



The Social Responsibility of Management (Implementation of Corporate Social Responsibility in The Mining Industry)

Sulkifli. AR¹, Aiedil Pebri SUWARNA², Abustan NUR³, Aulia LUKMAN⁴, Muh. YUSUF⁵

^{1,2,3,4,5}Islamic University AL Mawaddah Warrahmah Kolaka

Abstract

In Indonesia, mining companies have integrated Corporate Social Responsibility (CSR) as an essential part of their operations. The implemented CSR programs focus on improving the social, economic, and environmental conditions around mining locations. Many mining companies allocate resources to create jobs, provide skills training, develop infrastructure and healthcare services, as well as improve access to education for local communities. Regulations regarding CSR specifically for the mining sector are governed by Law Number 4 of 2009 concerning Mineral and Coal Mining, particularly Article 108 paragraph (1), which emphasizes the social responsibility of companies in the management of natural resources. This research aims to investigate mining companies in implementing CSR. The study method uses a Systematic Literature Review (SLR). SLR is a structured and comprehensive method for assessing, identifying, and synthesizing results from existing literature in a research field. The study results indicate that CSR implementation at PT. ANTAM Tbk. demonstrates a comprehensive approach with a focus on economic contributions, environmental protection, and social development. CSR programs such as the Partnership Program, Community Development, and Environmental Development improve the quality of life for the community, support the local economy, and maintain environmental sustainability, creating harmonious relationships with the community.

Keywords: Implementation, CSR, Mining Industry

Article History

Received: 2024-10-18

Revised: 2024-11-14

Accepted: 2024-12-10

Vol 1 Issue 1 2024

Corresponding Author*

sulkifli@usimar.ac.id



Page 16-21

INTRODUCTION

Corporate Social Responsibility (CSR) Management is a strategic approach in which companies integrate social, environmental, and ethical considerations into their business operations. It reflects the company's commitment to having a positive impact on society and the environment, going beyond mere legal obligations. By effectively managing social responsibility, companies not only build reputation and trust but also contribute to long-term sustainability. CSR management includes the planning, implementation, and evaluation of programs that support community welfare, environmental preservation, and good business ethics, aiming to achieve common goals and create value for all stakeholders (Nuringwahyu & Hardati, 2020).

In an era of globalization and increasing social awareness, CSR has become important as it demonstrates the company's concern for the social and environmental impacts of its operations. CSR is not just about fulfilling moral obligations but also about building positive relationships with various stakeholders, including local communities, employees, customers, and investors. By implementing CSR initiatives, companies demonstrate their sincerity and seriousness in addressing social issues such as poverty, education, health, and environmental sustainability (Maf'ulla & Rachmawati, 2024).

CSR encompasses a variety of activities, ranging from education and health programs to environmental preservation and support for local communities. For example, companies may engage in projects such as infrastructure development, skills training, or providing healthcare services for disadvantaged communities. Through these initiatives, companies not only contribute to community welfare but also strengthen their reputation and brand image. Effective CSR implementation can enhance the relationship between companies and communities, creating a sustainable positive impact. Additionally, CSR can increase employee motivation and satisfaction, expand markets, and reduce reputational risks. Thus, CSR is an integral part of modern business strategy that shows how companies can be agents of positive change and responsibility in society.



The implementation of Corporate Social Responsibility (CSR) in the mining industry is a crucial aspect that defines how mining companies are committed to the social and environmental impacts of their activities. The mining industry often faces significant challenges related to environmental impacts, such as pollution, ecosystem damage, and intensive use of natural resources. Furthermore, mining companies must also address social issues that arise, such as the rights of local communities and the impacts on their health and well-being.

CSR in the mining industry includes various initiatives to mitigate these negative impacts, including environmental rehabilitation programs, waste management, and biodiversity preservation. Companies also implement strategies to improve the quality of life for surrounding communities, such as infrastructure development, provision of healthcare facilities, and educational support. Effective CSR implementation can help mining companies build positive relationships with local communities, enhance their reputation, and meet stakeholder expectations. It also contributes to risk management and long-term sustainability in the industry. Therefore, CSR is not only a moral obligation but also an important business strategy in ensuring that mining activities are conducted responsibly and sustainably (Dara Kospa, 2020).

In Indonesia, mining companies have integrated Corporate Social Responsibility (CSR) as an essential part of their operations. The implemented CSR programs focus on improving the social, economic, and environmental conditions around mining locations. Many mining companies allocate resources to create jobs, provide skills training, develop infrastructure and healthcare services, as well as improve access to education for local communities. Regulations regarding CSR specifically for the mining sector are governed by Law Number 4 of 2009 concerning Mineral and Coal Mining, particularly Article 108 paragraph (1), which emphasizes the social responsibility of companies in the management of natural resources (Ma'ulla & Rachmawati, 2024).

Based on the background description above, the question arises as a formulation of the problem: How do mining companies implement CSR? Therefore, a study titled "Implementation of Corporate Social Responsibility (CSR) in the Mining Industry" was conducted. The purpose of this study is to understand how mining companies implement CSR.

Social Responsibility Management. Social Responsibility Management (CSR) reflects the ethical and social dimensions of a manager's role within an organization. Unlike technical or economic sciences that can be learned and applied, management responsibility is rooted in human relationships and management, which involves more than just the application of techniques. Managers are not only responsible for the application of economic knowledge in industrial operations but also for the social and environmental impacts of their decisions (The Philosophy of Management Early Sociology of Business and Management (The Making of Sociology) by Oliver Sheldon (z-Lib.Org).Pdf, n.d.).

Management must address two main aspects of responsibility: first, the relationship between management and the broader community. In this context, managers bear responsibility for the industry's impact on surrounding communities and the environment. This includes how the industry meets the needs of society and contributes to social welfare. Second, management is responsible for the individuals within the organization itself, namely employees and internal stakeholders. Managers must ensure that the work environment supports employee well-being and meets ethical standards and workers' rights. Overall, social management responsibility involves managing the human aspects within the industry as well as the industry's impact on society at large. It emphasizes the importance of a holistic approach to management that focuses not only on economic outcomes but also on social and environmental well-being.

Corporate Social Responsibility (CSR). Corporate Social Responsibility (CSR) began to gain global recognition in the 1970s and became increasingly popular after the publication of John Elkington's book, *Cannibals With Forks: The Triple Bottom Line in 21st Century Business* (1998). Elkington introduced the concept of the Triple Bottom Line, which includes three main components of sustainable development: economic growth, environmental protection, and social equity. According to Elkington, CSR focuses on three main aspects known as the 3Ps: Profit, Planet, and People.



Profit refers to the economic gains that companies achieve, which is the primary goal of traditional business. However, CSR emphasizes that good companies should not only pursue profit but also care about environmental sustainability (Planet) and community welfare (People).

Environmental protection involves efforts to reduce negative impacts on nature and promote environmentally friendly practices. Community welfare includes the company's contributions to the social and economic development of local communities, as well as social responsibilities towards employees and consumers. By integrating these three aspects, CSR creates a more holistic and sustainable business approach, guiding companies to become agents of positive change in society and the environment (Candra Puspita Ningtyas et al., 2022).

CSR involves active partnerships between the government, companies, and communities, functioning to ensure the sustainability and viability of businesses over the long term. The concept of CSR can be understood in two dimensions: broadly and narrowly.

Broadly, CSR relates to achieving sustainable economic development that involves social responsibility and corporate accountability to society, the nation, and international levels.

Narrowly, according to Widjaja & Yeremia (2008), CSR is a form of cooperation between companies and all stakeholders who interact with the company to ensure business viability.

CSR not only demonstrates the organization's concern for social and environmental issues but also supports sustainable development by balancing economic, social, and environmental protection aspects. Effective CSR creates added value for all parties involved and encourages the realization of harmonious and sustainable development.

Benefits of Corporate Social Responsibility (CSR). Corporate Social Responsibility (CSR) brings various important benefits for companies, society, and the government. Within companies, CSR initiatives serve a strategic function in risk management, provide significant social assurance, and contribute to the improvement of community welfare and environmental quality. By focusing on long-term contributions rather than just short-term profits, CSR helps companies in various aspects (Ma'ulla & Rachmawati, 2024):

1. **Building and Maintaining a Good Name:** CSR plays a role in creating a positive image of the company in the eyes of the public. By demonstrating concern for social and environmental issues, companies can strengthen their reputation.
2. **Enhancing Reputation:** Consistent CSR initiatives can improve the company's reputation, making it more recognized and valued by consumers and investors.
3. **Reducing Risk:** CSR can lower the likelihood of unwanted issues arising, such as public criticism or legal actions, by ensuring that the company operates ethically and responsibly.
4. **Business Expansion Opportunities:** With a good reputation, companies can open up opportunities for business expansion and establish new partnerships.
5. **Maintaining Position:** CSR helps companies maintain a competitive position in the market by strengthening relationships with customers and stakeholders.
6. **Retaining Human Resources (HR):** CSR programs can enhance employee satisfaction and loyalty, as well as attract top talent.
7. **Access to Financing:** Companies that are active in CSR often have better access to financing from financial institutions that value social responsibility.
8. **Facilitating Decision-Making:** CSR provides useful data and insights for better strategic decision-making.
9. **Simplifying Risk Management:** CSR assists in identifying and mitigating social and environmental risks, making overall risk management easier.

The benefits of CSR are also felt by society and the government. Effective CSR programs can help address local issues such as education and skills training, support government initiatives in social development, and improve conditions in operational areas. By participating in CSR, companies contribute to sustainable development and enhance the overall quality of life for communities.



METHODS

To find relevant studies and provide answers to research questions, this research employs a Systematic Literature Review (SLR) approach. SLR is a structured and comprehensive method for assessing, identifying, and synthesizing results from existing literature in a particular research field. The main objective of SLR is to provide a thorough and objective overview of what has been researched and known on a specific topic, as well as to identify existing knowledge gaps. The SLR process begins with formulating clear and specific research questions. Next, researchers conduct systematic literature searches using various academic databases and other reliable sources to collect relevant studies (Ma'ulla & Rachmawati, 2024).

Inclusion and exclusion criteria are established to ensure that only studies meeting quality and relevance standards are selected. After collecting the literature, researchers evaluate and assess the quality of existing studies, synthesizing findings from various studies to produce comprehensive conclusions. This process involves critical analysis of the methodologies, results, and contributions of each study, as well as identifying patterns and themes that emerge from the available data. By using SLR, this research aims to present a detailed and reliable summary of the existing literature, providing a solid foundation for understanding the topic under investigation and offering evidence-based answers to the raised research questions. This approach also helps identify areas needing further research and provides direction for future studies.

RESULT AND DISCUSSION

In this research, we explore management social responsibility with a focus on the implementation of Corporate Social Responsibility (CSR) in the mining industry. CSR has evolved into an essential aspect of business strategy, with companies across various sectors, including mining, expected not only to pursue financial profits but also to positively contribute to society and the environment. This study aims to analyze how mining companies implement CSR and assess the impact of these initiatives on local communities and the environment. Using a Systematic Literature Review (SLR) approach, we collected and evaluated relevant studies to understand the CSR practices applied in the mining sector, as well as the challenges and opportunities faced by companies in fulfilling their social responsibilities.

Several journals collected for this research through the Literature Review process were obtained from various search sources, including software such as Publish or Perish and Google Scholar. Publish or Perish is a tool that helps assess the citation impact of academic articles, providing access to relevant data to identify key and leading research in specific topics. Google Scholar, on the other hand, offers broad access to a variety of scientific publications and articles across disciplines, allowing researchers to find relevant studies that might not be accessible through other databases. By utilizing both sources, we ensure that the collected literature encompasses diverse perspectives and current findings, providing a solid foundation for an in-depth analysis of the implementation of Corporate Social Responsibility (CSR) in the mining industry:

The first research related to the implementation of Corporate Social Responsibility (CSR) at PT. Aneka Tambang Tbk. Ubpn Southeast Sulawesi, written by Candra Puspita Ningtyas et al. in 2022, found that the realization of CSR at PT. Antam, Tbk. in the economic aspect is manifested by providing tangible contributions to the community and the government aimed at enhancing economic independence, sustainability, and social welfare. Additionally, it contributes to the government through non-tax state revenue (PNBP), taxes, and royalties amounting to IDR 758.81 billion. Efforts to combat poverty in the company's operational areas are realized through the Partnership Program (PK) in the form of capital assistance to foster partners. In terms of environmental aspects, ANTAM implements Good Mining Practices (GMP), including Health and Safety (K3), community development, environmental responsibility, and post-mining plans. For Antam, CSR is important in building a positive image for the company to ensure community welfare, creating a harmonious relationship between the company and the community as part of its stakeholders.



The second study, titled "Study on the Implementation of Corporate Social Responsibility (CSR) Programs by Mining Companies (Case Study of PT. Antam Tbk)," written by Herda Sabriyah Dara Kospa in 2020, found that the CSR implementation by PT Antam Tbk consists of three forms: Community Development Programs, Partnership Programs, and Environmental Development Programs. All villages surrounding PT Antam Tbk receive these three programs, which include the construction of village infrastructure, educational development, health improvements, capital assistance, and training for business development. Additionally, the three programs managed by PT Antam focused on community development—Partnership Program (PK), Environmental Development (BL), and community development—are positively received by the community. The community hopes that this assistance will be expanded year by year.

Research on Corporate Social Responsibility (CSR) in the mining industry, specifically at PT. Aneka Tambang Tbk. (ANTAM), provides in-depth insights into how mining companies can effectively implement CSR. Two main studies reviewed, by Candra Puspita Ningtyas et al. (2022) and Herda Sabriyah Dara Kospa (2020), highlight various aspects and impacts of CSR practices applied by ANTAM. This discussion will elaborate on the findings of these studies, assess the effectiveness of CSR implementation, and provide insights into the challenges and opportunities present in the execution of CSR in the mining sector. Thus, it can be explained that the results of this study are:

Implementation of CSR at PT. ANTAM Tbk. The first study by Candra Puspita Ningtyas et al. (2022) highlights how PT. ANTAM Tbk. implements CSR with a comprehensive approach. This research shows that ANTAM not only focuses on economic aspects but also actively integrates social and environmental responsibilities into its operational strategies. ANTAM's CSR programs include economic contributions, environmental protection, and social development in its operational areas.

Economic Aspects. In the economic aspect, ANTAM has made significant contributions to the community and the government. The payment of non-tax state revenue (PNBP), taxes, and royalties amounting to IDR 758.81 billion demonstrates the company's commitment to supporting state revenues and strengthening the local economy. The Partnership Program (PK), which provides capital assistance to foster partners, is one of ANTAM's efforts to combat poverty and enhance economic independence in the surrounding communities.

Environmental Aspects. In the environmental field, ANTAM implements Good Mining Practice (GMP), which involves various important aspects such as health and safety (K3), community development, environmental responsibility, and post-mining planning. These practices demonstrate that ANTAM strives to minimize the negative impacts of mining activities and ensure that the company's operations contribute to environmental sustainability.

Social Aspects. ANTAM's CSR also focuses on improving social welfare by conducting various activities that support local communities. These initiatives include infrastructure development, enhancing access to education, and improving healthcare services. This approach aims to improve the quality of life for people in the areas surrounding its operations and build harmonious relationships between the company and local communities.

Evaluation of CSR Programs. The second study by Herda Sabriyah Dara Kospa (2020) provides further analysis of the CSR implementation by PT. ANTAM Tbk. The CSR programs implemented by ANTAM, namely the Community Development Program, Partnership Program, and Environmental Development Program, demonstrate that the company has a structured and comprehensive CSR strategy.

Community Development Program. The Community Development Program includes various initiatives aimed at improving the quality of life for the community. This includes infrastructure development, educational advancement, and healthcare improvements. This program has received positive feedback from the community, which benefits directly from the facilities and services provided. Infrastructure development, such as roads and bridges, enhances accessibility and mobility in the surrounding villages, while health and education improvements support the development of human resource capacity in the region.



Partnership Program (PK). The Partnership Program (PK) aims to provide capital assistance to small and medium enterprises around the company's operational areas. By providing financial support and training to foster partners, ANTAM seeks to strengthen the local economy and create job opportunities. This program not only provides direct economic benefits to the foster partners but also contributes to the development of entrepreneurial capacity in the local community.

Environmental Development Program (BL). The Environmental Development Program (BL) involves activities aimed at improving environmental conditions around the company's operational areas. This includes tree planting, waste management, and protection of local ecosystems. This program helps reduce the negative impacts of mining activities and contributes to environmental sustainability in the region.

CONCLUSION

The implementation of Corporate Social Responsibility (CSR) at PT. ANTAM Tbk. demonstrates a comprehensive and integrated approach, involving various economic, environmental, and social aspects. The study by Candra Puspita Ningtyas et al. (2022) highlights ANTAM's significant contributions in supporting state revenues and strengthening the local economy through non-tax state revenue (PNBP), taxes, and royalties amounting to IDR 758.81 billion. The Partnership Program (PK), which provides capital assistance to foster partners, also illustrates the company's efforts to combat poverty and enhance economic independence in surrounding communities.

In the environmental aspect, ANTAM implements Good Mining Practice (GMP), which involves various elements such as health and safety (K3), community development, environmental responsibility, and post-mining planning. This approach demonstrates ANTAM's commitment to minimizing the negative impacts of mining and ensuring environmental sustainability.

ANTAM's CSR programs, including the Community Development Program, Partnership Program, and Environmental Development Program, reflect a structured and comprehensive strategy. These programs successfully improve the quality of life for the community through infrastructure development, enhancements in education and healthcare, and strengthening the local economy by supporting small and medium enterprises. Thus, ANTAM's CSR not only contributes to community welfare but also to environmental sustainability and harmonious relationships with local communities.

REFERENCES

- Candra Puspita Ningtyas, Makmur Kambolong, & Munawir Makmur. (2022). IMPLEMENTASI CORPORATE SOCIAL RESPONSIBILITY STUDI PADA PT. ANEKA TAMBANG Tbk. UBPN SULAWESI TENGGARA. *Journal Publicuho*, 5(4), 1091–1112. <https://doi.org/10.35817/publicuho.v5i4.50>
- Dara Kospa, H. S. (2020). Kajian Implementasi Program Corporate Social Responsibility (CSR) Oleh Perusahaan Pertambangan (Studi Kasus PT.Antam Tbk). *Jurnal Tekno Global UIGM Fakultas Teknik*, 9(1). <https://doi.org/10.36982/jtg.v10i2.1725>
- Ma'ulla, A. A., & Rachmawati, I. I. (2024). LITERATURE REVIEW: ANALISIS MANFAAT PENERAPAN CORPORATE SOCIAL RESPONSIBILITY (CSR) TERHADAP CITRA PERUSAHAAN PERTAMBANGAN. *Journal of Management and Innovation Entrepreneurship (JMIE)*, 1(2), 62–75. <https://doi.org/10.59407/jmie.v1i2.313>
- Nuringwahyu, S., & Hardati, R. N. (2020). EFEKTIVITAS PROGRAM CORPORATE SOCIAL RESPONSIBILITY TERHADAP PENGEMBANGAN UMKM. 9(2).
- The Philosophy of Management Early Sociology of Business and Management (The Making of Sociology) by Oliver Sheldon (z-lib.org).pdf. (n.d.).