

# CHAPTER I

## INTRODUCTION

### 1.1 Background

As the industry develops, of course it doesn't only have an impact on economic development in an area but can also create new problems such as a number of examples showing the adverse effects of irresponsible corporate practices which have implications not only internally but also externally for stakeholders which trigger public demands for ethical and ethically responsible business social practice. Coinciding with global environmental problems, the idea and implementation of CSR is growing, including in Indonesia. CSR is not only an obligation of corporate social activities, but also related to sustainable development. However, many companies still carry out CSR as supporting activities, such as disaster relief, donations and other forms of charitable activities, not by planning CSR that focuses on community empowerment as the essence of CSR.

Corporate Social Responsibility or CSR is one of the obligations or responsibilities that must be carried out by the company or the company is obliged to carry out its obligations which are not a burden to the company or which are burdensome to the company. It should be remembered that the development of a country is not only the responsibility of the government and industry, but that every human being plays a role in realizing social welfare and managing the quality of life of the community. In business activities, as a business actor, the company has the responsibility to build harmonious relationships with the community around the company's operating environment. In theory, companies are considered to have a moral responsibility towards the environment, the community which is covered in all of its business activities, both those that are directly or indirectly affected Putri and Ghazali, (2021).

This social responsibility is the company's long-term business strategy to act ethically, operate legally and contribute to economic improvement while simultaneously improving the quality of life, environmental preservation and

people's welfare more broadly. Social responsibility is a process for evaluating stakeholders and environmental demands and implementing social programs. Delvia Zulianda, (2022).

PT. Pertamina KPI RU II Sungai Pakning, as the company's implementer: as a social responsibility communicator, he is responsible for disseminating information on the company's social responsibility activities so that the employees of PT. Pertamina KPI RU II Sungai Pakning understand and support these activities.



*Figure 1.1 CSR Activities in Tanjung Leban  
Sources: halloriau.com 2022*

PT. Pertamina KPI RU II Sungai Pakning is a BUMN (State Owned Enterprise) company working in the gas and oil industry. Therefore, provides a form of Corporate Social Responsibility to its stakeholders, especially those related to developing social, environmental and economic issues. In Sei Pakning, Bengkalis Regency, Friday (3/6/2022), PT. Pertamina KPI RU II Sungai Pakning held an activity called Media Visit Publication of the CSR Program. The purpose of carrying out a media visit is to promote CSR activities and programs at Sei Pakning in addition to strengthening relations. During this activity, Deni Saputra, Senior Manager Organization Capability and MPP of PT. Pertamina KPI RU II Sungai Pakning accompanied the media crew. The first places visited were the Bien Group honey beekeeping center in Tanjung Leban Village, Berdikari Peat Village in Kampung Jawa Village, and Mangrove Forest Ecotourism in Pangkalan

Jambi Village, Bengkalis Regency. Rahmad Hidayat, Jr. CSR Officer of PT. Pertamina KPI RU II Sungai Pakning (CSR), welcomed the media.

Starting in 2023, PT. Pertamina KPI RU II Sungai Pakning implemented a number of Social and Environmental Responsibility (TJSL) or Corporate Social Responsibility (CSR) programs in 4 different locations on Sunday, January 22 2023. This CSR program helping the community in the economic, social, and infrastructure sectors. Nurhidayanto, RU II Communication, Relations & CSR Area Manager, explained that the company has various social and environmental awareness programs that aim to support various sectoral strategies such as economic, social, religious, educational, and help environmental infrastructure related to flood disaster prevention.

The first CSR assistance program in the socio-religious sector is the physical construction and revitalization of eight mosques and prayer rooms in Dumai. Recipients of physical development assistance were the Al Ihsan Mosque in Buluh Kasap Sub-District, Al Mubin Mosque in Teluk Binjai Sub-District, Nurul Ikhlas Mosque in Jaya Mukti, Musala Haqqul Yaqin in Tanjung Palas Sub-District, and Al Khoirot in Mundam District. Meanwhile, revitalization assistance was given to the Istiqomah Mosque in Tanjung Palas Village, Al Munawwarah Mosque in Bintan Village, and As Sajjadah Mosque in Teluk Binjai Village.

The second CSR assistance program is in the economic field, namely channeling business development funds to three groups of fish cultivators (Pokdakan) in Dumai. The assistance was distributed to Al Huda Jaya Pokdakan from Jaya Mukti Village, Punak Youth Pokdakan from Purnama Village, and Sumber Berkah Pokdakan from Bagan Keladi Village.

The third CSR assistance program is in the field of social education, namely facilities and infrastructure assistance for SD Cemerlang PGRI and SMAS Muhammadiyah in Jaya Mukti Village. Assistance in the form of educational furniture such as tables, chairs, blackboards and laptops, was handed over to support teaching and learning activities which so far have been deemed not conducive to the two schools. The fourth CSR assistance program is in the field of infrastructure in the form of connecting drainage along Jl. Cape Jaya.

PT. Pertamina KPI RU II Sungai Pakning serves as a communicator to understand and comprehend the people in the corporate environment by showing their existence or presence as part of the community to grow and develop in line with the development of PT. Pertamina KPI RU II Sungai Pakning. The communicates regularly, strives to positively influence the beneficiaries of corporate social responsibility. Corporate Social Responsibility Program, by spreading information about the Corporate Social Responsibility program, wants to support the people PT. Pertamina KPI RU II Sungai Pakning.

## **1.2 Formulation of the Problem**

Based on the background that the author has stated above, the author will formulate the problem in this research, how is the effectiveness of increasing the company's good image in the public eye based on the implementation of corporate social responsibility (CSR) programs in the form of publicity by the Public Relations section of PT. Pertamina KPI RU II Sungai Pakning?

## **1.3 Purpose of the Study**

The purpose of writing this research is:

1. To determine the effectiveness of CSR program publications, PT. Pertamina KPI RU II Sungai Pakning.
2. To find out the type of CSR program PT. Pertamina KPI RU II Sungai Pakning.
3. To find out what are the obstacles to the CSR program carried out by PT. Pertamina KPI RU II Sungai Pakning.
4. To find out solutions to CSR program obstacles, PT. Pertamina KPI RU II Sungai Pakning.
5. To find out the benefits of PT. Pertamina KPI RU II Sungai Pakning

## **1.4 Significant of the Study**

Research proposal on Publication Analysis of corporate social responsibility at PT. Pertamina KPI RU II Sungai Pakning several benefits, including:

1. General Public Implication

Further study on the Corporate Social Responsibility (CSR) Implementation of PT Pertamina RU II Sungai Pakning is anticipated to benefit from academic use.

2. Theoretical Implication

This research has the potential to progress science in general and Administrative Science in particular.

3. Practical Application

PT Pertamina RU II Sungai Pakning can use the findings of this study to promote and expand state-owned businesses.

## **1.5 Scope and Limitation of the Problem**

### **1.5.1 Scope**

The scope of the problem describes the boundaries of what will be explored or researched in research. This includes the topic, the variable to be studied, the population or sample to be studied, the research location or environment, and the time period to be covered. Research that has a clear scope helps narrow the research focus so that more detailed and relevant results can be achieved.

1. This research will focus on PT. Pertamina Refinery Unit II Sungai Pakning as a research object. PT. Pertamina Refinery Unit II Sungai Pakning oil refinery units located in Sungai Pakning, Bengkalis, Riau.
2. This study will analyze corporate social responsibility (CSR) publications issued by PT. Pertamina Refinery Unit II Sungai Pakning. CSR in question includes social, environmental and economic activities carried out by companies in order to fulfill their social responsibilities.
3. This research will use content analysis method to analyze CSR publications issued by PT Pertamina Refinery Unit II Sungai Pakning. Content analysis will be carried out to identify the main themes in the CSR publications and evaluate the compatibility between the CSR activities carried out by the company and its social responsibility.

### **1.5.2 Limitation of Problem**

Limitation of the problem includes factors that may limit or affect the research's ability to achieve perfect results or present a complete picture. Limitations can come from various sources, such as time constraints, resource limitations, data access limitations, research method limitations, or technical limitations. Recognizing the limitations of the study is important for understanding the limitations in generalizing research results and taking those limitations into account in the interpretation and use of research findings. Following are the limitations of the problem in this study:

1. This study will only analyze CSR publications issued by PT Pertamina Refinery Unit II Sungai Pakning for a certain period.
2. This study will not analyze the effectiveness of CSR activities carried out by companies.
3. This study will not compare the CSR publications of PT. Pertamina Refinery Unit II Sungai Pakning with other companies.

### **1.6 Systematics Writing**

Systematics writing in research writing refers to a systematic approach in compiling and presenting research information. This approach aims to make it easier for readers to understand and follow the author's train of thought as well as present data and research findings in a clear and orderly manner.

## **CHAPTER 1: INTRODUCTION**

In chapter 1 explains the background of the problem, problem formulation, purpose of study, significance of study, the scope an limitation of problem and the systematic writing of a study in the final research report.

## **CHAPTER 2: LITERATURE REVIEW**

In chapter 2 explains about previous research and theoretical basis in this final research contains the theory that underlies the

research that comes from books / literature published nationally or internationally for at least the last 5 years.

**CHAPTER 3: RESEARCH METHODOLOGY**

Chapter 3 explains the identification of the location, time and object of research, types and sources of data, population and samples, sample collection techniques, data collection techniques, data processing techniques, scale measurement, data analysis methods, types of research, concept definitions and operational variables.

**CHAPTER 4: RESULTS AND DISCUSSION**

In chapter 4 explaining the results of testing, discussion and limitations of research results, discussion of the results obtained is made in the form of theoretical explanations, either qualitatively, quantitatively or statistically.

**CHAPTER 5: CONCLUSION AND SUGGESTION**

In chapter 5 explains the conclusions and suggestions from the research that has been carried out.