



Transformation of Corporate Social Responsibility Toward Community Empowerment: A Study at PT. Bumi Palma Lestari Persada

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Abstract

This study examines whether Corporate Social Responsibility (CSR) at PT. Bumi Palma Lestari Persada in Bagan Jaya Village has moved beyond short-term assistance toward sustainable community empowerment. A descriptive qualitative design was used with seven core informants representing company management and CSR implementation, village government, neighbourhood leadership, a household beneficiary, and a farmer who had participated in an agricultural support activity. Data were obtained through interviews, observation, and documentation during October 2025-February 2026. The analysis integrates Wibisono's CSR implementation stages, Edwards III's implementation factors, and seven empowerment outcomes: participation in decision-making, skills development, access to or control over productive resources, income improvement, market access, institutional strengthening, and reduced dependence through program continuity. The findings show a partial transformation. Procedurally, CSR has become institutionalized through Social Impact Assessment (SIA), internal implementation teams, annual evaluation, and reporting to government agencies. Some programs provide useful social, infrastructural, and capacity-building benefits. However, participation in planning remains limited, follow-up mentoring is inconsistent, and the available evidence does not demonstrate sustained income growth, broad market access, stronger community institutions, or reduced dependence on company assistance. The company reported having used Social Return on Investment (SROI), but the study found no accessible SROI results that could verify how the assessment informed program decisions. Thus, procedural institutionalization has advanced further than outcome-level empowerment. The study highlights the need for collaborative planning, transparent impact reporting, multi-year productive programs, and outcome-based evaluation to strengthen CSR governance in village development.

Key Words: CSR Transformation; Community Empowerment; Bagan Jaya Village.

Introduction

Corporate Social Responsibility (CSR) in natural-resource industries is not only a corporate obligation but also a governance issue because company activities interact directly with village welfare, public infrastructure, environmental conditions, and community expectations. Indonesian law requires companies whose activities are related to natural resources to implement social and environmental responsibility, while Government Regulation No. 47 of 2012 reinforces the obligation to integrate this responsibility into corporate activities. In this setting, the substantive question is no longer simply whether a company conducts CSR, but whether CSR generates durable public value and increases the capacity of communities to shape their own development.

Based on Article 1 paragraph (3) of Law Number 40 of 2007 concerning Limited Liability Companies, social and environmental responsibility is defined as the commitment of a company to participate in sustainable economic development in order to improve the quality of life and the environment, which is beneficial for the company itself, the local community, and society in general. This provision shows that the existence of a company cannot be separated from the lives of the community and the surrounding environment. Therefore, companies are required to carry out business activities that are not only profit-oriented but also pay attention to social and environmental aspects. This is intended to support the creation of harmonious and balanced relationships in accordance with the values, norms, and culture of the local community, so that the presence of the company can be accepted and provide positive impacts for society (Muhammad, et al, 2021).

In the context of regional development, companies have an important role as one of the economic actors capable of encouraging regional economic growth and development. The presence of a company in a region can provide employment opportunities for the community, increase economic activities, and support the development of infrastructure and social conditions of the community. This social responsibility of companies toward the community is known as Corporate Social Responsibility (CSR) (Hangga et al, 2023). CSR is a concept that emphasizes that companies have moral and social obligations to contribute to the community and the environment where the company operates. CSR does not only include philanthropic activities or social assistance, but also covers various community empowerment programs aimed at improving the quality of life of society in a sustainable manner. Several terms often associated with CSR include corporate giving, corporate philanthropy, corporate community relations, and community development (Sutara, et al, 2020).

The implementation of CSR in Indonesia also has a strong legal basis. Based on Article 74 paragraph (1) of Law Number 40 of 2007 concerning Limited Liability Companies, it is emphasized that companies whose business activities are in the field of natural resources or are related to natural resources are required to implement social and environmental responsibility. This provision is strengthened by the Government Regulation of the Republic of Indonesia Number 47 of 2012 concerning Social and Environmental Responsibility of

Limited Liability Companies, which regulates that every company must implement CSR programs as a form of compliance with government regulations as well as an effort to support sustainable development. With the existence of these regulations, companies are expected not only to focus on achieving financial profits, but also to play an active role in improving community welfare and preserving the environment. In addition, companies are also required to report the implementation of CSR transparently so that it can be monitored

and evaluated by relevant parties (Dhaifullah, 2023).

At the regional level, the implementation of CSR is also regulated through Regional Regulation of Riau Province Number 6 of 2012 concerning Corporate Social Responsibility in Riau Province. The regulation explains that every company operating in the territory of Riau Province is required to implement corporate social responsibility programs. These programs may take the form of community empowerment, partnerships and environmental development, social investment, contributions, donations, as well as promotional activities aimed at improving the quality of life of the community. Every program planned and implemented by the company must also be reported to the regional head through a forum established by the local government. In Indragiri Hilir Regency, the implementation of CSR is coordinated through the Corporate Social Responsibility Forum (TJSP Forum), which functions as a platform for communication, consultation, and evaluation between companies, the local government, and the community in the implementation of CSR programs.

Based on data from the Investment and One-Stop Integrated Service Office (DPMPTSP), there are dozens of companies operating in Indragiri Hilir Regency, one of which is PT. Bumi Palma Lestari Persada, which is part of the Sinar Mas Group. This company operates in the palm oil plantation and processing sector and has implemented various CSR programs for communities around its operational areas, particularly in Bagan Jaya Village, Enok District. Since its establishment, the company has undergone several changes until it was eventually managed by the Sinar Mas Group, which is one of the large companies with various business sectors. Through the CSR programs carried out, the company strives to provide real contributions to the community in the fields of education, social welfare, economy, health, and infrastructure development. These programs are expected to improve community welfare while strengthening the relationship between the company and the communities around its operational areas.

Transformation is operationalized through seven outcome dimensions: (1) participation in program decision-making; (2) development of skills and knowledge; (3) access to or control over productive resources; (4) improvement in income or economic resilience; (5) access to wider markets; (6) strengthening of community institutions or collective organizations; and (7) reduced dependence through continuity, local ownership, and the ability to sustain benefits after direct company support decreases. These criteria distinguish evidence of empowerment from evidence that an activity merely occurred.

To maintain analytical coherence, the study uses three linked layers rather than treating implementation theories as substitutes for empowerment outcomes. Wibisono (2007) is used to assess the CSR process through planning, implementation, evaluation, and reporting. Edwards III, as discussed by Nugroho (2009), is used to explain the implementation conditions of communication, resources, disposition, and bureaucratic structure. The seven empowerment dimensions are then used to judge whether these processes and conditions have produced a transformation in community outcomes. In other words, good administration is treated as a necessary enabling condition, not as proof of empowerment by itself.

Table 1. Forms of CSR of PT. Bumi Palma Lestari Persada in Bagan Jaya Village

No	Assistance Sector	Program	Target Achievement		
			2022	2023	2024
1	Health	Health counseling on healthy lifestyle habits	-	V	-
		Capacity Building Workshop for <i>Posyandu</i> Cadres	-	V	-
2	Infrastructure	Road repair assistance	V	-	-
3	Education	School development and literacy development assistance	V	-	-
		Student scholarship assistance	V	-	-
4	Social	Assistance for National Day commemorations	V	V	V
		Assistance for religious, arts, and cultural activities	V	-	V
5	Environment	Socialization on forest fire and natural disaster prevention	V	V	V
		Environmental conservation socialization for schools and communities	V	V	V
6	Economy	MSME training programs	-	V	-
		Provision of affordable basic food packages	V	-	-
Total			8	6	4

Source: PT. Bumi Palma Lestari Persada (Sinar Mas Group) Bagan Jaya, 2025.

Sinar Mas Group over the last three years have experienced a quantitative decline, such as road repair assistance, school development assistance, and student scholarship assistance. PT. Bumi Palma Lestari Persada (Sinar Mas Group) Bagan Jaya has made efforts to provide its social responsibility through various programs, including health counseling activities, provision of affordable basic food packages, road repair assistance, and providing basic knowledge or skills to the community so that they have the skills to prevent forest fires, in order to become sustainably empowered in the economic, environmental, educational, and social fields. These CSR programs are implemented by considering the company's capacity and the needs of the community, so that the targets and recipients of assistance are prioritized for underprivileged communities in Bagan Jaya Village. In this process, PT. Bumi Palma Lestari Persada (Sinar Mas Group) collaborates with the village head in collecting data on communities categorized as underprivileged. The company also organizes socialization activities held at the Village Office, where the purpose of these socialization activities is directed to the village community so that they understand what CSR is and gain an overview of the programs that will be implemented.

The documentary record shows different forms of assistance across years. In 2023, the economic item recorded in Table 1 is specifically an MSME training activity involving digital marketing, QRIS, and e-commerce. By contrast, retrospective interviews with the CSR facilitator referred to brown-sugar and coffee product mentoring, including production, packaging, licensing, quality, and marketing support. The source thesis does not record the year or number of beneficiaries for those brown-sugar and coffee activities. Accordingly, this article does not treat them as the same activity as the documented 2023 MSME training and does not use them as proof of measurable economic empowerment.

Field evidence also reveals a governance gap between formal company mechanisms and community participation. The company reports conducting Social Impact Assessment (SIA) before annual programming, yet village and neighbourhood informants describe limited involvement in strategic planning. Community members often encounter CSR after decisions have been made, while detailed program reports are not routinely accessible to them. This suggests that the central issue is not the absence of CSR administration, but whether that administration is sufficiently participatory, transparent, and connected to village development priorities.

According to Tjokrowinoto (Nasirin & Alamsyah, 2010), community empowerment programs are an absolute requirement for community development efforts, with the aim of reducing or eliminating the condition of community powerlessness in facing social, economic, and political structures. This process is a process of realizing the community's own self-sustaining capacity toward people-centered development, and it appears that this can be viewed as an alternative form of development that can guarantee sustainability and complementarity in the development of other sectors.

Based on data on Corporate Social Responsibility (CSR) activities carried out by PT. Bumi Palma Lestari Persada (Sinar Mas Group) in Bagan Jaya Village, it can be seen that the company has implemented various programs targeting several important aspects of community life. These programs include improving public health through healthy lifestyle counseling, improving health services through training and capacity building for *Posyandu* cadres, assistance for national day commemorations such as the celebration of the Independence Day of the Republic of Indonesia, and forest fire and natural disaster prevention programs through strengthening the institutional capacity of the Fire Prepared Community (MSA). In addition, the company also conducts environmental conservation socialization activities for the community and school students, as well as empowerment programs for Micro, Small, and Medium Enterprises (MSMEs) through digital marketing counseling which includes the use of technologies such as QRIS and e-commerce. In 2024, CSR activities were still carried out in the form of assistance for religious activities such as support for the Musabaqah Tilawatil Qur'an (MTQ) event at the sub-district level, as well as socialization activities on environmental conservation and forest fire prevention for communities and students. These programs are basically aimed at improving the quality of life of the community, preserving the environment, and encouraging community participation in protecting the surrounding environment.

The implementation of these CSR activities is expected to encourage the community to play an active role in creating a clean, healthy, and safe environment, while also improving community welfare in a sustainable manner. Through various activities carried out, the company seeks to provide stimulation to the community so that they are able to increase their

independence and develop their potential. The programs designed are expected to increase active community participation in village development. With this participation, the community is expected to be able to recognize various potentials, problems, and obstacles faced in daily life. Furthermore, the community can attempt to find solutions and develop their potential through a process of jointly formulating problem-solving efforts. Through these CSR activities, PT. Bumi Palma Lestari Persada also seeks to build good relationships with the community and the village government by involving them in various activities carried out. This also becomes a means for the company to establish better communication and obtain community support for the company's presence in the Bagan Jaya Village area.

However, based on observations and interviews with several related parties, the implementation of CSR programs by PT. Bumi Palma Lestari Persada still faces several problems. One of them relates to the condition of road infrastructure in Bagan Jaya Village, where many roads are still damaged. The Head of Bagan Jaya Village stated that the road conditions, which are mostly still composed of soil, sand, and stones, often experience damage and hinder community activities. Road repairs have indeed been carried out using village funds, but they have not covered all existing road sections. Previously, the company had provided road repair assistance through CSR programs, but such assistance has no longer been provided in recent years. The community hopes that the company can again provide road repair assistance on a regular basis so that road conditions can be improved and facilitate community mobility. In addition, during the forest fire prevention counseling activities held at the village office, many community members attended; however, the activity was considered less interesting, so some residents chose to leave the event before it was finished. This shows that the preparation of activities, both in terms of materials and delivery methods, still needs to be improved so that they become more interesting and easier for the community to understand.

Other problems were also found in the field of education. Based on interviews with school authorities, it is known that the scholarship program from Sinar Mas Agribusiness and Food was last received by students of SMA Negeri 2 Enok several years ago, and until now no students have received the scholarship again. In fact, the school continues to collect data every year on students who have potential and need educational assistance. This condition raises expectations from the school that the company will again provide opportunities for students in the area to obtain scholarships. In addition, SMP Negeri 3 Enok also stated that although the company had once provided assistance in the form of environmental conservation counseling and several books for the school library, the school actually needs assistance in the form of teaching aids that can be used in classrooms or laboratories. This shows that the assistance provided through CSR programs has not fully matched the needs felt by the community and local educational institutions.

Based on the description above, several problems can be identified in the implementation of CSR programs by PT. Bumi Palma Lestari Persada in Bagan Jaya Village. First, the CSR programs implemented have not fully been able to improve the quality of life of the community as mandated in the Regional Regulation of Riau Province Number 6 of 2012 concerning Corporate Social Responsibility. Second, in recent years the number of CSR activities implemented has decreased quantitatively, particularly in road repair assistance programs, school development, and student scholarships. Third, road repair assistance that had previously been carried out was not implemented regularly and was more focused on

road sections used by company transportation. Fourth, the implementation of socialization and counseling activities is still less attractive, so it cannot maintain community participation until the activities are completed. Fifth, some forms of assistance provided to educational institutions have not fully matched existing needs, so better coordination is required between the company, schools, and the community so that the CSR programs implemented can provide more optimal benefits.

Method

This study employed a descriptive qualitative design to examine both the administration of CSR and the evidence of transformation toward community empowerment. The research was conducted in Bagan Jaya Village, Enok District, Indragiri Hilir Regency, during October 2025-February 2026. The qualitative design was selected because the research required comparison of company, village-government, and community interpretations of planning, implementation, benefits, continuity, and accountability.

Informants were selected using purposive and snowball sampling. The source thesis identifies seven core informants: one Assistant Head of Administration, one company CSR/public-relations facilitator, the Head of Bagan Jaya Village, and four community informants. For analytical transparency, the four community informants are differentiated by role: an RT chair, an RW chair, a household beneficiary of social/health assistance, and a farmer who had participated in agricultural training and seed support. The farmer provides direct beneficiary evidence for an economic/agricultural capacity-building activity; however, the thesis does not establish that he was a beneficiary of the specific 2023 digital MSME training listed in Table 1. Interviews with school representatives contained in the thesis were used for initial contextual problem mapping and are not counted among the seven core informants used in the final cross-perspective analysis.

Table 2. Core Informant Distribution

Stakeholder group / role	Number	Analytical relevance
Company - Assistant Head of Administration	1	Planning, SIA, annual reporting, resource constraints
Company - CSR/Public Relations Facilitator	1	Implementation team, mentoring, productive-program accounts
Village government - Head of Bagan Jaya Village	1	Village priorities, coordination, responsiveness, social relations
Community - RT chair	1	Participation, information flow, reporting transparency
Community - RW chair	1	Perceived economic outcomes and community response
Community - household beneficiary	1	Short-term welfare benefit and economic effect
Community - farmer/training participant	1	Skills benefit and continuity of mentoring
Total	7	Cross-perspective qualitative evidence

Primary data consisted of direct interviews and field observations, while secondary data included company program records, annual CSR recaps described by company informants, relevant regulations, and supporting documents. The analysis also compared the program list for 2022-2024 with retrospective interview accounts. This comparison was important because the documentary record specifies a 2023 digital MSME training, whereas the facilitator separately recalled brown-sugar and coffee mentoring without a documented year or beneficiary count.

Data analysis proceeded in four steps. First, interview and documentary material was reduced into evidence units related to CSR activities, decision processes, benefits, constraints, and continuity. Second, the evidence was coded deductively against Wibisono's four process stages and Edwards III's four implementation conditions. Third, evidence was mapped onto the seven empowerment outcomes defined in Table 2. Fourth, claims were compared across company, village-government, community, observation, and documentary sources. A claim was classified as transformation evidence only when it went beyond activity completion and indicated sustained capacity, agency, access, income, market reach, institutional strengthening, or reduced dependence.

Credibility was strengthened primarily through source and method triangulation. The source research design also specifies member checking and auditing as validity strategies. Nevertheless, the thesis does not preserve an auditable record of the duration of each interview, a formal data-saturation log, individual member-checking returns, or a separate auditing report. It also does not provide a formal research-ethics approval number or a detailed consent log. These details are therefore not reconstructed or estimated retrospectively in this article. The study does not claim theoretical saturation; instead, it reports the bounded seven-informant design transparently and interprets findings cautiously where evidence is incomplete. Community quotations are attributed by role rather than used to infer broader population prevalence.

This methodological transparency is especially important for the economic-empowerment claims. No longitudinal dataset on beneficiary income, production capacity, market volume, or business survival was available in the source materials. Consequently, statements by company informants about wider marketing are treated as reported implementation evidence, while judgments about economic transformation require corroboration from beneficiary or outcome data. The absence of such corroboration is itself analytically relevant to the study's assessment of CSR evaluation and accountability.

Results and Discussion

Overall Transformation Assessment: Procedural Change Exceeds Empowerment Outcomes

The evidence indicates that CSR at PT. Bumi Palma Lestari Persada has undergone a partial transformation. The strongest change is procedural: CSR is no longer described as an entirely incidental form of giving. The company has an internal implementation structure, conducts SIA, prepares annual recaps, coordinates with government agencies, and implements programs across several sectors. These features show institutionalization of CSR administration.

However, procedural institutionalization is not equivalent to community empowerment. When the evidence is tested against the seven outcome dimensions, only skills

development and some forms of productive support show partial progress. Participation in decision-making remains limited; measurable income improvement is not demonstrated; broader market access is reported by the company but lacks beneficiary-level verification; institutional strengthening is emerging rather than established; and continuity is inconsistent. Table 3 summarizes the evidence and the level of transformation that can defensibly be claimed.

Table 3. Evidence of Transformation Toward Community Empowerment

Empowerment dimension	Empirical evidence	Assessment
Participation in decisions	SIA exists, but village and RT actors report little involvement in strategic planning.	Weak / not yet transformed
Skills and knowledge	Agricultural training and seed support improved learning; digital MSME training documented in 2023.	Partial progress
Productive resources	Seeds, production support, and a production-house account are reported; control/ownership outcomes are not documented.	Limited evidence
Income / economic resilience	RW and company accounts indicate direct income improvement was not significant; no longitudinal income data.	Not demonstrated
Market access	Company reports packaging and wider marketing for a product, but year, beneficiaries, and sales evidence are absent.	Partial but unverified
Institutional strengthening	Village reported BUMDes/KWT-related activities during fieldwork, but no sustained institutional outcome data are available.	Emerging
Reduced dependence / continuity	Farmer reports follow-up mentoring is not always continuous; repeated assistance remains important.	Not demonstrated
Overall transformation	Procedures are institutionalized, but outcome-level empowerment is uneven and incomplete.	Partial transformation

This finding changes the interpretation of the case. The issue is not that CSR has produced no benefits: drainage normalization, school rehabilitation, health activities, religious-facility support, basic-food assistance, training, and agricultural support were valued by informants. Rather, the benefits are unevenly located across the empowerment continuum. Immediate welfare relief and infrastructure improvement are visible, while durable changes in community agency and economic independence are less clearly demonstrated.

Planning, SIA, and Participation in Village Priorities

The company uses Social Impact Assessment as a formal input to planning. The Assistant Head of Administration explained that the company comes to villages to ask about

the previous year's positive and negative social impacts and community expectations for the following year. This is important evidence that the company has an assessment mechanism before programming and that CSR planning is not wholly detached from local conditions.

"We have an activity called SIA (Social Impact Assessment). In that activity we come to the village to ask about the company's social impact in the previous year and the community's expectations for the following year." (Assistant Head of Administration, December 2025).

Yet the form of participation remains narrow. The Village Head stated that the village had not been involved in the technical or strategic formulation of CSR and expected at least the village head, Village Consultative Body (BPD), and hamlet heads to be included so responsibilities could be aligned with village development plans. An RT chair similarly stated that neighbourhood leaders were not invited to a dedicated planning discussion and often learned about programs after implementation had begun.

"Technically, we have never been involved in CSR planning... at least the village head, BPD, and hamlet heads should be involved so that roles can be shared." (Head of Bagan Jaya Village, December 2025).

"We as RT have never been invited directly to a special discussion by the company. Usually the company coordinates with the village head. We know after the program is running." (RT chair, January 2026).

These accounts indicate a top-down tendency: SIA creates an entry point for consultation, but decision influence is concentrated in company-village-head communication rather than a broader deliberative process. From an empowerment perspective, this is a critical limitation because participation is not merely attendance at an activity; it involves influence over problem definition, priority setting, design, and evaluation. From a public-administration perspective, the gap also reduces alignment with the village's formal planning chain from neighbourhood and hamlet deliberation to village work plans.

The regulatory context provides a regional TJSP Forum as a possible coordination arena, yet the field material does not document the forum as an active actor in the planning, evaluation, or conflict-resolution process for the programs examined in Bagan Jaya. This should not be interpreted as proof that the forum is inactive in the regency as a whole. It does, however, show that the empirical decision chain observed by informants is primarily company-village based, leaving room to strengthen multi-actor coordination and alignment with village development priorities.

Implementation and the Inconsistency Between Documented MSME Training and Retrospective Product Mentoring

The implementation evidence requires careful separation of documented annual programs from retrospective examples. Table 1 records one economic CSR activity in 2023: MSME training focused on digital marketing, including QRIS and e-commerce. The facilitator's later interview describes other economic-assistance experiences involving brown-sugar and coffee products, production support, licensing, packaging, quality, and marketing. The thesis does not specify when these brown-sugar and coffee activities occurred, how many beneficiaries participated, or whether they were part of the 2023 digital-training item. For this reason, the article treats them as separate retrospective accounts rather than merging them into the 2023 record.

"There was product assistance such as brown sugar because the potential was there. There was also assistance for coffee farmers, including preparation of a production house, from cultivation to production." (CSR Facilitator, December 2025).

The same facilitator stated that product assistance could extend to permits, packaging, quality, and marketing, and that at least one product had obtained better packaging and wider

marketing. This indicates an implementation design that potentially moves beyond charity because it addresses value addition and market readiness. Nevertheless, the source materials do not contain beneficiary counts, sales records, market destinations, baseline and follow-up production figures, or income data. The evidence therefore supports a claim of attempted productive mentoring, but not a verified claim of broad or sustained economic empowerment.

Beneficiary evidence reinforces this caution. A farmer reported that agricultural training and seed assistance helped him learn better farming practices, demonstrating a skill-development outcome. At the same time, he stated that follow-up mentoring was not always continuous. An RW chair reported that social and infrastructure benefits were more visible than significant increases in community income. Together, these accounts show a partial capacity gain but weak evidence of durable economic independence.

"There were benefits, especially during agricultural training and seed assistance. It helped us learn better ways of farming... after training, there is not always further mentoring." (Farmer/training participant, January 2026).

"The direct economic impact has not really been felt. What is felt is social assistance and infrastructure. The increase in community income has not been significant." (RW chair, January 2026).

The dominance of social and physical programs should not be dismissed. A household beneficiary explained that food assistance and free health activities reduced household burdens even though they had not substantially changed family income. These are legitimate welfare effects. Analytically, however, they belong to short-term protection or service support rather than evidence of economic empowerment unless they are linked to longer-term capacity and independence.

Program Quantity, Continuity, and the Meaning of Sustainability

The program count declined from eight activities in 2022 to six in 2023 and four in 2024. The earlier manuscript treated this pattern as evidence of weakening CSR. The revised analysis does not make that inference because annual program quantity alone cannot reveal budget intensity, quality, coverage, or sustainability. A smaller number of multi-year, well-funded programs could generate stronger outcomes than a larger number of one-off activities. In this case, the available records do not provide comparable annual budgets, beneficiary reach, or outcome data sufficient to determine which interpretation is correct.

What can be assessed is continuity at the beneficiary level. The farmer's account of intermittent follow-up and the absence of longitudinal income or business-survival data indicate that continuity has not been demonstrated systematically. The company's internal commitment to accompanying products through marketing is a positive design feature, but evidence of local ownership after company assistance decreases remains limited. Thus, the relevant sustainability problem is not simply fewer annual programs; it is the absence of consistent evidence that productive benefits persist.

Evaluation: SIA Exists, but SROI and Outcome Measurement Remain Insufficiently Verifiable

Evaluation is one of the stronger procedural components of CSR. The Assistant Head of Administration stated that SIA is conducted annually to identify positive and negative impacts and possible follow-up. Annual CSR recaps are also prepared and sent to relevant agencies. These practices indicate a recurring feedback and accountability routine rather than purely ad hoc activity.

At the same time, the company acknowledged that effectiveness had not been assessed

in depth and stated that the Social Return on Investment (SROI) concept had been used at least once. The source thesis contains no SROI report, calculation, ratio, beneficiary valuation, or evidence showing how an SROI result altered program priorities. It also contains no indication that SROI findings were publicly communicated to the village or community. Accordingly, SROI is reported here as a company-stated assessment practice, not as independently verified evidence of social return.

"We have not yet conducted an in-depth effectiveness assessment. However, we once used the SROI (Social Return on Investment) concept to assess the social impact provided by the company." (Assistant Head of Administration, December 2025).

The evaluation gap is therefore substantive rather than merely administrative. The company can document what was delivered, while community informants judge success by whether income improves, mentoring continues, roads and drainage remain useful, or opportunities expand. Without shared outcome indicators, company and community can both reasonably describe the same program differently. A transformation-oriented evaluation should establish baseline and follow-up measures for income, production, market access, organizational strength, participation, and continuity, alongside qualitative evidence of agency and local ownership.

Reporting, Transparency, and Social Accountability

Formal reporting is established. The company stated that annual CSR recaps are submitted to agencies such as the Plantation Office and institutions responsible for investment. This vertical accountability supports regulatory compliance and internal documentation. Yet horizontal accountability to the community is weaker. An RT chair stated that residents knew when an activity or assistance occurred but had not seen detailed CSR reports.

"We know when there is an activity or assistance, but we have never seen the detailed report." (RT chair, January 2026).

This distinction matters for CSR governance. Transparency is not achieved solely by notifying residents that an activity occurred; it also involves accessible information on objectives, selection criteria, resources, results, limitations, and follow-up. Restricted access to evaluation and reporting reduces the community's ability to scrutinize priorities and participate in improvement. The finding therefore suggests that accountability is stronger upward to formal institutions than outward to direct beneficiaries.

Implementation Conditions as Explanatory Mechanisms

Communication helps explain the participation outcome. Information flows formally through the village government and SIA, but the RT-level account shows that transmission to grassroots actors may occur only after decisions have been made. In Edwards III's terms, communication exists, yet its reach and participatory quality are limited. This mechanism helps explain why formal planning can coexist with weak community influence over design.

Resources also shape program continuity. The Assistant Head of Administration explained that the company is responsible for nine villages and faces many requests while its capacity is limited. This does not establish that the CSR budget is inadequate in absolute terms, because the study does not have the budget data needed for such a conclusion. It does show a prioritization constraint: finite company resources are distributed across multiple villages, making it difficult to respond to all requests simultaneously. The governance challenge is therefore to use transparent prioritization criteria and concentrate resources where sustained outcomes can be demonstrated.

"The requests from villages are quite numerous, while the company's capacity is limited. In addition, there are many villages, so not all requests can be realized immediately." (Assistant Head of Administration, December 2025).

Disposition is comparatively supportive. CSR has been conducted over time, dedicated personnel are involved, and the facilitator expresses an orientation toward mentoring rather than one-off assistance. However, implementer commitment should be distinguished from outcome effectiveness. Positive disposition can enable transformation, but it does not substitute for beneficiary-level evidence that income, market access, institutions, or independence improved.

The bureaucratic structure promotes documentation and control but can reduce responsiveness. The Village Head stated that proposals are normally required and the process can be slow, especially when urgent assistance is needed, such as during flooding. This illustrates a classic implementation trade-off: procedures support accountability, but rigid procedures can delay response. A differentiated mechanism is needed so that routine development programs remain carefully assessed while emergency assistance can use a faster, accountable approval route.

"The company usually asks for a proposal first, and the process can take quite a long time. For urgent conditions, such as the 2025 flood, assistance should be faster without a long procedure." (Head of Bagan Jaya Village, December 2025).

CSR Governance, Collaborative Development, and Social Legitimacy

The case demonstrates why CSR belongs within the study of public administration rather than only corporate philanthropy. Village needs are shaped through public planning institutions, company resources are private but produce public effects, and implementation depends on coordination between actors with different authority and information. When community and village actors are weakly involved in defining priorities, CSR risks becoming a parallel development channel instead of a collaborative complement to village planning.

The evidence also shows a social-legitimacy function. The Village Head reported that relations had previously been tense when communities felt insufficiently considered, whereas current CSR activities had helped improve relations. This is an important social outcome because stable company-community relations can reduce conflict and support local governance. However, legitimacy should not be treated as a substitute for empowerment. A company can become more accepted because assistance is visible even when community control, income, or institutional capacity changes only marginally.

"Previously there were problems because the community felt less considered, but now with CSR the relationship is better." (Head of Bagan Jaya Village, December 2025).

The critical governance question is therefore not whether CSR serves welfare or legitimacy; it can serve both. The concern is whether legitimacy is grounded in transparent, participatory, and durable public value. Stronger alignment with village priorities, wider stakeholder deliberation, accessible reporting, and an active coordination role for the regional TJSP architecture would help move the relationship from a company-as-donor/community-as-recipient model toward collaborative governance.

the transformation toward community empowerment has partially occurred, but it is incomplete. The procedural side of CSR has transformed more clearly than the outcome side: assessment, implementation structures, evaluation routines, and government reporting are established; some learning and productive-support activities are evident; and social/infrastructure programs provide tangible benefits. By contrast, decision-making

influence remains restricted, continuity is inconsistent, and the available evidence does not demonstrate sustained income growth, broad market access, strong beneficiary institutions, or reduced dependence on company assistance. The most accurate characterization is therefore procedural institutionalization with emerging, but not yet consolidated, empowerment outcomes.

Factors Influencing the Implementation of Corporate Social Responsibility (CSR) of PT. Bumi Palma Lestari Persada (Sinar Mas Group) in Bagan Jaya Village, Enok District, Indragiri Hilir Regency

The implementation of a policy or program is not only determined by its planning and execution but is also influenced by various supporting and inhibiting factors that affect the implementation process. In this study, the analysis of the factors influencing the implementation of Corporate Social Responsibility (CSR) of PT. Bumi Palma Lestari Persada in Bagan Jaya Village uses the policy implementation theory of George C. Edwards III. This theory explains that the success of policy implementation is influenced by four main variables: communication, resources, disposition or attitude of implementers, and bureaucratic structure. These four factors are interrelated and play a role in determining the extent to which CSR programs can be implemented effectively within the community.

1. Communication

Communication is an important factor in policy implementation because it determines how information about the program is conveyed to the involved parties. Effective communication must include clarity of messages, consistency of information, and the ability to reach all target groups. In the implementation of CSR by PT. Bumi Palma Lestari Persada, communication has been carried out through Social Impact Assessment (SIA) activities as well as coordination with the village government. Through these activities, the company attempts to understand the social impacts of its operations and gather community aspirations regarding the programs needed.

However, the research findings show that communication has mostly occurred at the structural level, namely between the company and the village government. Information about CSR programs is not always delivered directly to the community at the neighborhood (RT or RW) level. Several informants stated that they only became aware of the program after the activities had already been implemented. This condition indicates that the transmission of information has not been evenly distributed. In addition, some community members only know about the assistance or activities without understanding the long-term objectives of the programs. This suggests that the communication carried out has been more informative rather than fully educational and participatory.

2. Resources

Resources are an important factor that influences the success of program implementation. These resources include human resources, financial resources, information, and other supporting facilities. In the implementation of CSR by PT. Bumi Palma Lestari Persada, the company already has an organizational structure responsible for CSR implementation, including a CSR team at the plantation level as well as facilitators who assist the programs in the field. In addition, there is support from the company's central team that helps supervise and manage the programs.

However, in terms of financial resources and coverage area, there are limitations that affect program implementation. The company has responsibilities toward several villages

simultaneously, meaning that the CSR budget must be distributed across multiple regions. This situation causes not all community needs or proposals from the village to be fulfilled immediately. Moreover, in certain situations, administrative processes and resource limitations can slow the company's response to urgent needs. Therefore, although the company's internal resources are relatively adequate, their distribution and utilization still need to be optimized in order to better respond to community needs quickly and effectively.

3. Disposition or Attitude of Implementers

Disposition relates to the attitudes, commitment, and orientation of program implementers toward the policies being implemented. Policy implementation will run effectively if the implementers have strong commitment and understanding of the program's objectives. Based on the research findings, the company demonstrates a commitment to implementing CSR in a sustainable manner. This can be seen from the existence of CSR programs since the early establishment of the company as well as the routine annual evaluation of these programs.

In addition, several CSR programs demonstrate the company's efforts to encourage community empowerment, such as assisting local businesses up to the stages of product packaging and marketing. However, from the perspective of the community, the impact of these programs has not yet been fully felt, particularly in terms of improving economic conditions and employment opportunities. This difference in perception indicates that although the company has a strong commitment to CSR implementation, the orientation of the programs still needs to be strengthened in order to better align with the needs and expectations of the community.

4. Bureaucratic Structure

Bureaucratic structure relates to standard operating procedures, division of tasks, and coordination mechanisms in program implementation. In the CSR implementation of PT. Bumi Palma Lestari Persada, the company has relatively clear procedures for proposal submission, program evaluation, and activity reporting. This bureaucratic structure functions to maintain accountability and ensure that every CSR activity is carried out in accordance with applicable regulations.

However, in some situations, relatively lengthy bureaucratic procedures can affect the company's responsiveness to community needs. For example, during emergency conditions such as flooding, the community requires assistance quickly, while the company must still go through predetermined administrative stages. This condition indicates that although the company's bureaucratic structure supports orderly and accountable governance, its level of flexibility still needs improvement so that it can respond more effectively to urgent situations.

Conclusion

The transformation of CSR at PT. Bumi Palma Lestari Persada toward community empowerment has partially occurred. The clearest progress is procedural: the company has institutionalized CSR through SIA, dedicated implementation personnel, multi-sector activities, annual evaluation, and formal reporting to government agencies. Capacity-building elements are also visible in agricultural and MSME-related training and in reported product mentoring. Nevertheless, empowerment outcomes are not yet consolidated. Community

influence over planning remains limited, follow-up mentoring is inconsistent, and the available evidence does not demonstrate sustained increases in income, broad market access, strong beneficiary institutions, or reduced dependence on company assistance. The 2022-2024 decline in the number of activities therefore cannot by itself be used to judge CSR performance; the more important weakness is the lack of comparable outcome and continuity data. The study also finds that SIA functions as a recurring consultation and evaluation mechanism, whereas the reported use of SROI cannot be independently assessed because no detailed SROI result was available in the research materials. From a CSR-governance perspective, the next stage of transformation requires joint planning with village institutions and beneficiaries, multi-year productive programs with follow-up mentoring, baseline and follow-up indicators for economic and institutional outcomes, public summaries of CSR results, clearer use of SIA/SROI evidence in decision-making, coordination with the regional TJSP framework, and a more flexible but accountable route for urgent assistance. These changes would shift CSR from procedural institutionalization and short-term welfare support toward collaborative, transparent, and sustainable community empowerment.

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