

# THE DYNAMICS OF COMMUNICATION MEDIA MANAGEMENT PROGRAM CORPORATE SOCIAL RESPONSIBILITY MINING COMPANIES IN INDONESIA

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## ABSTRACT.

Mining areas where there should be a prosperous society, are in fact very contradictory to the high poverty rate there. The activities of mining companies have actually caused many natural disasters, not to mention the problem of post-mining holes, which so far have also claimed many lives because many of them are still left open and not immediately reclaimed. East Kalimantan and South Sumatera are the two provinces in Indonesia that have the most natural damage due to mining activities there. Kaltim Prima Coal, and Bukit Asam Company as the largest mining company there, have actually tried to manage their post-mining areas by implementing CSR programs to improve the welfare of the community, but this seems not to have been optimal. Several demonstrations were carried out by the community both in East Kalimantan and South Sumatera to demand an increase in the quality of life. Seeing this problem, the role of communication media is needed to be able to communicate effective and effective CSR programs for the community, so that there will be good acceptance and support from the community to jointly preserve the environment. This research is a qualitative research with a case study method, where researchers will examine how the dynamics of digital communication media management carried out by Kaltim Prima Coal and Bukit Asam Company to communicate their CSR programs. The results of the research are expected to provide an overview of how effective the management of digital communication media from the implementation of the CSR program by Kaltim Prima Coal and Bukit Asam Company is so that later it can become a reference for the CSR program communication process carried out by the company.

**KEYWORDS:** corporate social responsibility; communication media; mining company; Indonesia.

## 1. INTRODUCTION

The existence of mining companies in the community is of course expected to contribute to the existence of the Corporate Social Responsibility (CSR) program which is carried out to improve the welfare of the community. Unfortunately, it turns out that some areas in Indonesia where there are many mining companies actually have a high level of poverty and unemployment. Based on research conducted by the Mining Advocacy Network (JATAM) shows that 80 percent of mining areas in Indonesia are at risk of food security and lead to poverty. Mining activities have damaged the potential of land for cultivation, resulting in many fishermen and farmers losing up to 50 percent of productivity for rice and 80 percent for fish. The three provinces that experienced concessions and the largest area were South Sumatera, and East Kalimantan.

Still based on data from JATAM, that the total mining land tenure in East Kalimantan is around 7 million hectares, where mining activities have resulted in about 1735 ex-coal mining pits that are not reclaimed<sup>1</sup>. The average hole reaches one hectare with a depth of more than 50 meters. Overcoming this, the Government of East Kalimantan itself has not remained silent, which since 2013 has issued Regional Regulation Number 8 of 2013 concerning the implementation of post-

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<sup>1</sup> <https://www.jatam.org/2019/08/21/anomali-kemiskinan-di-wilayah-tambang-batubara/>, accessed July 10 2021, 08.15 PM.

mining reclamation by forming a regional reclamation and post-mining supervisory commission (KPRPD) but until now it has not been able to run optimally<sup>2</sup>.

Another problem arose when East Kalimantan was later appointed as the Capital of the New Indonesia by President Joko Widodo on August 26, 2019 where the location was partly in North Penajem Regency and partly in Kutai Kartanegara Regency. This area, which is considered to be minimal in risk of natural disasters, turns out to have left many coal mining pits that have claimed 36 lives because they drowned in this former mining pit. Of course, this is an anomaly that must be resolved together, especially if the Indonesian capital is moved there.

Realizing the importance of social responsibility, the largest mining company in Sangatta, East Kalimantan, namely Kaltim Prima Coal (KPC) Company seeks to implement their CSR program in order to improve the welfare of the community around the mine. There are several CSR programs that have been carried out by Kaltim Prima Coal Company, including: education, training, improvement of community health and sanitation, agribusiness development, MSME development, nature and culture conservation, as well as capacity building programs for village government and community<sup>3</sup>.

What has been done by Kaltim Prima Coal Company has not fully satisfied the community. They assessed that Kaltim Prima Coal had not contributed much to improving their welfare, several times the local community held demonstrations to demand compensation for the mining activities carried out<sup>4</sup>.

Almost the same as what happened in East Kalimantan, South Sumatra is also one of the provinces where there is a lot of coal mining activity which then causes a lot of polemics. Even more sadly, in South Sumatra, there are also lots of illegal mining activities that have caused state losses of up to IDR 52 billion per year. The loss is calculated in terms of royalties that should be received by the state, not including environmental losses due to ex-mining pits that are not reclaimed<sup>5</sup>. According to the Mining and Energy Service in South Sumatra, currently there are 177 Mining Business Permits there, after the revocation of 78 Mining Business Permits and 68 others were not extended<sup>6</sup>.

One of the large mining companies in South Sumatra is Bukit Asam Company, where Bukit Asam Company has also made various efforts to manage post-mining areas through its CSR program. Among them is the reclamation of post-mining areas in Bukit Kandi, Tanah Hitam Sawah Lunto, and Muara Enim to become tourist destinations, such as the Wildlife Park.

Rehabilitation, revegetation, and rebuilding programs continue to be carried out even with the cooperation with the government has also succeeded in organizing the Tour de-Singkarak which aims to promote the Annual Cycling to promote tourist destinations globally<sup>7</sup>.

The various CSR programs that have been carried out by Bukit Asam Company still do not provide satisfaction for the people in South Sumatra, it is not uncommon for the people there to take demonstrations to demand losses incurred by mining companies. It was last recorded that in December 2019, the community held a large-scale demonstration to demand that the mining company's transportation make a special road from the Muratara area to the Mendis Bayung Lencir Village, because so far the mining company's transportation has damaged the road it goes through,

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<sup>2</sup><https://www.mongabay.co.id/2019/10/26/lubang-tambang-batubara-di-kalimantan-timur-begini-rencana-pemulihannya/>, accessed 10 July 2021, 08.20 PM.

<sup>3</sup><https://www.cnbcindonesia.com/market/20191204125404-17-120192/kaltim-prima-coal-raih-the-best-csr>, accessed July 10 2021, 08.55 PM.

<sup>4</sup><https://www.antaranews.com/berita/176482/masyarakat-adat-sangatta-demo-pt-kpc>, accessed July 10 2021, 09.10 PM.

<sup>5</sup> <https://www.cnnindonesia.com/nasional/20190831001310-20-426302/tambang-ilegal-sumsel-rugikan-negara-ratusan-miliar-per-tahun>, accessed July 10 2021, 09.15 PM.

<sup>6</sup><https://www.mongabay.co.id/2016/05/29/puluhan-izin-pertambangan-di-sumatera-selatan-dicabut-bagaimana-urusan-reklamasi-dan-pasca-tambang/>, accessed July 10 2021, 09.30 PM.

<sup>7</sup> <http://www.ptba.co.id/id/berita/detail/87/sustainable-mining-for-long-term-investment>, accessed July 12 2021, 03.30 PM.

causing losses to the community. With the special road made, it is hoped that the surrounding economy will also grow.

In overcoming these problems, the role of digital communication media is needed to bridge the information needs between mining companies and the surrounding community, especially in relation to the implementation of CSR programs. Where both Kaltim Prima Coal itself and Bukit Asam Company actually have contributed a lot to the community with the CSR program carried out, it's just that they have not received good acceptance in the community. Therefore, effective digital communication media management is needed to synergize these various interests.

With the digital communication media managed by the two mining companies, it is hoped that they will be able to convey information quickly and precisely according to the needs of the community, not only the community around the company, but also the wider community. Considering that so far, there are still many negative perceptions regarding mining company activities in the wider community, which sometimes actually triggers social movements against mining activities themselves. In relation to the management of digital communication media, this is certainly not an easy matter for mining companies with the various complexities involved. Where companies must be smart in choosing effective messages and media, synergize the various interests in them, and choose the right time to spread the message. Those are some of the challenges that need to be considered carefully in relation to communicating the CSR programs that have been carried out, so that the community is able to understand and provide support to companies so that they can continue to contribute to improving their welfare. Therefore, this study will try to examine how the dynamics of communication media management in relation to the implementation of CSR programs in mining companies in Indonesia, especially Kaltim Prima Coal and Bukit Asam Company.

## **2. THEORETICAL FRAMEWORK**

### **2.1. Corporate Social Responsibility**

CSR is a social program as an effort to give feedback to the community for the social permits that have been given. With the CSR program, it is hoped that it can increase independence, as well as improve a better quality of life. CSR is a sustainability commitment from a company that runs ethically and contributes to development to improve the quality of life of the workforce, and their families, including the local community, as well as the wider community. [8]

“CSR is about capacity building for sustainable livelihood. It respect cultural differences and finds the business opportunities in building the skill of employees, the community and the government” [2]

"CSR is the idea that business interacts with the organization's stakeholders for social good while they pursue economic goals". [3]

CSR programs are often equated with community relations programs. However, there is actually a difference between the two. Community relations program is a program to establish closeness with the community around the company. This program aims to establish two-way communication between the company and the community itself [4]. Meanwhile, the CSR program should have a wider scope, because the object of activity of this CSR program is not only the community, but also various stakeholders within the company, both internal and external [5].

### **2.2. CSR Communication Media**

Media Communication is a means to convey a message/information to the public. Today, along with the development of communication and information technology, it has facilitated coverage and news coverage, including the dissemination of information mediated by digital media [6]

In relation to the use of communication media as a means of communicating CSR programs, so far generally companies use communication media as a means to carry out business communications and advertising compared to CSR communications [7]. So, that many people still do not understand what CSR programs have been carried out by the company well, even though CSR activities should not be separated from its communication strategy in order to foster a good image and reputation of the company itself in the eyes of the public. Entering the era of society 5.0, which is the era of all technology is part of humans themselves. The internet is not only for information but for living life, thus will be able to minimize the existence of gaps in humans and economic problems in the future. Thus, in the future CSR programs will not only be communicated through technology, but also how existing media technology can be used to answer community needs related to CSR programs in the future.

### **3. METHOD**

This research is a case study research. Case study research is a type of qualitative research that studies a social phenomenon based on the order in which a social phenomenon occurs. Case study research has the ability to capture empirical, contemporary phenomena, as well as the opportunity to extract evidence from various sources [1]. In carrying out this case study, researchers studied the communication media management of CSR programs in post-mining areas.

### **4. RESULTS AND DISCUSSION**

Throughout 2020, Indonesia experienced the Covid-19 pandemic which had a major negative effect on the economy and society. Restrictions on activities by the government affect the performance of the community on the company's productivity. Even though the crisis caused by the Covid-19 pandemic is hitting the company, the government still requires companies to carry out social responsibility programs to the community. The rules contained in the Act mandate companies that in addition to providing benefits to stakeholders, companies must also provide benefits to the community around the company in the economic sector and social welfare [8].

Kaltim Prima Coal (KPC) Company is a coal mining company that continues to carry out its commitment to being responsible for the CSR program. This is as explained by the theory of CSR which is a sustainability commitment from companies that run ethically and have a contribution to development to improve the quality of life of the workforce, and their families, including the local community, as well as the wider community [9]. The accountability programs carried out by KPC cover the environmental, cultural sectors, and help grow the community's economy. The CSR that has been carried out has provided benefits to the community.

The CSR program carried out by KPC refers to the international norm, namely ISO 26000 applicable in Indonesia which was adopted into SNI ISO 26000:2013. A program that refers to international norms is a program implementation process that complies with international standard criteria. So that the CSR program carried out by KPC has a good procedure. KPC's CSR program has received various awards which are an appreciation for CSR programs that provide benefits to the community and the environment.

Based on the program findings reported by Kaltim Prima Coal on its official website is very concerned about environmental sustainability and reprocessing ex-mining land to be used or put to good use. In addition to programs related to environmental sustainability, KPC also organizes coaching programs that provide benefits to the community.

Management is a process or framework that involves guiding or directing a group of people towards organizational goals. Furthermore, management functions are explained which consist of Planning or planning that determines the goals to be achieved. Furthermore, organizing is to group and determine various important activities and give the power to carry out those activities [10].

The theory that explains management is applied in the work structure of the company Kaltim Prima Coal. KPC management in the process of forming work programs carries out management functions such as planning (planning) to organizing or grouping and deciding what important activities will be carried out. Management is also given the power to carry out activities that have been formulated by management. KPC implements a governance strategy and operational

management that oversees or is applied in the social, economic and environmental fields. The implementation of the prepared strategy must comply with the applicable laws and regulations, sustainable development policies, good corporate governance and must implement a code of ethics. The strategy-making process also pays attention to procedures, guidelines, audits, risk management, HR improvement training and management reviews.

In the CSR communication process carried out by Kaltim Prima Coal utilizes various kinds of communication media. Especially during the Covid-19 pandemic, KPC disseminates information about the company and sends reminder messages to comply with health protocols so that employees at KPC do not have the potential to contract Covid-19. Issues brought up by KPC in the process of implementing CSR programs such as issues that can be played in the CSR program according to Capriotti and Moreno's opinion, namely regarding: company profile, goods and services, employees and human resources, economic actions, social actions, environmental actions, corporate governance, corporate ethics, public relations, and external criteria. [11]

Theory about CSR communication media, which is an era where all technology is part of humans themselves. The internet is not only for information but for living life, thus will be able to minimize the existence of gaps in humans and economic problems in the future. The explanation of CSR Communication is still underutilized by Kaltim Prima Coal. Information dissemination carried out by KPC still uses internal media and websites as external media. The lack of use of communication media makes KPC not get a good impact from the wider community.

The impact of the Covid-19 pandemic has shifted the CSR planning carried out by the company's management. The company also focuses on dealing with the Covid-19 pandemic in order to help the government and communities affected by the pandemic. The assistance program carried out by KPC during the pandemic focused on providing assistance such as masks, hand sanitizer and various kinds of equipment that can reduce the potential for contracting the Covid-19 disease.

During the pandemic, Kaltim Prima Coal communicates with employees and stakeholders using communication media such as email, radio broadcasts and billboards installed in the company's environment. The communication media used by KPC is still general and does not lead to communication media. In his explanation, which is the era of all technology is part of humans themselves. The internet is not only for information but for living life, thus will be able to minimize the existence of gaps in humans and economic problems in the future. The communication media carried out by KPC still uses conventional media and the old way so that it is still less effective in disseminating information to employees.

Meanwhile, at Bukit Asam is a mining company operating on the island of Sumatera which has been operating since March 2, 1981. Bukit Asam's vision is to become a world-class energy company that cares about the environment. Bukit Asam has a mission to manage energy resources by developing corporate competencies and human excellence to provide maximum added value for stakeholders and the surrounding environment. The values held by the company are 1) Visionary, who is able to plan ahead regarding long-term projections in business development. 2) Integrity that puts trust, openness, positive, honest, committed and responsible. 3) Innovative, namely giving seriousness in getting new breakthroughs aimed at producing the best products and services. 4) Professional, namely the company does all the tasks according to its competence in a creative way, full of courage, commitment, and shows skills that are always increasing. 5) Conscious of costs and the environment, which means the company in running its business has a high awareness and management of productivity by using the principles of benefit and environmental care.

Bukit Asam implements Law no. 40 of 2007 concerning Limited Liability Companies which is the legal basis for the implementation of Social Responsibility itself does not include an explanation of the correct form of implementation of Social and Environmental Responsibility as well as related to the supervisory body from the implementation of Social Responsibility to especially the provisions on sanctions. Article 74 paragraph (3) explains that if the Limited Liability Company pollutes the environment or violates the rights of citizens or human rights and things that can harm citizens, the provisions of the sanctions will be returned to the respective laws that regulate that matter. This means that there are no sanctions if they do not carry out these Social and Environmental Responsibilities. According to Gunawan Widjaja and Yeremia Ardi Pratama in their book entitled Legal Risk and Corporate Business Without CSR Article 74 paragraph (3) of Law no. 40 of 2007 clearly states that if the Limited Liability Company does not implement its Social and

Environmental Responsibility, it will be subject to sanctions because the company violates the applicable social and environmental regulations, not sanctions because the company does not implement CSR. [12]

Social responsibility carried out by Bukit Asam is a commitment made by Bukit Asam in participating in providing benefits to the community. CSR is a social program as an effort to give feedback to the community for the social permits that have been given. With the CSR program, it is hoped that it can increase independence, as well as improve a better quality of life. Bukit Asam implements a social responsibility program or CSR by providing social programs to the community as a form of responsibility to participate in improving the community's economy so that the community gets welfare.

During the pandemic that hit Indonesia, it had an impact on the operations of Bukit Asam. However, despite being affected by the Covid-19 pandemic, Bukit Asam remains committed and carries out a social responsibility or CSR program in accordance with Law no. 40 of 2007. The program run by Bukit Asam pays attention to environmental conservation and provides guidance aimed at the community. The purpose of the CSR program run by Bukit Asam is to provide benefits to the community. In addition, the company also carries out CSR to get support and as a branding media carried out by the company.

In relation to the use of communication media as a means of communicating CSR programs, so far generally companies use communication media as a means to carry out business communications and advertising compared to CSR communications. [13], so that many people still do not understand what CSR programs the company has carried out well, even though CSR activities should not be separated from its communication strategy in order to foster a good image and reputation of the company itself in the eyes of the public. Entering the era of society 5.0, which is the era of all technology is part of humans themselves. The internet is not only for information but for living life, thus will be able to minimize the existence of gaps in humans and economic problems in the future.

In the use of communication media, Bukit Asam utilizes an online application, namely Zoom, which can be used for online meetings and conducting Forum Group Discussion (FGD) activities. The use of online media shows that Bukit Asam has run the communication media era of society 5.0 in accordance with the theory described.

## 5. CONCLUSION

In 2021, Kaltim Prima Coal and Bukit Asam have held a CSR program that demonstrates the company's commitment in carrying out its obligations, namely through social responsibility programs that have been mandated and regulated in Law no. 40 of 2007 concerning Limited Liability Companies which is the legal basis for the implementation of Social Responsibility itself does not include an explanation of the correct form of implementation of Social and Environmental Responsibility and related to the supervisory body from the implementation of Social Responsibility to especially the provisions on sanctions. Article 74 paragraph (15) explains that if the Limited Liability Company pollutes the environment or violates the rights of citizens or human rights and things that can harm the citizens, the provisions of the sanctions will be returned to the respective laws that regulate that matter. This means that there are no sanctions if they do not carry out these Social and Environmental Responsibilities. According to Gunawan Widjaja and Yeremia Ardi Pratama in their book entitled Legal Risk and Corporate Business Without CSR Article 74 paragraph (3) of Law no. 40 of 2007 clearly states that if the Limited Liability Company does not implement its Social and Environmental Responsibility, it will be subject to sanctions because the company violates the applicable social and environmental regulations, not sanctions because the company does not implement CSR. [14]

In the implementation process, Kaltim Prima Coral and Bukit Asam have management that collaborates with internal and external stakeholders in the process of formulating CSR programs. The company also invites the community to participate in collaborating when implementing the program so that the community can also benefit from the CSR program implemented by the company.

During the pandemic, the two companies experienced a crisis that affected the operations and productivity of the company. However, the two companies have their own programs in order to tackle the Covid-19 pandemic in Indonesia. Medical equipment assistance and participation in improving the infrastructure of health facilities are part of the CSR of the two companies. Both have a goal of helping communities affected by the pandemic and supporting medical personnel who are struggling to treat patients infected with the Covid-19 virus. The two companies also implement health protocols and apply a 50% WFH system for non-essential divisions. Meanwhile, those who work in the vanguard field are still required to work by complying with health protocols.

Kaltim Prima Coal in disseminating information about the Covid-19 pandemic such as prevention and health protocols using communication media such as email, radio broadcasts, and printing billboards in the area around the company. The method used is still not utilizing the era of society 5.0 which directs communication media to be entirely online media.

Bukit Asam utilizes the Zoom online application as a medium of communication between management and employees who conduct FGDs. The use of online applications is due to restrictions on employee activities and restrictions on traveling outside the area in order to reduce the potential for contracting the Covid-19 disease. In the use of communication media, Bukit Asam takes advantage by using fully online media in carrying out communication activities in the company.

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