

URGENCY CORPORATE SOCIAL RESPONSIBILITY (CSR) TOWARDS CORPORATE DEVELOPMENT IN INDONESIA

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Abstract : The implementation of Corporate Social Responsibility / CSR carried out by a company is an urgent action towards the development of a company in Indonesia, this proves that a company is said to be good, if in carrying out its activities not only seek profit but also have an obligation to carry out its social responsibilities. In implementing CSR, there is a lot that can be done by companies in improving the welfare of the community, for example making public facilities, giving scholarships to students who have long-term goals. In reality there are still many companies that do not realize the importance of CSR, so there are still companies that have not implemented it. CSR is very beneficial for the company if implemented because a company will develop rapidly and sustainably if it always maintains relations with the community. So, that the implementation of CSR is so urgent for the development of companies in Indonesia.

Keywords: Urgency, Corporate Social Responsibility, company

1. Introduction

Today to measure a company's growth and development not only in terms of company profits, but more than that is how the company is related to other parties (external) the company concerned with technology and science are increasingly rapidly requiring companies to be able to compete closely with other companies in any aspect, so to carry out its activities it is very necessary to have certain strategies to deal with such intense competition. Every company is required to have relations with other parties (external) in harmony, for example with consumers and the local community, for example, the government and the community of companies that have ties with other parties, are expected to become stronger in the midst of intense competition. In carrying out the relationship or collaboration the most appropriate is through one program that is Corporate Social Responsibility/CSR. Thus, each company will be directly involved in the community.

Corporate Social Responsibility is an activity carried out by each company as a sense of corporate responsibility towards the community around the environment where a company carries out its activities. Thus the company must have an awareness of how influential and important the welfare of the community around the company. Many ways can be done by the company in carrying out its role for the welfare of the surrounding community, for example providing funds for public facilities, giving scholarships or making donations to build villages and so on. That is why since the company began to be established, since then the company gave birth to the necessities that must be run, because a good company is a company that not only

looks for profit but also continues to carry out its duties to continue caring for the surrounding environment.

With regard to relations with the government, each company is expected to be able to help with its CSR program, especially in terms of resolving unemployment, poverty, health and housing issues. This proves that every company has an obligation to assist the implementation of government programs that have been set. As the main responsibility of the government in creating people's welfare it is impossible to act alone, but must get help from other parties in this case is the company, so that the planned community welfare can be realized.

CSR is a program that is very beneficial for the company, because a company will grow and be sustainable if it always maintains good relations with the community. CSR becomes an investor for the company to encourage the company's growth and development in the future. The success and continuity of the company's activities become very real if the company's responsibilities can be carried out properly for the creation of a social life. In Indonesia there are many regulations governing the Corporate Social Responsibility/CSR program, one of which is Law No. 40 of 2007 concerning Limited Liability Companies Article 74. This proves the urgency of the implementation of Corporate Social Responsibility/CSR by companies.

2. Literature Review

1) Urgency means:

- According to the Big Indonesian Dictionary, that urgency is a must in order to be implemented.
- Urgency of Corporate Social Responsibility / CSR means an obligation to be carried out by every company that aims to assist the government in carrying out the welfare of the community around the company.

2) Corporate Social Responsibility / CSR according to experts:

- Wibisono, CSR is a must and is sustainable in the business world in order to be ethical and provide economic development for the community so that living standards improve for workers and their families.
- Suharto, said that CSR is a business that is committed in addition to increasing the company's profit, the company also maintains economic development in a holistic area and continues to be sustained.
- Kotler and Nancy, CSR is defined as a company promise that the welfare of a community can be increased through good effort and partial corporate resources.

From these definitions it can be concluded that Corporate Social Responsibility / CSR is a corporate responsibility and with all the awareness to participate in paying attention to the community, especially the state of the community.

3) The company, the definition implies among other things:

- Swastha and Sukotjo, said that the company is an institution of production and uses economic resources to satisfy the desire for profit.
- Mr. M. Polar, gives a definition that is said by the company if there are calculations regarding profit and loss all of which are listed in a bookkeeping.

- According to KBBI, a company is a job that is carried out using equipment and in a systematic way that has the goal of making a profit.

From these definitions it can be said that the company is an institutional business entity that has activities in the economic field continuously and is permanent. The business must be legal and have a goal of making a profit.

3. Method

The research method in a scientific writing is very important because the research method is a structured scientific activity and has the objective to obtain data that can be used for a purpose. The method used in this paper is to use the literature review method in discussing the topics presented. In the literature method, some activities are carried out such as reading, studying library materials, finding research reports and containing theories and relating to the research to be conducted. The purpose of library research is to solve the problem of critical and in-depth review of relevant library materials. This literature review is carried out by collecting information from various sources of literature and is needed as a source of thought in order to get new ideas and carry out deductions and existing knowledge, so that in the end a new theory in the form of a framework can be developed. A scientific study of literature study is the most important part of the overall steps in the research method.

In the literature review in this research are from research results, journals, books and related articles. There are several steps in making a Literature Review, namely:

- 1) That Literature Review must be in the form of determined sources and in line with the writing.
- 2) The points to be published must be evaluated in the specified library sources.
- 3) Literature sources that have been determined must be made summary.
- 4) New thoughts and ideas need to be explored further as research material.

4. Discussion

- 1) Development of Corporate Social Responsibility/CSR in Indonesia

In our country CSR has actually been known since the 1980s. But little by little starting in the 1990s experienced an increase in movement and showed a positive increase both in terms of quality and quantity, this can be seen from the amount of finance provided by large companies and have realized the importance of implementing CSR. When compared with other countries, the implementation of CSR in Indonesia is still relatively low, because nowadays it is still often found by companies that have not implemented CSR.

In its implementation there are various forms of CSR that have been carried out by companies, for example: directly participating companies in social activities and making donations, or also done through foundations and social organizations owned by companies, holding activities in collaboration with other parties, for example with NGOs, Government and Universities. It is desirable that companies implementing CSR include local communities. With community participation directly makes the community feel the welfare of life, thus giving birth to better economic conditions. Law No. 40 of 2007 concerning Limited Liability Companies and other laws makes CSR growth and development increasingly felt. Whereas government agencies, in this case the Ministry of Social Affairs, are actively building and developing CSR concepts and

providing instructions on implementing CSR to national companies. Growth and development of CSR in the country can be seen easily through publications in various print and electronic media. All of this is evidence of the increasing participation of companies in carrying out their social responsibility towards the community environment, both companies in big cities and companies in the regions.

2) Urgency of Corporate Social Responsibility

Corporate Social Responsibility also implies an agreement of a company to be involved in improving the quality of community welfare and the environment, both for the company and the local community. There are several reasons why companies implement CSR:

- a. The existence of a law that is forced, so that requires each company to comply with national rules.
- b. Every company must realize that the company must develop and implement policies and procedures to reduce damage or losses as a result of company operations.
- c. Companies can create good relationships with outside parties, both with the surrounding community and with other companies.

With the development of the environment in Indonesia, the concept of implementing CSR has increasingly developed. The mandatory application of CSR for companies must also be linked to a development concept that has a long-term goal. In practice the implementation of CSR companies have differences with other companies; it really depends on the state of the company concerned. So CSR can be applied if the conditions in the company are really possible. Good CSR can be implemented if:

- A company and the community have a mutually beneficial relationship.
- The company is also part of the community, so it is natural to pay attention to the interests of the community.
- Corporate social responsibility is also part of activities to distance themselves and reduce discomfort in society and eliminate social pressure.

Some characteristics of CSR are good if:

- a. Making a positive impact on the surrounding community, for example companies that have given scholarships for community welfare.
- b. Benefits can be felt for a long time if the CSR program is made sustainable.
- c. Must be transparency and accountability in implementing CSR. So the characteristics of CSR are said to be successful if the CSR carried out ultimately feels good results by the community, making the community economically independent and also has a good impact on the environment whose implementation is carried out following development goals that have continuity.

In general there are several benefits for companies implementing CSR:

- a. As survival
In principle, a company can run well if it can meet the wishes of the company community that has a good image in the community will certainly be appreciated by the community, so that its survival will be maintained.
- b. The long-term interests of the company

CSR implemented by the company if it is held in the hearts of the people will certainly make the company accepted its existence which will ultimately benefit a company.

c. Execute the Rules

Companies that carry out CSR will certainly be viewed by the public, companies that have obeyed the regulations set by the government

d. The company can establish relationships with other companies.

So it can be said that CSR programs can help problems that occur in the community, especially in terms of improving welfare. In Indonesia, the implementation of CSR programs, although the results have been carried out, but the results have not been optimal, because in principle the implementation of CSR in certain places really requires the participation and active role of the community. Therefore CSR implemented by the company must be able to hit the hearts of the community and its implementation must be sustainable.

5. Conclusions And Suggestions

From the results of the activities and related literature, it can be concluded that:

- 1) Corporate Social Responsibility / CSR is a corporate social responsibility with all its awareness to participate in nature to pay attention to the community, especially the state of the environment.
- 2) The development of Corporate Social Responsibility in Indonesia began to develop around the 1990s and more effectively implemented by companies with the issuance of Law No. 40 of 2007 concerning Companies, especially in Article 74.
- 3) Every company must implement CSR, because:
 - The existence of a law that specifically regulates CSR
 - The company must realize that the company must develop and implement policies and procedures to reduce damage or losses as a result of the company's operations.
 - Companies can create good relationships with other companies. Thus CSR is an urgent action towards the development of a company, especially in Indonesia.
- 4) Implementation of CSR is very beneficial for the company because
 - as the survival of the company
 - The long-term interests of the company
 - The company has followed the rules
 - The company has relationships with other companies.

In this paper there are several suggestions:

- 1) Every company that will carry out its CSR is better held in the field survey first, so that CSR that will be implemented can really hit the heart of the community and the benefits are also felt by the community, especially for the long term, besides that the company must also be concerned about whether CSR which will be implemented will have a good effect on the company.

- 2) It is expected that the CSR carried out by the company must be held accountable for its benefits.
- 3) So that there are no companies that have not implemented CSR, the government should always encourage all companies to implement CSR.

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