

# Model Implementation of Corporate Social Responsibility Policy in Osing Culture

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# Model Implementation of Corporate Social Responsibility Policy in Osing Culture

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The purpose of this study is to present a model of implementing corporate social responsibility (CSR) for Osing culture in Banyuwangi. The purpose of making a model of implementing CSR culture policy is to provide a basic picture of the problems and needs of the implementation of corporate social and environmental responsibility in the field of culture in the Banyuwangi Regency. Furthermore, this written form is expected to be a guide for the implementation of CSR models in the cultural field in Banyuwangi. This study uses qualitative methods. The paradigm in this study is interpretive with an ethnomethodology approach to produce a model of policy implementation done by normative juridical methods. This is done through literature reviews that examine secondary data in the form of legislation, agreements, contracts or other legal documents, as well as the research results, results of studies and other references. The normative juridical method in this study was also complemented by focus group discussions and hearings with cultural stakeholders in the Banyuwangi Regency. The results of this research and discussion of the implementation model of cultural CSR policy concluded that there are three main pillars in order to achieve the goal of preserving customary culture namely: local government as the main actor through a regulated policy; the company as an implementer; and cultural studios as policy targets. The implementation model of cultural CSR policy consists of intellectual capital input that is owned by the cultural studio, the implementation process involving the company, output in the form of products as a form of preservation of customs and the impact felt by the cultural studio. The outcome of the cultural CSR policy implementation model is the increasing role of the younger generation in preserving Osing's indigenous culture in Banyuwangi.

**Key words:** *Cultural CSR, Policy Implementation Model, Osing.*



## **Introduction**

At present many national and multinational companies have actively contributed to activities related to the community and the surrounding environment, which are commonly referred to as corporate social and environmental responsibility in the field of culture or CSR. The Company's management recognises the need to contribute as a corporate social responsibility to the public who need it.

Corporate social and environmental responsibility in the field of culture was originally an activity that was voluntary in nature and was very dependent on the goodwill of the company to carry out ethical business activities. Companies that carry out corporate social and environmental responsibility in the field of culture financially must provide a funding item that was not previously budgeted for which could potentially disrupt the balance sheet. On one hand, the company will lose but on the other hand, the company will get benefits in the form of good imaging, trust from consumers and strengthened investment. This will have a significant impact on the company's sustainability. Nevertheless, many companies are ignorant of the corporate social and environmental responsibility activities in the cultural sector for various reasons.

Based on Law Number 40 of 2007 and Law Number 25 of 2007, social responsibility that was initially voluntary became mandatory for all companies in Indonesia. Corporate social and environmental responsibility in the cultural sector is an important role of government. This is because the government has limited funds and time to accommodate the needs of the community in the context of accelerating development. The existence of companies that carry out corporate social and environmental responsibility programs in the field of culture will be able to help the government realise the ideals of development that can be felt by all levels of society.

In Banyuwangi the number of companies with an investment value that is not small is a potential that can be explored by the Banyuwangi Regency Government in order to support development. Their vision is the realisation of an independent, prosperous and noble moral Banyuwangi community through economic improvement and the quality of human resources. Based on previous research, it is found that some companies actually have implemented social responsibility programs, including: during the Banyuwangi Festival (B-fast) event; national holiday commemoration; Banyuwangi anniversary; or religious holidays. There are residents who form committees committed to commemorative holidays and they submit proposals for funding to support these activities.

It is also very possible that there are still companies that have carried out their social responsibilities at other times but have not documented them. There is no clarity about who



has the authority to supervise the implementation of this program. This illustrates that the corporate social and environmental responsibility activities in the cultural sector have been initiated in Banyuwangi Regency; it's just sporadic in nature and based on the policies of each company because there is no regulation at the Regency level that regulates social responsibility.

The focus group discussions conducted with the DPRD, cultural actors, cultural figures, tourism agencies and companies resulted in an agreement in the form of a model that provides guidance to art studios. This model aims to grow and develop existing studios so that they can continue to preserve their culture and customs through existing art galleries. Furthermore, the results of the agreement are presented in an academic text. This is an inseparable part of the drafting of a statutory regulation, which will later be outlined in the amendment to Regional Regulation No.3 / 2014 concerning corporate social responsibility.

The DPRD has received the academic paper. Therefore it is deemed necessary to conduct an implementation test on the studios before the results of the academic paper are later used in amendments to the regional regulation. How will the implementation of corporate culture CSR funds flow to the built studios? The purpose of this study is to create a model for the implementation of CSR culture funds. This model will be used to assist companies and target studios in implementing the development of CSR culture.

The purpose of making a model is to provide a basic picture of the problems and needs during implementation.. Furthermore, the written form is expected to be a guide for the implementation of CSR models in the cultural field in Banyuwangi.

## **Literature Review**

### ***Review of Policy Implementation***

The policy is a written rule that is a formal organisational decision, which is binding, which regulates behaviour with the aim of creating new values in society. The policy will be the main reference for members of the organization or members of the community in behaviour. Policies must provide opportunities for interpretation according to existing specific conditions. In a political dictionary written by Marbun (2007), it says that: policy is a set of concepts and principles that outline and plan the basis for carrying out a job; leadership in government or organisation; a statement of ideals, goals and principles; or intentions as a guideline in achieving goals.

In the history of development of policy implementation studies, there are two approaches to policy implementation, namely the top-down and bottom-up. The top-down approach is



neutralised and starts from the central level actors and the decisions are taken from the central level. Some scientists who embrace the top-down approach are Van Metter and Van Horn, Mazmanian and Sabatier, Edward III, and Merilee S. Grindle (Agustino, 2008: 141).

The implementation of the corporate social and environmental responsibility programs, which are a translation of CSR, begin with a critical question about whether a company that runs its business orientation is only profitable with disregard to other aspects. This was raised because of the emergence of public mistrust of companies. The community considers that the corporation is a party that always makes profits without regard to the community or the environment (Widjaya Gunawan and Yeremia Pratama, 2008).

The results of research by Wang and Juslin (2009) also show a link between culture and CSR implementation. This research has produced a new definition of CSR, namely Harmony approach to CSR (HCSR). Harmony approach to CSR arises because it assumes that the western CSR concept used is not in accordance with the reality of the Chinese market and does not consider Chinese culture. The results of the study stated that the link between implementing CSR and traditional cultural wisdom would help companies to implement CSR on their own initiative and provide a new way for the company in its effort to improve CSR performance. In addition, the results of this study contribute to future CSR studies, specifically to interpret CSR in various cultural contexts and expect the implementation of CSR to be adapted in accordance to the culture and national conditions of a country.

Private companies and state-owned companies compete with each other to contribute to the preservation of Indonesian art and culture. The following are excerpts from several media reports related to CSR Culture. PT Kalimantan Prima Persada (KPP) in collaboration with local government, especially the South Kalimantan Province Education and Culture Office, Tapin District Education Office and Tapin District Culture and Tourism Office, held an art competition at the Kalimantan regional dance in 2018 with the theme "Culture of Local Wisdom for National Diversity".

Danone Aqua, with its latest program, "Temukan Indonesiamu" or "Discover Your Indonesia", invited young people to explore the richness of the country that inspired the nation's children. This campaign intended to arouse the love of the younger generation for their country. Here the younger generation had the opportunity to re-explore Indonesia's wealth through digital technology and at the same time, express their love for art, especially photography and graphic design. Participants with the best graphic design chosen by the judges had the opportunity to design the next water bottle label.



PT Bank Central Asia Tbk (BCA) released the “BCA Untuk Wayang Indonesia” or “BCA for Indonesian Puppet” program. In collaboration with Pepadi (Indonesian Pedalangan Association), BCA made a series of educational shows titled World of Wayang (WOW). These examined the culture of Wayang in Indonesia. They were one of the means to reintroduce wayang, which has recently experienced a setback from the mastermind's side. Wayang is one of Indonesia's most popular cultural arts in Indonesia. Its puppets are widely used as a means of public socialisation and education with the puppets as a medium of information, propaganda, education, entertainment and social criticism, with high philosophical values. Puppet art continues to develop.

PT PLN (Persero) Distribution of East Java provides its contribution to preserving Indonesian art and culture by fostering the original arts of East Java. By disbursing CSR funds, of the amount of 200 million rupiahs, PLN plans to revive Ludruk's artistry in East Java gradually. In addition to financial assistance, PLN will also provide management assistance to make it even better. The Ludruk arts group chosen to receive funding was the Ludruk Karya Budaya Mojokerto. This Ludruk group is considered to be able to inspire other Ludruk groups. Previously in 2012, CSR funds amounted to 150 million rupiahs. These have been distributed in stages to foster the art of Reog Ponorogo Singo Mangkujoyo. With this coaching, now Reog Ponorogo Singo Mangkujoyo has travelled to various events. It is hoped that the Ludruk arts group will be able to emulate this success.

### **Research Methods**

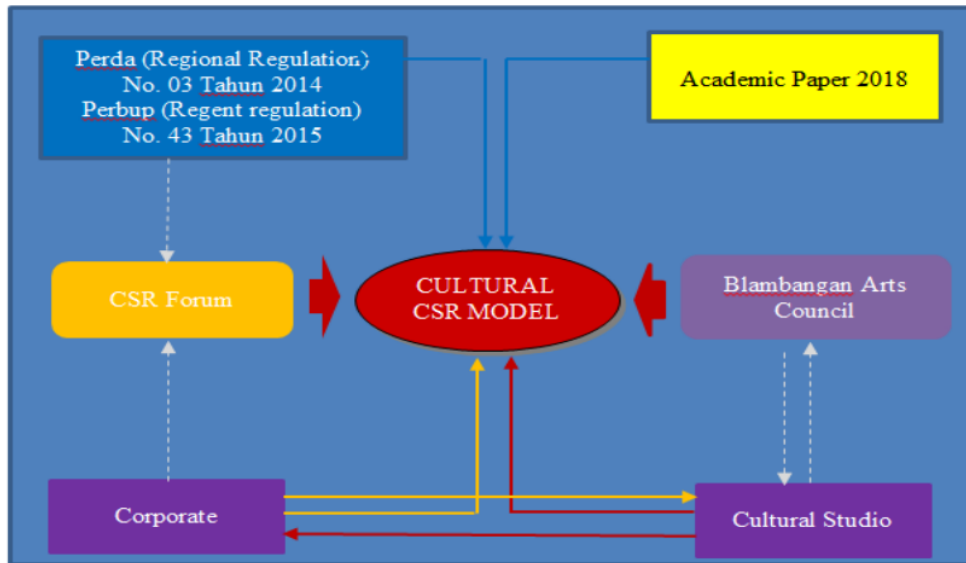
This study uses the qualitative methods of interpretation through an ethnomethodology approach. To produce a model of policy implementation, this research used a normative juridical method through a literature review. This examined secondary data in the form of legislation, agreements, contracts or other legal documents; as well as the research results, study results and other references. The normative juridical method in this study was also complemented by a focus group discussion and a hearing with cultural stakeholders in Banyuwangi Regency.

### **Results and Discussion**

#### ***Research Results***

This CSR fund policy implementation model is intended as a model that provides an explanation of the establishment of target studios and to provide a more transparent explanation of CSR funds that have been issued by companies so that cultural actors can truly utilise them.

**Figure 1:** Model of CSR policy implementation in the cultural sector in Banyuwangi.



### Model Explanation

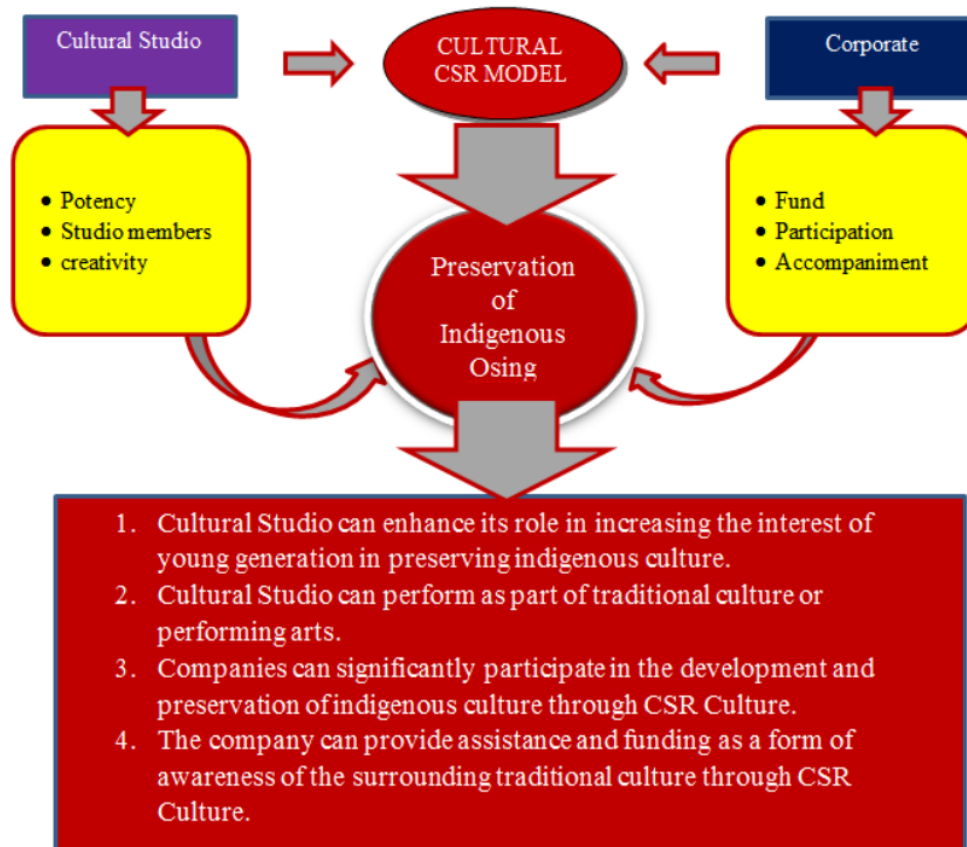
1. The cultural CSR model is based on regional regulations for CSR, namely: Banyuwangi District Regulation Number 3 of 2014 concerning corporate social responsibility; Banyuwangi District Head Regulation Number 43 of 2015 concerning implementation guidelines for Banyuwangi Regency; and Regional Regulation Number 3 of 2014 concerning corporate social responsibility. Through this regional regulation the government provides direction in the preparation of regulatory norms regarding: corporate social and environmental responsibility; harmonises norms in regional regulations in accordance with academic, theoretical and juridical norms; and provides an explanation of the framework and objectives of regulatory norms for corporate social and environmental responsibility.
2. This Cultural CSR Model is also based on the results of a 2018 academic paper compiled with the aim of being able to become part of the local regulations for corporate social responsibility and to be a legal umbrella for cultural actors and also companies in channelling CSR funds. The academic paper is the result of a focus group discussion that gathered hearings from cultural actors, studio owners, companies, cultural leaders, the Blambangan arts council, AMAN, DPRD and CSR forums. So that even though it is not yet part of the regional regulation, the results can still be used as a basis for the preparation of a cultural CSR model.



3. Local government is trying to convey the local regulations related to CSR to companies through CSR forums. The company initiated the CSR Forum as a mediator in the implementation of CSR by the company. It also tried to develop company and local government cooperation to help local government programs.
4. Local companies have agreed to play a role in the preservation of Osing's indigenous culture by assistance to the built studios. This real participation is carried out as part of the implementation of corporate social and environmental responsibility, which is based more on the cultural field. As has been agreed in the previous forum, the studio will be guided by the company for a certain period of time, and the company can decide on one or more studios as a company-built studio.
5. Cultural studios, as a place to practice, develop and preserve traditional culture, can accept company funds and assistance for the studios activities. Funding support, in this case, is not solely a contribution in the form of cash but rather the provision of facilities and infrastructure for the activities. The studio owners did not want to eliminate the artistic values that had been rooted in their studios that they had pioneered.
6. This cultural CSR model will be the direction for the objectives of preserving Osing indigenous culture. A clear direction and concept will lead to the achievement of objectives. This is shown in Figure 2.
7. The existence of the Blambangan Arts Council certainly cannot be ignored. DKB has also played a role in fostering cultural studios in Banyuwangi. The existence of DKB, in this case, can be a mediator between the company and the fostered studio in the process of implementing the CSR Culture model.



**Figure 2:** The company's real participation model in preserving indigenous culture.



## Conclusions and Recommendations

### Conclusion

The results of this research and discussion of the implementation model of cultural CSR policy concluded that there are three main pillars to achieve the goal of preserving customary culture. They are: local government as the main actor through regulated policies; the company as implementation; and cultural studios as a policy target. The cultural CSR policy implementation model consists of: intellectual capital input owned by a cultural studio; an implementation process that involves a company; output in the form of products as a form of preservation of custom; and the impact felt by a cultural studio. The outcome of the cultural CSR policy implementation model is the increasing role of the younger generation in preserving Osing's indigenous culture in Banyuwangi.



### ***Recommendations***

Based on the above conclusions, the following suggestions can be recommended.

1. That the company's contribution so far has been charity, not corporate social and environmental responsibility as CSR norms. Corporate social and environmental responsibility must be disclosed in advance in the company's business plan and budget, excluding company profits.
2. That the support of the main actor namely the Regent of Banyuwangi Regency, so that the model of implementation of this cultural CSR policy can run as expected.
3. That there is a need for harmony between the implementation, namely the company and the target cultural studio. Therefore the role of mediator is the Blambangan Arts Council or other parties such as CSR, AMAN forums and cultural figures.
4. Implementation of corporate social and environmental responsibility in the field of culture includes the: "Company Foster" program for social and environmental development and Community Arts Centres. In order to ensure that the community participates in this program, there are articles that regulate community participation in the implementation of the corporate social and environmental responsibility program in the cultural sector in the form of: submitting proposals, suggestions, input in the process of preparing the programs; and complaints against the implementation of corporate social and environmental responsibility in the field of culture that are not in accordance with the specified programs and/or activities.



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