

**THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY
(CSR) TO SOCIAL WELFARE
A Case Study at PT PETROKIMIA GRESIK**

By:

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ABSTRACT

In the current era, increasing the demands of balancing the relationship between the natural, social and economic is along with economic development and the needs of the community. The company is required to understand the principles and implementation of Corporate Social Responsibility (CSR), which the company must provide an active contribution and sensitivity to the environment in the surrounding areas, including human beings who live in that community. This study used a qualitative method for exploring phenomenon of the study, in this case the main phenomenon is CSR of PT. Petrokimia Gresik (PT.PKG). Company that becomes the object of this research is PT. PKG, which is engaged in the field of fertilizers and chemicals. The purpose of this study was to determine the application of CSR to the welfare of society and knowing the results of CSR programs implemented for the welfare of society. This study used data collection techniques are observation, in-depth interviews, documentation, and References review. The results obtained show that, first PT. Petrokimia Gresik has two programs in which Partnership Program and Community Development which is supported by two divisions, namely the Bureau of CSR and PR. Both of these divisions collaborate in achieving the target of CSR is the harmonious relationship builds the economy and the mutualism symbiosis. Secondly, implementation CSR at PT. Petrokimia Gresik in accordance with the principles of CSR and regulations that SOE Ministry Decree number PER-05 / MBU / 2007 dated 27th April, 2007 on the Partnership Program and Community Development Enterprises. Program implemented by the company accepted by the public was supported by the achievement of the results of the satisfaction survey and the lack of friction between the company and the community.

Key words : *Corporate Social Responsibility, CSR, BUMN, Social Welfare, PT. Petrokimia Gresik*

A.INTRODUCTION

On two past decades, the pressure on reporting social approach and environment for business and general activities is growing. This is because common accounting and reporting don't provide enough information. Hence, there is a need for reporting this approach in corporate and organizations. (Dodji et,al 2014). Social issue becomes important issue around the world in which the company has to place attention around the company.

The CSR Program is one of the obligations which should be implemented by the company in accordance with the contents of article 74 of law No. 40 year 2007 on Limited Liability Company. Social and the environment responsibility that applies to a limited liability company is on the company managing impact on the financial statements. Article 15 letter b of Law 25/2007 regulated that every firmk is obliged to implement CSR. What is meant by CSR in the Elucidation of Article 15 letter b of Law 25/2007 is the responsibility inherent in each investment firm to keep creating relationships harmonious, balanced, and in accordance with the environment, values, norms, and local culture.

Many companies are embracing the concept of CSR, because it has impact on the choices made by the main stakeholders in the company to decide to build a relationship with the company, especially the consumer (del Mar Garcia de los Salmones, Crespo, & Rodriguez del Bosque, 2005; Brown & Dacin, 1997) and employee attentions (Backhaus, Stone, & Heiner, 2002; Greening & Turban, 2000). In the development of CSR, there is a new breakthrough in CSR proposed by Eklington (1997) which is famous for The Triple Bottom line. The company is no longer faced with the responsibility which rests on a single bottom line, i.e. the value of the company which is reflected in its financial condition only. Corporate responsibility should be based on the triple bottom line which are social, environmental, and finance.

CSR of PT. Petrokimia chosen to be the object of study because PT. Petrokimia is the largest fertilizer factory in East Java where its operations are in the middle of a residential community and also cover the coast. This becomes the background of the author in writing a thesis titled "The implementation of Corporate Social Responsibility to social welfare" and the objective of this research is to know the implementation of CSR to social welfare in PT. Petrokimia Gresik.

B .LITERATURE REVIEW

Stakeholder Theory

Companies must put social environmental considerations as part of the decision-making and development policy framework, so as to support the company in achieving its goal of operations and going concern. Furthermore, Warsono et al. (2009: 29-31) stated that there are three arguments in favor of the management of the company based on the perspective of stakeholder theory, namely: descriptive arguments, arguments instrumental and normative arguments, and the following brief description of the third argument: 1. Descriptive argument stated that the view of stakeholders is simply a realistic description of how companies actually operate or work. 2. Instrumental argument stated that the management of the stakeholders considered as an enterprise strategy. 3. Normative argument states that the management of the stakeholders is the right thing to do.

Legitimacy Theory

Lindblom (1994) stated that an organization may implement four strategies facing various threats to the legitimacy of the legitimacy. Otherwise, Suchman (1995, p. 574) considers

that legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. Legitimacy is considered as important for company because societies legitimacy to company become strategic factors for the development of company in the future.

Legitimacy experiences shift along with the societies and environmental shift. Company should able to adapt to the change either to the product, method, and goals. Legitimacy can be obtained when the company existence does not disturb or suitable with the existing value system in the societies and environment. When there is shift into incompatibility, then at the time the company legitimacy is threatened. (Nor Hadi. 2011). According to Nor Hadi (2011), legitimacy gap can occur because of several factors: 1) There is change in the company performance, but the society's expectation on the company performance is not changing. 2) Company performance is not change, but society's expectation to the company performance changes. 3) Company performance and society's expectation change to different direction or to similar direction with different time.

Corporate Responsibility Concept

Maignan and Ferrel (2004) in Susanto (2007), defined CSR as "A business acts in socially responsible manner when its decision and account for and balance diverse stakeholders interest". In other definition, it is emphasized the needs to give balanced attention to the various stakeholders in each taken actions by the businessman through responsibly social behaviors (Susanto, 2007). From the previous definitions, the definition that depicts CSR in Indonesia Suharto (2006) stated that business operation that has commitment not only to increase profit financially, but also to build social-economic holistically, institutionally and sustainable. It can be seen one of aspects in the CSR implementation is sustainable commitment to make the local communities become prosper.

Futhermore, Dahlsrud (2008) explained and concluded that CSR definition consistently contains 5 dimensions that are: 1) Environmental dimension. It refers to living environment and contains phrases – cleaner environment – environmental management – environmental stewardship – environmental awareness in managing the business operation, and etc. 2) Social dimension. It is relationship between business and communities and reflected in the phrases such as – contribution to communities better – integrating social interest in the business operation – considering the impact of communities, and etc. 3) Economic dimension. It explains the socio economic or business financial aspects that is explained by phrases — contribute to economic development – maintain profit – business operation – etc. 4) Stakeholder dimension. It explains the business relationship with the stakeholders, explained by phrases - interaction with the stakeholders – relationship of company with the employees, suppliers, and communities – treatment to the stakeholders – and etc. 5) Voluntary position. It relates with the matters that are not regulated by law or regulation given in phrases – based on ethics values – beyond regulations – voluntary – and etc.

There are benefits from the CSR, either for the company, communities, government and other stakeholders. Wibisono (2007, p 99) maintained that the benefits of CSR are: 1. For the company. There are four benefits obtained by the company by implementing CSR. First, the company is able to grow continuously and gets positive image from the wide communities. Second, company obtains capital easily. Third, company is able to defend the quality human resources. Company is able to improve critical decision making and facilitate the risk management. 2. For the communities: good CSR practices will improve the added values with the existence of the company, because it will absorb employment of the area and improve the social

quality of the area. Local employees will be absorbed and will get protection about their rights as employee. If there are customary communities or local communities, the CSR practices will respects the local traditions.³ For the environment. The CSR practices will prevent excessive exploitation to natural resources, maintain the environmental quality by decreasing the pollution and the company will influence positively to the environment.⁴ For the country, the good CSR practices will prevent corporate misconduct or business malpractice such as bribery to the state apparatus or law apparatus that trigger corruption. Beside that, states will obtain fair tax income (that is not embezzled) by the company

According Wibisono (2007) The implementation of CSR programs can be managed based on the following pattern: 1. Centralized Program, company as executor / main organizer of activities and events is taking place in the area of the company. Implementation of activities is to cooperate with other parties such as the other institutions that have the vision and the same goals. 2. Decentralization Program, activities conducted outside the area of the company and the company acts as a supporting these activities both in the form of grants, and sponsorship material. 3. Combination Program, this pattern can be done primarily for community empowerment programs, where initiatives, funding and implementation of the activities carried out participatory manner with beneficiaries.

The implementation of CSR can't be avoid from the triple bottom line concept, According to John Elkington (1997) in his book "Canibals with Forks, the Triple Bottom Line in terms of economic prosperity, environmental quality and social justice in (Wibisono, 2007, p. 32) gives the view that companies that want sustainable, it must pay attention" 3P ". In addition to the pursuit of profit, the company also must pay attention and be involved in the fulfillment of public welfare (people) and contribute actively to protecting the environment (planet). By paying attention to the concept proposed by John Elkington of the Triple Bottom Line, the company can balance three important aspects to ensuring the survival of the company in the long run of profit, people and planet can not be separated from one another.

There are three aspects described as follows (Wibisono, 2007) : • Profit. Is an important element and into the center of the goal every business activity. No wonder that the main focus of all activities in Companies are pursuing profits or boost stock prices as high, either directly or indirectly. This is the form economic responsibility is most essential to the shareholders. • People. Realizing that people are stakeholders important for the company, because of their support, especially the surrounding community, is indispensable for the existence, survival and development company, then as an integral part of the community environment, companies need to commit to working to provide benefits profusely to them. • Planet. Other elements that contribute to the sustainability of the company besides social is the environment. The environment is something that is associated with all human life and can be a friend or foe. Environment will provide good benefits for humans when treated with good as well as vice versa, the environment will provide the impact of bad when people do not treat her well. With treat the environment is bad, then the man will reap impact Negative such as natural disasters and other environmental damage.

C. RESEARCH METHOD

This research uses qualitative as the method. According to Bogdan and Taylor (1975), quoted by Moleong (2007: 4) argues that qualitative methodology as procedures research that produces descriptive data in the form of words written or verbal of people and behaviors that can

be observed. The method is facilitating the writer in completing the research. Because the researcher faces directly to the reality in field and will be sharper in adapting with the facing conditions.

This research has focus on case study, case study have popularity for research. Only often we find a case study to understand just a piece and out of context. Case study is a study to explore a (or some) structure or system case in detail. Sukoharsono (2004a) suggested that a case study involves "in-depth collection of data involving multiple sources of information rich in context.". The case study recommends that researchers should consider a typical case of how to be researched interesting and useful. Case can be chosen singly or collective, multi-sites or within-sites, and can be focused to a case or issue (intrinsic or instrumental). Yin (1989) in Sukoharsono recommends six types of information that may be performed. Six types of such information is the documentation, archival records, interviews, direct observation, participating observation and physical artifacts. Yin (1989) also add that typical analysis can be done by holistic analysis of all cases or only selected specifically.

The data source that uses in this data are primary data and secondary data. Primary data is the data in the form of verbal or spoken words orally, behaviors or behavior performed by a subject that can be trusted, namely the subject of research or informants variables relating to or obtained from study data directly (Arikunto, 2010: 22). In this research, primary data come from interview to PT. Petrokimia Gresik. Secondary data obtained from data collection techniques that support the primary data .In this research obtained from the observation and conducted by the author of the study of literature .This can be said of secondary data can be derived from documents graphics like a table, the note, sms, photographs and lainlain (Arikunto, 2010: 22) come from documentation, report, journal, book, and previous final reports.

Techniques of data collection conducted by researchers, as follows (Sukoharsono, 2004 and 2009): 1) Observation Observation is a method of collecting data through direct observation or review. 2) In-depth interview In-depth interview is a data collection technique that is based on intensive conversation with a specific purpose. Interviews are conducted to obtain information regarding the various issues raised in the study. 3) Documentation, documentation is seeking data about things that are needed in the study such as books, newspapers, magazines, CSR reports and so on. 1) Text contained in books related to Corporate Social Responsibility; 2) Journals and online data from the internet; 3) Summary of an article from other researchers; 4) Documents and the partners annual report of CSR PT. Petrokimia Gresik from 2013 to 2014. 4) References Review This study also takes the literatures which is related to problems in this study. Therefore, the references review is also necessary to determine the forms of social welfare from the CSR program. Relating with the interview process, researcher use purposive sampling to take the sample to become the interviewees. To determine the informant as a source of information in this study is starting with the requested data to the key informant who is a public figure. Once people are trusted by PT. Petrokimia Gresik, Indonesia to facilitate and continue to request information from other community that receives CSR from PT. Petrokimia Gresik.

Judging from descriptive research with qualitative approach used in the study, data analysis is done by illustrating the results of research in the form of words or sentences. This is in accordance with the opinion of Moleong, (2006), that qualitative methods are used for several reasons: 1) Adjusting the qualitative method is easier when dealing with a double reality; 2) This method presents the direct nature of the relationship between researchers and informants; 3) This method is more sensitive and can adjust to a lot of sharpening effect and to patterns of values encountered.

D. COMPANY PROFILE

PT. Petrokimia Gresik

PT Petrokimia Gresik is the largest and most complete fertilizer manufacturer in Indonesia, which at its inception called Surabaya Petrochemicals Project. The construction contract was signed on August 10, 1964 and took effect on December 8, 1964. The project was inaugurated by Soeharto as President on July 10, 1972, which date is then designated as the anniversary of PT Petrokimia Gresik. In its establishment, PT Petrokimia Gresik has undergone some changes in status, such as the Public Company (Perum) under PP 55/1971, then turned into a Limited Company under PP No. 35/1974 jo 14/1975, and now as a member of Indonesian Fertilizer Holding Company.

The Vision of PT Petrokimia Gresik is to "Becoming manufacturer of highly competitive fertilizers and other chemical products and its product the most desirable for consumers". To achieve this vision there are several missions, those are to support the provision of national fertilizer programs to achieve food self-sufficiency, to improve operations results for smooth operations and company business development, to develop the business potentials to support the national chemical industry and to play an active role in community development.

PT. Petrokimia Gresik (PKG) occupies an area of 450 hectares located in Gresik, East Java Province. The area of land occupied by PT. PKG is located in three districts, the District of Gresik, District Kebomas, and the District Manyar, which includes 4 villages ring associated with the PKG some of them: Ring I: 8 village with a radius of 1 km from the factory PKG; Ring II: 16 Village radius > 2 km from the factory PKG; Ring III : 11 Village with a radius of > 4 km from the factory PKG and pass water pipes PKG include Village Resources; Ring IV: All Indonesia are in the city / district has a sales office marketing the fertilizer contained PKG. PT. PKG has three factories and two offices. Location factory occupies an area of 450 acres with mill 1, 2 and 3. While the second office location is the headquarters and representative offices in Jakarta. Head office is located at Jalan Ahmad Yani Gresik while the Jakarta representative office located at Jalan Tanah Abang III no. 16, Central Jakarta.

E.REGULATION, PROGRAMS, AND IMPLEMENTATION

Regulation

The regulations which are implemented by PT. Petrokimia Gresik in conducting CSR toward Indonesia society are led by the representatives appointed by the government under State-owned Enterprise Minister and under the guidance of PT. Petrokimia Gresik Director. The following regulation that use as foundation of the CSR in PT. Petrokimia Gresik are : 1. State-owned Enterprise Minister Legislation Number PER-05/MBU/2007 dated April 27th, 2007 about SOE Partnership Program with Small Venture Environmental Development Program.; 2. PER 20/MBU/2012 dated December 27th, 2012 about demolishing SOE Care (BUMN Peduli).; 3. State-owned Enterprise Minister Legislation Number PER-05/MBU/2013 dated May 1st, 2013 about the Second Amendment on State-owned Enterprise Minister Legislation Number PER-05/MBU/2007 dated April 27th, 2007 about SOE Partnership Program with Small Venture and Environmental Development which has been amended by State-owned Enterprise Minister Legislation Number PER-20/MBU/2012 dated December 27th, 2012; 4. State-owned Enterprise Minister Legislation Number PER-07/MBU/2013 dated June 27th, 2013 about Third Amendment

on State-owned Enterprise Minister Legislation Number PER-05/MBU/2013 about SOE Program with Small Venture and Environmental Development which has been amended by State-owned Enterprise Minister Legislation Number PER-20/MBU/2012 dated December 27th, 2012 and State-owned Enterprise Minister Legislation Number PER-05/MBU/2013 dated May 1st, 2013;5. State-owned Enterprise Minister Legislation Number PER-08/MBU/2013 dated September 10th, 2013 about Fourth Amendment on State-owned Enterprise Minister Legislation Number PER-05/MBU/2013 SOE Program with Small Venture and Environmental Development.;6. Performance accounting based on SOE Ministerial Decree Number: Kep-100/MBU/2002 dated June 4th, 2002 about SOE Health Degree Evaluation which consists of Distribution Effectiveness and Collectibility Loan.; 7. RUPS RKAP Treatise.

Programs

For further program which is related to CSR held by PT. Petrokimia Gresik, there are two major programs done by PT. Petrokimia Gresik included in CSR: 1) Partnership Program (PK) and 2) Environmental Development (BL). The targets of PKBL are as follows: a) Reaching PKBL fund management accurately in number, on target, and on the right management. b) Reaching the PKBL fund distribution toward small industry accurately in number, on target, and on the right management. c) Reaching the PKBL fund usage toward small industry accurately in number, on target, and on the right management. d) Developing the target partner.

Implementation

In the implementation of CSR in PT. Petrokimia Gresik, can be classify into 3 aspects there are economic aspect, environmental aspect, and social aspect. This three aspects conducted in two divisions, there are public relation and PKBL division.

Economic Aspect

Economic Aspect is related with money and their welfare. In this economic aspect, there are some programs that implement to help in economic aspect: 1) Partnership Program. Like the description before, partnership program, is one of the CSR program in PT. Petrokimia Gresik. Partnership Program is a loan program toward small/home industries (UMKM) which has been mentioned before in PERMEN 05. This program is done by PT. Petrokimia Gresik. PT Petrokimia Gresik and other state-owned enterprise loan program is soft loan model that is 6% flat per year (0.5% per month). It is expected that with this program, state-owned enterprises can contribute more in improving Indonesia's economy and welfare.

Partnership program have procedure to the prospective partner. The followings are the requirements to become the company's partner: 1) Venture sector: Industry, Trade, Farms (Agriculture, Fishery, Plantation, and Husbandry), and Services; 2) Maximum Asset Value: Rp 200.000.000. ; 3) Maximum Turnover each year: Rp 1.000.000.000.; 4) Have a good development prospect. Beside the procedure, PT. Petrokimia Gresik.

Year	Sector	Deliver (Rp)	Total Partners
2013	Agriculture	5.861.475.000	71
	Plantation	225.000.000	3
	Fishery	215.000.000	5
	Livestock	5.281.600.000	40
	Trade	370.000.000	11
	Industry	80.000.000	3
	Service	50.000.000	1

	TOTAL	12.083.075.000	134
2014	Agriculture	17.244.421.000	191
	Plantation	606.880.000	5
	Fishery	1.261.661.000	13
	Livestock	26.278.100.000	198
	Trade	4.755.000.000	124
	Industry	410.000.000	14
	Service	55.000.000	2
	TOTAL	50.611.062.000	547

Table of distribution loan in Partnership Program

From the table above can be concluded that the amount of fund that allocated in 7 sector are increased from 2013 (Rp 12.083.075.000) to 2014 (Rp. 50.611.062.000). The domination of the sector are agriculture and livestock. Both of these sectors are align with the most customer of PT. Petrokimia Gresik as a farmer. So, PT. Petrokimia Gresik have more attention to allocate the fund in to the sector that give contribution in to the value chain and welfare of the society that mostly as a farmer and breeder. Beside giving low rate loan (6%/year), company also give the guidance like training and management guidance for the partnership member.

Environmental Aspect

Next aspect is Environmental Aspect, this aspect focus on environmental problem and maintaining. PT. Petrokimia Gresik in 2014 conduct several activity to improve the quality of the environment, the activity are : Mahogany trees donation in Lengowangi gas pipe lines; Providing dump trucks; Planting mangroves, as 22.000 mangroves to plant in beach surround PT. Petrokimia Gresik Rp. 106.700.000; Reforestation and waste management; Free Plant Seed, 28.000 plant seeds for the environment surround company Rp 401.800.000; 6 units 3 wheels motorcycle donations for garbage transportation (Garbage waste Meduran Bersatu & Akbar Mosque Gresik) Rp. 25.000.000 each; 5.700 garbage bin donation to 14 villages in Gresik including 8 villages to Ring I Rp 393.300.000; Involved in Indonesian Tree Planting day. Total amount to the environmental aspect in 2013 is Rp 782.138.750 and increased to Rp 968.300.000 in 2014 it can be concluded that PT. Petrokimia increase their care or aware to the environmental issues and problem.

Social Aspect

Social aspect in this research are consists of (Education, Health, Infrastructure, and social). Those sub aspect implement n various activity in CSR of PT. Petrokimia Gresik. First start with education sub aspect. Education can produce high quality people so that the company makes on effort to increase the quality of society in Gresik Several activity that PT. Petrokimia held in 2014 are : Full cover scholarship for bachelor degree 35 student (Rp.800.530.000) ; Full cover scholarship for Senior High School 47 student (RP. 352.500.000) ; Achievement Scholarship for foster children 776 student (RP 682.240.000); School utensil donation Rp 137.200.000; Lolapil (Loka Pelatihan Keterampilan) Rp.857.487.408,etc. Other program related with education is education village that company join together with *KarangTaruna* in every village to make rule that can improve the education, the example is using English language in Wednesday and make the study hours after maghrib. That various program help society to get better quality of education and can sustain their school so that they can have more value and hope can help their economy with better education background. If the Gresik young people have better quality education it will give impact to the level of the economy because chance to get better job open widely.

Other social aspect is Health area, Community Health around the company plays a very important role in this program, since PT. Petrokimia Gresik produces fertilizers and chemical substances, so there will give impacts on society. Various activity related to improve the health of the society are : Charity Clinic, this charity usually conduct in disaster like flood,eruption,etc ; Distribution of masks, this distribution help the people to prevent dust and smell that come out evenly, society can directly call to the company if there is a complaint ; Healthy Kampong Program, this program joint with the company hospital to give free examination to society so that they can get better quality health with this program; Fogging, this activity conduct to prevent the dengue fever that danger to the society ; Free Circumcision, this program give the young children to get circumcision without pay; Sports involving community, this activity to maintain the health and relationship among the society and company; Food security program,etc.The amount of budget that allocated in health aspect in 2013 is Rp.2.025.408.375 and in 2014 become Rp. 1.441.225.669 this amount is decreased related with the decreasing of the health problem.

Next is Infrastructure aspect, this aspect focused on the the facility that used by the society. The various activity related with the infrastructure are : The building Arch Dragon Stature in Gresik City; Playground Donation; Child Care Donation; Sanitation improvement; Home Rebuilding Program,etc. Company commit to make the facility better with give this donation and also part of the contribution to society. The budget that used in 2013 is Rp. 998.225.000 and for 2014 increased Rp.3.204.057.650. This significant increase of amount is part of the company to make better social living place to the society from the Gate of Gresik until road in the village.

Religious aspect is one of the aspect that get the CSR of PT. Petrokimia Gresik. Company want to adapt with the culture and blend to the society as part of the family of the city. Gresik called as city of santri, because there society that mostly moslem and Gresik have many pilgrimage place that famous in moslem the example is Sunan Giri tomb. To support the tradition and culture of society, company have many activities related to religious area : Building and Renovation of Places of Worship; Taking part in society religious activities; Safari Ramadhan; Orphan children and pedicab drivers aids before Ramadhan.The budget that located in this aspect is Rp.1.664.601.000 in 2013 and Rp. 2.453.272.000 in 2014, the amount have been increasing to Rp. 788.671.000. But this donation is mostly for moslem and there are no donation yet that give to other religion.

The last is about the donation in social matter to minimize the poverty. This donation was given in 2014 tangible as food packages, the total that give to dhuafa are 1000 packages that amounted Rp. 97.000.000 that contain of the package are instant noodle,tea,sugar,ketchup,rice, and cooking oil.

After PT. Petrokima Gresik given clear explanation about various programs and kinds of aids, welfare is the most concerned aspect. It is in accordance with vision and mission of PT. Petrokimia Gresik, "Becoming growing and developing industry along the growth of the society." In many aspects, PT. Petrokimia Gresik always tries hard to grow together with community by means of aids and actions to enhance them. So far, CSR that conducted by PT. Petrokimia Gresik base on this objective. The CSR objectives is related with the company's image, sense of belonging from society towards PT. Petrokimia Gresik, being part of the society, improving beneficial relationship, economy and better life quality. PT. Petrokimia Gresik is trying hard to realize and achieve its goals by being society partner, hearing their complaint and actively responding to what they need. It is not easy to develop independent society and have good quality but the company is committed to be a good company. The company also makes

clear effort to find out society response and how far the company has given contribution to society by conducting a survey of satisfaction. The company also makes clear effort to find out society response and how far the company has given contribution to society by conducting a survey of satisfaction. The result of the satisfaction survey that were 159 respondents from 8 sub-districts located in ring 1. Survey signified on 3 aspects, i.e, the relationship between company and society, company's role toward society and society's point of views. From these 3 aspects, the respondents have a high degree of satisfaction, "very satisfied". It indicates that community around PT. Petrokimia Gresik had positive impact as a company measurement in going on its participation in society in the future.

G. CONCLUSION AND SUGGESTION

Conclusion

Based on the result of qualitative research with technique of observation, interview and documentation conducted in area around PT. Petrokimia Gresik, it can be concluded that:

1) According to data retrieved by researcher, CSR implementation towards social welfare has been good enough and has had good impact on society. It is supported by positive response and low complaint from people around the company. However, PT. Petrokimia Gresik has not been able to fulfil people's need completely and dealing with job vacancy, the company has not had ability to hire more people there. 2) CSR implementation by PT. Petrokimia Gresik has been in line with the rules appointed by the government, PER-05/MBU/2007 with proper and well-matched loan procedure. For conducting the fund loan in partnership program, the target partners are still expected to be given more training and a fair in one year. The fact that loan is limited is also complained by the target partners. Equality factor and sharing fund which has to be delivered on time are still obstacles for PT. Petrokimia Gresik.

Suggestion

According to the research result, there are several apparent problems which have not been solved, so the research proposes several suggestions. Those are: 1) For PKBL PT. Petrokimia Gresik authority, it is suggested that to be stricter in administration in order to ensure no more stalled payment and more obstacles in the future. 2) The assistance given to the society should be more in number, for the productive age and housewives training so that the economy will improve and the productivity will be increased. In addition, the number of unemployed people will be decreased. 3) For both sides, PT. Petrokimia Gresik and society, it is expected to be always integrated and in mutual relationship by keeping the trust and doing the obligation and the proper right so that there will not be assistance misuse and deprivation. 4) The assistance of CSR should more about course or the activity that can empower and give value to society.

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