fields of education, religion, economy, and other social activities. The company's support can be seen from aspects such as the company's commitment to the community's welfare, the company's participatory attitude to environmental changes, the company's sensitivity to community conditions, company dedication and social interaction, open attitude and company mission. Likewise, non-governmental institutions are given the authority to accommodate non-budget CSR programs with their environment.

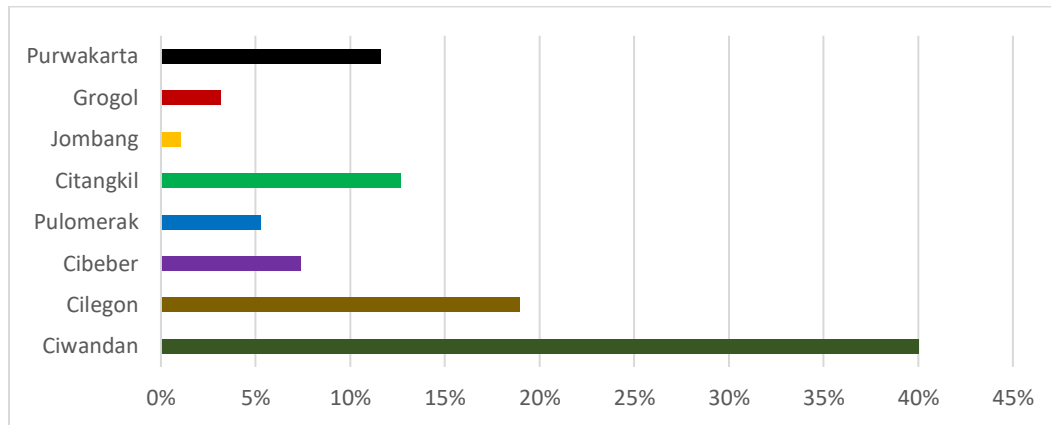


Figure 1: distribution of CSR practices

LITERATURE REVIEW

Collective participation model

CSR partnership models are needed to develop alternative CSR practices that are dynamic and follow the circumstances (Wadham, 2009). Outcomes from the new CSR partnership can generate contributions for partners and build the sustainability of the CSR partnership, among others: (1) inputs consist of money, expertise or *skills*, motivation and intentions of each partner (2) the process of implementing and implementing partnerships based on dependencies include the number of participants involved, the roles that partners can adopt, the level of internal needs of the partnership and the position of partners (3) the outputs of the activities that have been carried out together, have an impact on the sustainability of the partnership (4) the outcome can be an evaluation of the partnership that has a direct impact or indirectly to development (Kolk et al., 2008). In addition, the Partnership needs to be defended from actions that can damage the partnership relationship, including re-evaluation renegotiation initiated by changes in partnership practices in social responsibility and social values. Partnerships must be seen as a bridge connecting interests, involvement, and shared expectations of community social programs. For example, philanthropy can reduce social inequality in society.

Non-Governmental Organizations and Development

Multi-organizational partnership governance differs from governance due to differences in understanding, business or market concentration, hierarchies and networks (Lowndes & Skelcher, 1998). However, the key to sustaining collaboration involves the shared needs and desires of the partners.

There are four factors underlying the collaboration of CSR partnerships, including (1) building trust to develop partnerships, (2) committing to partnership initiatives, (3) clear roles that must articulate verbally and in writing, (4) involving partners from the community. The involvement of community elements in partnerships aims to understand programs under community needs, sensitive to changes such as improving the quality of SME empowerment, increasing community potential in meeting the needs of the world of work and improving community health and welfare.

How to Strengthen CSR Partnership Accountability

Accountability has become the main requirement recommended by partners, and partnership accountability reflects modern governance processes. The steps must take to meet the expectations of the partnership. First, partners must formulate and define clear CSR partners' responsibilities and information processing mechanisms so that CSR partners understand and implement the partners' wishes. Second, partners facilitate the need for information systems used to process and analyze and assess the progress of activities as a basis for decision making. Third, the partnership clearly defines the collective interests of the partners and conveys it in detail so that agents can decide on the right strategy. Fourth, agents' behavior in carrying out their duties and functions cannot separate from the supervision of partners who monitor activities to assess positive and negative behavior. Partners can provide strict sanctions for agents who take negative actions.

Reflection of accountability

Accountability foundation reflects the ability optimism of stakeholders to take action together and optimize the available resources. Spiritual-based accountability begins to develop values in the religious teachings (Puspita Permatasari et al., 2021), the local grace (Utami Makalalag et al., 2020), and The suluk linglung's guidance (Mennita & Soherman, 2019). But Collective participation based on a sense of humanity has not been widely studied. It needs to be done to obtain a reliable model of collective participation, especially synergies, and the sustainability of the relationship of collective participation in the future that describes humanity arises from the attitude of caring for humans and the desire of humans to maintain or maintain the safety of human life and the environment.

METHOD

This research is modified action research or modified action research that aims to modify the survey method in the form of a spiral cycle. The spiral cycle is popularized by (Kemmis et al., 2014) as a method applied in social research and education. Modification of action research includes building new practices that prioritize changes from old practices to suit the needs of the research.

Research design

The researcher designed the *modified action research* method that the main parts in the spiral consist of action planning, action implementation, action observation, and reflection. Action planning is a modification of action research that involves other participants so that there is change and reflects collective action. The method of joint discussion is needed to find a middle ground and solution to build changes in CSR practices in the city of Cilegon due to two things, among others;

1. Companies and non-governmental organizations must include partnership accountability to reduce the local government dilemma. The participation of other parties in CSR practices builds mutual awareness

of the social and economic conditions of the community and can build the sustainability of CSR practices.

2. Implementing the Plan and Observing How it Works Researchers' efforts to realize can do the plan by implementing it and observing how it works, including preparing protocol questions. Interview preparation needs to be done so that the interview process runs smoothly, including compiling the dimensions of the questions, tables for the implementation of activities, And interviews with informants. Interviews were carried out in stages and developed according to the interview process. The first interview mechanism was carried out with the head of the CCSR agency management to explore the potential and credibility of the CCSR institution as well as explore the obstacles faced and preparation for the implementation of the Focus Group Discussion. The participants had a dialogue guided by the researcher to discuss three topics derived from the keywords of each partnership, including; a sense of brotherhood, seriousness in facing environmental changes, and sincerity to maintain CSR partnerships.
3. Observation is an observation process to deepen CSR partnerships' knowledge and noble attitude. Observations in this study include observations of the views and attitudes of CSR partnerships in CSR practices institutions such DPRD with the OPD of the social service and the service of community empowerment. Local governments have an important role as a *leading sector* in CSR practices; it is necessary to observe local governments' methods (ways) to build cooperation based on a sense of brotherhood, communication between agencies, and communication with the wider community. Observations on the role of state-owned and private companies include the company's commitment to community welfare, the company's participatory attitude to environmental changes, the company's sensitivity to community conditions, company dedication and social interaction, openness and company mission.
4. Reflection on the model reflects shared attitudes and actions that can use to increase the role of MSMEs in the digital era. Among other things, building the foundation of a new CSR partnership involving local government policies, companies and non-governmental organizations

Data analysis technique

The FGD discussion method aims to reach common ground and solutions to build a foundation for CSR partnership accountability that can bridge common interests and maintain CSR partnerships. This study uses experimental techniques from observations on documentation, results of in-depth *interviews*, and results of joint discussions involving DPRD and local governments, companies, and non-governmental organizations. The results of the joint discussions included CSR partnership agreements based on a sense of brotherhood, overcoming environmental changes, and increasing the role of CCSR institutions.

CSR Partnership Collaboration in Cilegon City

The local government of Cilegon as the heliocentric center of CSR practices overshadows the social and economic programs of the community with the issuance of regional regulation no 10 of 2012, which outlines the role of CSR partnerships in the city of Cilegon. The local government of Cilegon city assigns the field of community empowerment in the social service to overcome community social problems and the MSME economic empowerment office to overcome economic problems. Conflicts of interest in CSR practices among stakeholders give rise to different perspectives on CSR practices. Friedman (1970) responds to CSR practices to provide business benefits due to the company's profit orientation, while Ramanna (2020) responds to CSR practices to ease the burden on society. Differences in stakeholders' viewpoints cause anxiety due to the widespread practice of CSR independently, not collectively. CSR practices are independently carried out by many countries and only give the impression of charity or philanthropy.

The Regional People's Representative Council (DPRD) of Cilegon has a function to receive input from the community and submit it to the city government of Cilegon. The Cilegon city government built five joint actions, among others, the synergy of the attitude of the DPRD and the Cilegon city government, the leading sector and teamwork, a sense of brotherhood, the communicative attitude of the Cilegon city government, the Cilegon local government e-grant program. Cilegon's social and economic programs, especially non-APBD programs, are assisted by companies domiciled in Cilegon and non-governmental organizations. In addition, CSR programs are oriented to aspects that can improve public education, the quality of community welfare, infrastructure, religion, charity, and sponsorship. The involvement of other parties in CSR practices is expected to realize equitable distribution of community welfare in eight sub-districts of Cilegon City.

The company's support in the city of Cilegon can be seen from the role of State-Owned Enterprises (BUMN) and private companies, which are based on five forms, namely the company's commitment to community welfare, the company's participatory attitude towards environmental change, the company's sensitivity to community conditions, company dedication and social interaction, and the open attitude and mission of the company. The form of corporate collaboration in CSR practices is carried out by sending company representatives as the supervisory board of the CCSR institution to balance the needs of the community and the capabilities of the community. Company representatives, including representatives of community leaders in the CCSR institution, have an important role in bridging and directing the pattern of CSR practices in the city of Cilegon. Five joint actions take, including stakeholder representatives as institutional mediators, initiators of CSR practices, facilitators of various stakeholder interests, guarantor of CCSR institution performance, and CSR program management team. Together with the CCSR institution managers, the representatives carry out CSR practices to support non-APBD social and economic programs

and manage the CCSR institutions professionally as independent institutions, including the head of the CCSR agency management from the community element.

The community is one part that is involved in CSR practices because the community element is in direct contact with the company and the local government of the city of Cilegon. The process of legitimizing (inaugurating) the head of the CCSR management through a test and proper test involving a team of selection panelists such as commission 2 of the Cilegon City DPRD, Cilegon City Service OPD, and company representatives. The role of the chairman of the CCSR agency is evident from the collaborative action with representatives of the CCSR institution, including the performance of the CCSR agency manager, optimization of resources, concern for poverty in the city of Cilegon, concern for education programs, and an attitude of loyalty and responsibility.

The Paradigm in Partnership

The practice of CSR in the industrialization era experienced a conflict of interest, namely between business profits and responsibility to the environment. The European Commission in 2001 published the concept of CSR by involving heterogeneity of CSR partnerships as a shared responsibility. A sense of responsibility is based on a sense of humanity to improve welfare society (*people*), environment (*planet*), and profit (*profit*). The sense of humanity gives meaning to the glory of human reason and knowledge of human values. Imam Al Ghazali guides the nobility of reason and human values to underlie good relations between humans and their environment in harmony with cosmological metaphors, including building harmonization and heliocentricity, voluntary attitudes,

balance, fairness, and benefit.

1. Harmonization and heliocentricity are built from a reflection of the heart or what is called human will towards situations that create a sense of responsibility and sincerity (*mujahaddah*) to take action for the common good, among the causes of the emergence of a sense of responsibility and sincerity, namely a sense of concern and care for the condition, and the efforts that can make to help human safety. The concern is based on the condition of the poverty gap in Cilegon, which has many companies. Local governments are addressed by various parties and take concrete actions to ease the burden on the poor in the city and the village. The local government of Cilegon, together with the Regional People's Representative Council (DPRD), caught the signal of public unrest, which was getting worse during the pandemic. Various efforts were made by the Cilegon city government, such as health assistance, cash assistance, and economic empowerment assistance, and inviting other parties such as companies in Cilegon city CCSR institutions to participate in helping poor communities in remote villages or areas close to the company.

This partnership collaboration action builds four forms of function, including mediation function, synergism function, collectivity function, and mutual support function. **First**, the mediation function is

the attitude and seriousness of the CCSR agency's representative function as a mediator of CSR practices by inviting and aligning CSR practices with companies by the social and economic programs of the city of Cilegon. The companies enthusiastically followed the seriousness of the CCSR institution's representatives through the company's seriousness in implementing and reporting CSR practices to the CCSR institution. **Second**, the synergistic function reflects the seriousness and action taken by the local government of Cilegon city through the OPD of the UMKM service and the community social empowerment service, namely the sincerity to help the social and economic community. The synergistic action involves the role of the Cilegon City DPRD to provide input for assistance that follows the community's needs and raise the standard of living of the poor. The attitude of coordination between the Cilegon city government and the Cilegon city DPRD emerged from concerns about the condition of the people who were slumped. They had to be assisted, including shifting the goods and services budget for the community's safety. **Third**, the collectivity function is a collective action carried out by the Krakatau Steel Group (KSG), which carries out CSR practices collectively. Collective actions are oriented towards equitable distribution of CSR practices and lighten the burden on companies. For example, natural disaster assistance is jointly borne by subsidiaries. In addition to KSG, CSR practices can be carried out collectively between companies and the local government of Cilegon, for example, the latrine program and the uninhabitable housing program. Both programs absorb large funds, and then allocations are borne by local governments and companies, so that good collective action is formed. **Fourth**, the mutual support function is a collaborative action to realize CSR practices. For example, the CCSR institution facilitates the company's CSR program because not all companies provide special CSR personnel. The attitude of mutual support is oriented towards the sustainability of CSR partnerships and the implementation of appropriate CSR practices such as education programs and sponsorship programs. The mutual support function reflects CSR practices that are not rigid and a good form of cooperation between CSR partnerships.

2. Volunteering in humanity stems from a clean heart that radiates awareness and initiative. Awareness and initiative are behaviors of the heart that are hidden (abstract), can arise from understanding the rights of others that must give, and there is no need for objections to realize them, such as the protection of the rights of human life and human safety. Protection of the right to human life can be done by overcoming gaps such as poverty, unemployment, and the threat of layoffs. The sense of humanity is poured into the form of collaborative actions to overcome the social and economic problems of the community. Awareness and initiatives to save the community, a community rescue program is formed such as health, social safety networks, and economic empowerment. Health illustrates the sense of responsibility of CSR partnerships to save the community from the COVID-19 outbreak. The Covid-19 outbreak has had a broad impact on increasing unemployment, poverty, and the threat of layoffs. The CSR partnership

anticipates environmental changes by increasing the capacity of MSMEs, both capital and entrepreneurial knowledge. The company has provided capital assistance for MSMEs, and has provided dispensation from not paying fines and administrative costs. In addition, the company is developing digitalization (*Star Up*) and providing orders such as masks to MSMEs in the city of Cilegon. Non-governmental take part, including companies in the city of Cilegon providing job training according to industry needs, educational programs, and other socio-economic programs.

3. Balance is behavior (morals) to build long-term (good) relationships and efforts to avoid disputes. Ghazali said that the breakdown of good relations and disputes stems from selfishness in humans and other disgraceful attitudes. Two relationships must maintain in a long-term relationship, namely vertical and horizontal. Vertical relationship is human behavior to maintain and preserve relationships and anticipate long-term relationship breakdowns and mutual respect to strengthen economic empowerment. As a result of the CSR Citra Award, the pattern of horizontal relationships. This award is oriented towards reciprocal relationships for participation in CSR practice activities in the city of Cilegon. The companies also appreciated this activity to respect each other and impact long-term relationships such as strengthening economic empowerment, infrastructure, social maps, and regulatory power. Horizontal relationships are built from a sense or attitude of solidarity towards the environment based on society (*people*), environment (*planet*), and profit (*profit*). The company's solidarity towards society (*people*) and the environment (*planet*) involves internal company and co-workers. This situation is indicated by an attitude of cooperation, for example, a joint venture system, or an attitude of charity, for example, by donating 1 percent of an employee's salary for CSR practices. This attitude of solidarity can motivate people to rise from adversity and survive. The profit (profit) of CSR practices for CSR partnerships is reflected in achieving conduciveness in the company's environment. The local government of Cilegon city, through the CCSR institution, took part by picking up the ball, namely visiting other donors to join in solidarity with the environment, for example, food assistance and medical equipment.
4. Justice. Justice is Human knowledge that treats fair and equitable based on how to act fairly (proper behavior) and the principle of justice. **First**, appropriate behavior (acceptable behavior) reflects human knowledge about a sense of fairness. Adequate knowledge can understand how humans comply with regulations that regulate the orientation of CSR practices, namely the achievement of welfare and poverty reduction. The CSR partnership implements proper behavior in three forms, including industrial needs, the needs of the community's right to life, and the sustainability of non-government as a partner of local governments and companies. Industrial needs (industrial orientation) are oriented to the need for a qualified workforce. Aware of industrial progress since the city of Cilegon was designated as *ten million clusters*, CSR practices must be developed into other forms, including preparing local workers

according to the company's needs. The company responds to this view by providing job training to improve the workforce quality that companies in the city of Cilegon can absorb. The company realizes that CSR practices in job training increase people's income and welfare, for example, increasing the ability to weld processing valet waste into valuable works (*valuable fashion*). **Second**, the principle of justice is seen in two forms: wise justice and fair policy. Wise knowledge of justice is understood as an act of managing CSR funds independently due to the company's internal policies. Institution responds to internal policies by writing letters to companies to report CSR practices, the number of funds used, the location of implementation, and the results achieved from CSR practice activities.

5. Benefit. Local government support flows through an agreement (MoU) to increase minimum high school education with the company. Education and Job opportunities have a strong correlation considering that the company's minimum standard of job acceptance is high school graduates and the equivalent. The need for the right to life Community is a basic need that can improve a healthy life. The CSR Partnership understands that CSR practices are not just assistance but can change people's behavior, for example, the latrine program. The rise of people who do not have restrooms impact the behavior of defecating at will so that latrine assistance can improve people's lifestyles and a healthy environment. Local governments carry out the right to life for business improvement through the UMKM empowerment service by subsidizing business feasibility certificates for micro-business actors to compete with modern business actors or called *modern retail*, designing the growth of 1,000 business actors, marketing clustering, and concentrating local products. The sustainability of non –government as a partner of local governments and companies. The local government of the city of Cilegon has designed a social institution and a partner to local governments and companies. The company responds to the role of CSR, so there needs to be joint action, including by involving other institutions. A state-owned company takes a similar action if it is found that its CSR program slices with a CSR program.
6. Meanwhile, knowledge of fair policies is understood through collaborative CSR practices that can implement with other partners, such as uninhabitable houses. CSR partnerships actualize collectivity in two ways, namely collaborating with the local government collaborating with subsidiaries, non-government, and companies. The benefit is a form of behavior that reflects the loyalty of friends and prioritizes common interests. The foundation of benefits is built on how to carry out openness (transparency).

CONCLUSION

Collaborative actions form innovations developed in business incubation oriented to how to contribute to the partners involved. The rise of poverty in the city of Cilegon has inspired CSR partnerships to participate actively to ease the burden on the poor and as part of a sense of responsibility. In addition,

the CSR partnership designed a business incubator as a new and sustainable CSR practice effort to optimize CSR practices.

ACKNOWLEDGMENT

The authors wish to thank the Indonesian Endowment Fund for Education (LPDP), who has provided support so that the writing of this article can be completed properly on time, especially supporting full funding for the author.

REFERENCES

- Friedman, M. (1970). The social responsibility of a business is to increase its profits. *Corporate Social Responsibility*, 31–35. https://doi.org/10.1007/978-3-540-70818-6_14
- Kemmis, S., McTaggart, R., & Nixon, R. (2014). *The Action Research Planner Doing Critical Participatory Action Research*.
- Kolk, A., Tulder, R. Van, & Kostwnder, E. (2008). Business And Partnerships For Development. *European Management Journal*, 26(4), 2626–3273.
- Lowndes, V., & Skelcher, C. (1998). The Dynamic Of Multi Organizational Partnerships : An Analysis Of Changing Modes Of Governance. *Public Administration*, 76, 313–333.
- Mennita, R., & Soeherman, B. (2019). Akuntabilitas Bisnis Villa Dalam Ajaran Suluk Linglung. *Jurnal Akuntansi Multiparadigma*, 10(3), 516–536. <https://doi.org/10.21776/ub.jamal.2019.10.3.30>
- Puspita Permatasari, M., Triyuwono, I., & Dedi Mulawarman, A. (2021). Islamic Values in Accounting Information Governance of Third-Sector Organisation. *Jurnal Akuntansi Multiparadigma*, 12(1), 2021. <https://doi.org/10.21776/ub.jamal.2021.12.1.01>
- Ramanna, K. (2020). Friedman at 50: Is It Still the Social Responsibility of Business to Increase Profits? *California Management Review*, 62(3), 28–41. <https://doi.org/10.1177/0008125620914994>
- Utami Makalalag, S., Ganis Sukoharsono, E., & Djamhuri, A. (2020). Kearifan Lokal Sebagai Simbol Dalam Keputusan Kebijakan Penganggaran Daerah. *Jurnal Akuntansi Multiparadigma*, 11(2), 355–372. <https://doi.org/10.21776/ub.jamal.2020.11.2.21>
- Wadham, H. (2009). Talking across boundaries : Business and NGO perspectives on CSR, sustainable development and partnership. *Corporate Citizenship (JCC)*, 34, 57–68.