

## STUDY OF COMMUNITY SATISFACTION WITH CORPORATE SOCIAL RESPONSIBILITY (CSR) PROGRAMS PT. SOCFINDO KEBUN SEUNAGAN NAGAN RAYA DISTRICT

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### Abstract

*Corporate Social Responsibility or CSR is one of the most popular efforts to gain public trust in the company. This is a form of social equilibrium between the company and the surrounding community, so information on the satisfaction of the community around the company regarding the CR carried out needs to be known for further improvement of CSR programs. This research was conducted to determine the level of community satisfaction with the CSR program carried out by the oil palm plantation company PT. Socfindo plantation Seunagan – Aceh. The results of the study show that the CSR program has not provided satisfaction for the communities around the plantations. Attributes of the process of capturing citizens' aspirations at the beginning of the program had the highest level of satisfaction, while attributes of capital assistance provided by companies to entrepreneurs gave the lowest satisfaction. In connection with CSR as a corporate concern program for the surrounding community, PT. Socfindo Seunagan Plantation needs to involve the local community as a stakeholder in the planning and implementation of CSR, while still taking into account the priority needs of the surrounding community.*

**Keywords:** *CSR, oil palm plantations, importance performance analysis.*

### 1. INTRODUCTION

It is undeniable that the company's presence will have an impact on the surrounding community, such as providing employment, increasing people's income, and encouraging regional economic development. However, the presence of a company can also have a significant negative impact on the social life of the community and the environment such as pollution, discrimination, shifts in values in people's lives, social turmoil, and the impact of other external factors (Pramana et al., 2020; Apriyanti et al., 2020 ). This condition encourages the importance of companies being able to make adjustments to the surrounding community and establish mutual relationships to create social equilibrium in the form of good relations with society and the environment (Haynes et al., 2012). One of the popular actions to gain public trust in companies is through good CSR (Corporate Social Responsibility) implementation (Saha et al., 2019).

Basically CSR (Corporate Social Responsibility) or corporate social responsibility is a form of company commitment in considering social, economic and environmental aspects of company activities to act ethically towards stakeholders either directly or indirectly, including by improving quality community life and well-being (Williams and Siegel, 2001). In the present decade, a company is not just an entity that only cares about itself (selfish) and/or exclusivity from the community environment, but a company is a legal entity that is obliged to carry out socio-cultural adaptation to the environment that can be held accountable for all activities that occur. conducted as a legal subject in general (Azheri, 2012). So that the implementation of CSR can improve the quality of life and welfare of the community around the company on an ongoing basis (Williams and Siegel, 2001). The implementation of CSR in Indonesia refers to Law No. 40/2007 concerning Limited Liability Companies, where Article 74(1) explains that companies that carry out their

business activities in the field of and/or related to natural resources are required to carry out social and environmental responsibilities.

Like other companies, PT Socfin Indonesia or PT. Socfindo is a world-class oil palm and rubber plantation company headquartered in the city of Medan, North Sumatra - Indonesia and operates in the Provinces of North Sumatra and Aceh, including in Nagan Raya District, namely the Seunagan plantation and the Seumayam plantation. In its operations PT. Socfindo also implements CSR as a form of responsibility towards the environment and the community around the company as mandated by Law no. 40/2007 concerning plantations. Related to the implementation of CSR, where the target is the community around the company, the public's opinion to evaluate the implementation of CSR in the form of satisfaction needs to be done. Because this is related to the benefits of implementing CSR for companies, including: (1) building and maintaining reputation (goodwill); (2) improve the image; (3) reduce business risk; (4) expanding the scope of business; (5) maintaining the brand 6) maintaining quality human resources; (7) easy access to capital; (8) improve decision making on critical matters; (9) facilitating risk management (Pramana et al., 2020).employment and training opportunities, community investment funding in infrastructure development, commercial expertise, technical and personal competence of the individual workers involved, business representation as promotion for community initiatives (Taufiqurrahman and Sitepu, 2020). In connection with this problem, it is necessary to conduct research on community satisfaction studies on the Corporate Social Responsibility (CSR) program of PT. Socfindo Kebun Seunagan, Nagan Raya Regency with the aim of knowing the satisfaction of the people living around the company with the CSR programs carried out by the company, so that it becomes input for the company in improving CSR management in the future.

## 2. IMPLEMENTATION METHOD

### 2.1 Time and Location of Research

This research was conducted in October - December 2022 in Kuala Pesisir District, Nagan Raya Regency, the area around the oil palm plantation of PT. Socfindo Seunagan gardens which had been operating before independence or 1916.

### 2.2 Population and Sample

The population of this research is the people who live around PT. Socfindo Kebun Seunagan with a population of 1,599 households, and using the Slovin formula at  $d = 10\%$  obtained a sample of 100 people spread over village clusters as shown in Table 1.

Table 1. Population and Research Sample

Village	Population	Sample
Arongan	257	16
step	456	29
Porwodadi	544	34
Puntong Suak	342	21
<b>Total</b>	<b>1,599</b>	<b>100</b>

Source: Processed data (2023)

### 2.3 Data collection technique

The data used in this study consisted of primary and secondary. Primary data was obtained through interviews with respondents using a questionnaire arranged in a Likert scale (Table 2),

while secondary data was obtained from related institutions and agencies as well as relevant sources of literature.

**Table 2.** Research Likert Scale

Expectations/Hope Attributes	Score	Performance/Actuality Attributes	Score
Very important	5	Very good	5
Important	4	Good	4
Not too important	3	Not good	3
Not important	2	Not good	2
Very unimportant	1	Very Not Good	1

## 2.4 Data analysis method

### Importance – Performance Analysis or Analysis of Consumer Satisfaction Index (GPA).

Analysis of the Consumer Satisfaction Index or GPA is an analytical model used to see the level of conformity between interests (expectations) and implementation (performance). The level of suitability in question is the result of a comparison between the implementation / performance score and the importance / expectation score, and the formula used is:

$$Tki = \frac{Ki}{Hi} \times 100 \% (1)$$

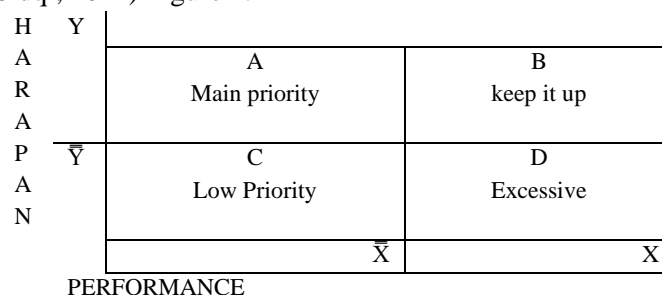
Where: Tki = level of satisfaction or GPA; Ki = Performance appraisal score or implementation; Hi = Score rating level of importance or expectation

- If  $GPA > 1$ ; This shows the company's performance is higher than expectations, meaning that consumers are very satisfied.
- If  $GPA = 1$  this shows that the company's performance is in line with or equal to consumer expectations, meaning that consumers are satisfied.
- If  $GPA < 1$ ; this shows the company's performance is lower than expectations, meaning that consumers are not satisfied (Mustafa et al., 2019; Athallah and Kraugusteeliana, 2022).

Furthermore, the results of the satisfaction level or GPA are ranked to get the priority order of the satisfaction level attributes.

## 2.5 Cartesian Diagram Analysis

Cartesian diagram analysis is carried out to see the results of mapping the position of each attribute. The Cartesian diagram is a building that is divided into four parts bounded by two lines that intersect perpendicularly at the point  $(\bar{X}, \bar{Y})$ , where  $\bar{X}$  is the average score of the performance level and  $\bar{Y}$  is the average of the score of the level of importance or expectation. Furthermore, these elemental levels will be described in four quadrants of the Cartesian Diagram (Supranto, 2016; Pranitasari and Sidqi, 2021) Figure 1.



**Picture. 1** Catesius Importance – Performance Analysis (IPA) diagram

The interpretation of each quadrant above is: (1) A = Top priority; is an attribute of customer expectations, but the perceived performance is lacking. Some changes must be made to reduce the gaps that arise; (2) B = Maintain; attributes expected by customers and performance is considered good so it needs to be maintained; (3) C = Low priority; customers do not expect the attributes in this quadrant and the performance provided is also not good, service providers do not need to push to improve the quality of services from the attributes in this quadrant; (4) D = Excessive; attributes in this quadrant are not highly expected by customers but have good performance, temporarily there is no strategy that needs to be taken,

### 3. RESULTS AND DISCUSSION

#### 3.1 Level of Conformity Average Level of Performance and Interest

This research resulted in a comparison between the level of expectation (Importance) and the level of performance (Performance) in the form of a sequence of priorities that must be carried out by the CSR management of PT. Socfindo Kebun Seunagan to improve service quality as a manifestation of the level of community satisfaction. The level of satisfaction is the result of a comparison between performance and expectations, so that it can be used to determine service priority scales and improvement priorities to achieve community satisfaction (Indriwinangsih and Sudaryanto, 2007; Yola, 2013). The satisfaction level is shown in Table 6.

**Table 6.** Calculation results of the average level of expectations and performance

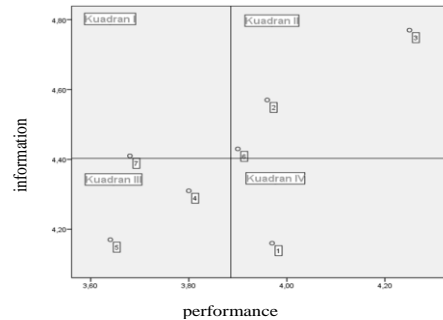
No	Attribute Name	Average Hope Xi	Average Performance Yi	Satisfaction Level (Tki) (%)
1	[1] The process of capturing citizens' aspirations at the beginning of the CSR program	4,16	3.91	93.99
2	[4] The quality of services provided by PT. Socfindo as long as the CSR program is implemented	4,31	3.80	88,17
3	[6] PT. Socfindo to the surrounding community	4,43	3.90	88.04
4	[5] Information on CSR activities carried out by the company is obtained directly from the company	4,17	3.64	87,29
5	[2] The process of building village facilities involves local residents	4,57	3.91	85.56
6	[7] Settlement of differences of opinion among residents as a result of the CSR program	4,41	3.68	83.45
7	[3] Capital assistance provided by PT. Socfindo for entrepreneurs	5,77	4,25	73,66
Average Level of Conformity		4.55	3.87	85,74

Source: Primary processed data (2023)

Table 6 shows an average satisfaction level of 3.87 and an average expectation level of 4.55 with an average satisfaction level of 0.8574 or 85.74%. This value will be used in determining the Cartesian diagram (Importance Performance Analysis) which is divided into four quadrants which include quadrant I top priority, quadrant II maintain achievement, quadrant III low priority and quadrant IV excessive. Overall, all attributes show a value of <100% or <1, which means that the whole community around PT. Socfindo Seunagan plantations are not satisfied with the company's CSR performance. The attribute with the highest level of satisfaction is pthe process of capturing citizens' aspirations at the beginning of the CSR program with a satisfaction level of 93.99%, while the lowest level of satisfaction was the capital assistance provided by PT. Socfindo for entrepreneurs with a satisfaction level of 73.66%.

### 3.1 Attribute Categorization Based on Importance Performance Analysis

To find out which attribute to use, maintain or increase, it can be described in a Cartesian diagram. The Cartesian diagram of the research data is shown in Figure 2 which explains the location of the attributes in each quadrant.



**Figure 1.** Cartesian diagram of expectations and performance levels (Importance Performance Analysis)

Description : [1] The process of capturing the aspirations of the residents at the beginning of the CSR program; [2] The process of building village facilities that involves local residents; [3] Capital assistance provided by PT. Socfindo for entrepreneurs; [4] The quality of services provided by PT. Socfindo as long as the CSR program is implemented; [5] Information on CSR activities carried out by the company is directly obtained from the company; [6] PT. Socfindo to the surrounding community; [7] Settlement of differences of opinion among residents as a result of the CSR program.

#### 1) Quadrant I (Top Priority)

In this quadrant are attributes that are prioritized for improvement, considered important and expected by the community but have not given satisfaction to the community. In this study there are no attributes that are located in quadrant I so that there are no attributes that are so prioritized for improvement.

#### 2) Quadrant II (Maintain Achievement)

In this quadrant, it is the attribute that is most expected by the community where the attribute is in accordance with what is felt, and as a factor that is considered important and expected as a supporting factor for community satisfaction so that companies are required to maintain attribute performance achievements. The attributes in this quadrant are:

- a) [2] The process of building village facilities involves local residents. This attribute describes the participation of local residents in the construction of village facilities such as houses of worship, Yandu posts and others with a satisfaction level of 85.56%. PT. Socfindo Kebun Seunagan provides opportunities and opportunities for residents to participate so that some of the residents involved benefit from the economic aspect in the form of wages from the activities carried out.
- b) [3] Capital assistance provided by PT. Socfindo for entrepreneurs. There are various livelihoods carried out by local residents including entrepreneurship. Seeing this condition the company also helps from the aspect of capital so as to provide opportunities for the community to improve their economy. This attribute is an activity that needs to be maintained and improved even though it currently has a satisfaction level of 73.66%.

- c) [6] PT. Socfindo to the surrounding community. Humans are social creatures who need each other. This concept is applied by companies such as providing assistance when a disaster or misfortune occurs for local residents, providing support when the community runs social programs such as compensation for orphans, halal bin halal. So this attribute is also one that must be maintained because the satisfaction level is 88.04%.

### 3) Quadrant III (Low Priority)

In this quadrant, attributes are considered to have a low level of perception or actual performance and are not too important or not highly expected by society so that companies do not need to prioritize or pay more attention to these factors. The attributes included in quadrant III are:

- a) [4] The quality of services provided by PT. Socfindo as long as the CSR program is implemented. This attribute explains how the company's services serve the community with a satisfaction level of 88.17%. PT. Socfindo Kebun Senagan has quality service in serving the community which can be seen from the moment they go to the office some employees provide drinking water while asking them to sit which makes the community comfortable and satisfied with these attributes.
- b) [5] Information on CSR activities carried out by the company is obtained directly from the company. This attribute explains how easy information is on CSR activities carried out by the company with a satisfaction level of 87.29%. The company has a responsive response and makes it easy for the public to access information on every activity carried out in the company's CSR program, namely by using the website and social media.
- c) [7] Settlement of differences of opinion among residents as a result of the CSR program. This attribute explains how the settlement of opinions between citizens as a result of the CSR program with a satisfaction level of 83.45%. Differences of opinion arose from misunderstandings regarding the assistance provided, such as education funds that were not on target, and there were differences of opinion among residents. The company is present in the midst of the community to provide understanding and resolution of these differences of opinion so that the community is satisfied with this attribute.

### 4) Quadrant IV (Excessive)

In this quadrant, the attributes are considered not too important or not highly expected by the community so that companies are better off allocating resources on other attributes because those that have a higher priority level. The attributes included in this quadrant are:

- a) [1] The process of capturing citizens' aspirations at the beginning of the CSR program. This attribute explains how the process of capturing citizens' aspirations at the beginning of the CSR program with a satisfaction level of 93.99%. According to the respondents, this factor is considered not too important by the community, it is better to allocate treatment to other factors. The collection of residents' aspirations has gone well with the establishment of PT Socfindo Kebun Seunagan's website to receive suggestions and criticisms from the community. According to Assauri (2004) management of responses and attention to stakeholders is one of the skills that must be possessed by companies as the key to providing satisfaction to their stakeholders.

## 4. CONCLUSION

PT. Socfindo Seunagan Plantation has not provided satisfaction for the people around the plantation with an average satisfaction level of 85.74% or <100.00%. Where the attributes of the process of capturing citizens' aspirations at the beginning of the program had the highest level of satisfaction or 93.99%, while the attributes of capital assistance provided by companies for entrepreneurs gave the lowest satisfaction or 73.66%. In the quadrant important performance analysis (IPA) shows that the performance attributes of the process of building village facilities that involve local residents, capital assistance provided by PT. Socfindo for entrepreneurs, and the company's concern for society needs to be maintained. While the service quality attributes provided by PT. Socfindo as long as the CSR program is implemented; information on CSR activities carried out by the company is directly obtained from the company; and settlement of differences of opinion among residents as a result of the CSR program is of low quality so it really needs to be improved. In connection with CSR as a corporate concern program for the surrounding community, it is necessary for PT. Socfindo Seunagan Plantation involves the surrounding community as a stakeholder in planning and implementing CSR, while still taking into account the priority needs of the surrounding community.

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