Economic Development: Study Implementation of Corporate Social Responsibility of Pt. Semen Gresik to Create Public Welfare

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Abstract
Nowadays, companies are increasingly developed, which is at the same time increasing the social gap and the surrounding environmental damage. Therefore, it is urgent to increase the awareness to reduce these negative impacts through Corporate Social Responsibility of the related companies. The purpose of this study is to determine the effect of variables corporate social responsibility to social welfare around Gresik by analyzing the influence of CSR variables consisting of items: CSR goals, corporate social issues, and corporate programs related to community well-being in Gresik. The sample of the study is selected using purposive sampling technique with 59 consumers who receive assistance from PT Semen Gresik CSR. To collect the data, survey methods are used in the form of explanatory research. The primary research data is questionnaires, while the secondary data are related literature, internet sources, and interviews. The collected then is sorted and analyzed using a Likert scale, while the validity and reliability are conducted using statistical crosstabs by SPSS 16.0 software. Based on multiple linear regression analysis, the results using the t-test, it can be concluded that the corporate variables related programs partially affect the social welfare. While, based on the results of the standardized Beta Coefficients respectively, it is revealed that corporate variables related programs pose dominant influence on the welfare of the community Gresik. So, the result is from Variabel CSR (Corporate Social Responsibility Goal, Corporate Social Issue, Corporate Related Program) does not have significance effect to social live welfare around PT Semen Gresik.

Keywords: CSR, Corporate Related Program, Social Live Welfare

1. INTRODUCTION

1.1. Background
At the time when many companies are becoming more developed, at the same time the social gap and the surrounding environmental damage can occur. Therefore it seems to appear the awareness to reduce this negative impact. Many private companies are now developing what is called Corporate Social Responsibility (CSR) (Erni, 2007). Suharto (2008) declare that has been found a positive relationship between Corporate Social Responsibility with financial performance, although the impact in the long run. Implementation of CSR is no longer regarded as a cost, but nowadays it’s regarded as an company investment.

Corporate social responsibility showing the concern of the company for the interests of other parties more broadly than just corporate interests alone. Social responsibility of companies (Corporate Social Responsibility) refers to the relationship between a company with all stakeholders, including the customers, employees, communities, investors, governments, suppliers and even competitors. The companies development of social programs can in the form of physical help, health services, community development, outreach, scholarships, and others. (Erni, 2007).

Nowaday, people are more intelligent in choosing the products they consume. They tend to choose products manufactured by companies that have already care about the environment or implement CSR. Survey conducted by Booth-Harris Trust Monitor in 2001 showed that the majority of consumers will leave a product that has a bad image or negatively reported. Many benefits are obtained by the companies if they conduct the corporate social responsibility, for example, the products be more preferred by consumers and investors will be more interested to investing in companies. Corporate social responsibility can be used as a new marketing tool for the company when it was sustainability implemented. To implement CSR means the company will issue a number of costs. The cost will eventually be an expense that reduces income, so the level of corporate profits will fall. However, by implementing CSR, corporate image would be better so the customer loyalty will higher. With the increased of consumer loyalty in a long time, then the sale of the company is getting better, and finally with the implementation of CSR, corporate profitability is expected levels also increased (Satyo, 2005).

In developing countries, especially in Indonesia, one of the important goal of CSR is to increase the quality of education and social welfare. Therefore, the implementation of CSR in Indonesia basically be directed to improving the people's economy based on small and medium enterprises as well as improving the quality of
public resources through improved educational facilities.

Corporate social responsibility has been judicially declared as in Law No. 40 In 2007, the Company, Chapter V, Article 74. In the article explained that social and environmental responsibility of companies on its presence in the business activities. Today, facing the impact of globalization, advances in information technology, and market transparency, companies should seriously pay attention to CSR on the factors above.

CSR inherently attached with the management of the company, so that activity in the CSR field is still in control of the management company (Freemans, 1984). Furthermore the company's business environment, the communities in which the company is basically a hand that needs to be appreciated. This appreciation can be realized in the form of an increase in their welfare through community development activities undertaken by the company's CSR activities. This is because the company and the community is basically a unity of elements that can sustain the company itself.

According to Susanto (2007: 26) declare that company should emphasizes the need to provide equal attention to the interests of various stakeholders are diverse in every decision and action taken by the business through behaviors that are socially responsible. In relation to corporate CSR function, all three companies is an integral activity that can be carried out simultaneously in accordance with the conditions of growing social community. By running corporate social responsibility expected not only pursue profits alone, but also can contribute to the wise and prudent in improving the public welfare living around the company.

Company that become object of research is PT Semen Gresik. PT. Semen Gresik is the company that focusing cement industries. This company had been established in August 7th 1957 by President, Mr. Soekarno himself with capacity over 250,000 ton of cement per year. This company Located in two cities in east Java, in Gresik and Tuban. PT. Semen Gresik had a missions to maintain the environment, with help to improve the quality of life, and Developing patterns of development of small businesses, either related or not to the Semen Gresik Group's business through the distribution of funds and sustainable development, with the focused in aspects of equality, independence, and professional ethics.

Corporate Social Responsibility (CSR) program is have a chance to shows that this company is reliable, trusted, and care about people surrounding it. From this program, also can analyze how this Program can accomplish with right target, and right wisdom.

Research related to the implementation of CSR have been done before, however, only serve targeted research analyze CSR implementation only qualitatively. there are some examples of presearch related on CSR implementation. Based on research Khan (2013) and Mapisangka (2009), research results stated that CSR program is very useful to public welfare. But, research conducted by Yulianti (2013), does not give the same results with them.

The reason researchers to conduct this study to determine whether the people in Gresik got the results of the csr programs of PT Semen Gresik and whether the welfare of the community got from this csr program, so the author create the research with title : “Implementation Of Corporate Social responsibility Of PT. Semen Gresik To Create Public Welfare”.

1.2. Problem Statement
Based on the above research background, the problem discussed is about how PT. Semen Gresik implementing CSR for the make Citizen of Gresik get Public welfare ?

1.3. Research Objective
The objectives of this research is for understanding the way PT. Semen Gresik implementing CSR to to make citizen of Gresik get the public welfare.

1.4. Research Contribution
In this research, is related with Management Accounting, especially in Theory of Environment Cost. Environment Costs are costs that are incurred because poor environmental quality exists or because poor environment quality may exist (Hansen and Mowen 2007 p.780). Environmental costs are associated with the creation, detection, remediation, and prevention of environmental degradation. So, Environment costs has the responsibility about the wasted output of the company. There are four Activity of Environmental costs, there are prevention activities, detection activities, internal failure activities, and external activities.

After this research is already done, wished to have benefit to other parties, such as :
1. For Other Researcher
   a. This research can be useful for the reader to enrich their knowledge about how and what kind of CSR can be implemented in a corporation, especially in a stated-owned company, in this case the writer made this research in a market leader cement industries company.
   b. To help in seeking references to overcome the same problem
2. For Company
   This research can be useful to help the corporate management knowing how far their implementation of CSR help the people to get public welfare.

3. For University
   This research can enrich the reference material of both The Faculty of Economics in Brawijaya University and Faculty Economics in Gresik University.

2. LITERATURE REVIEW

2.1 History and Development of Corporate Social Responsibility

Corporate social responsibility, which is lately often to be discussed, has evolving in a period of time. There are several stages of evolution in social responsibility concept that finally became a concept like now. Although there is no agreement about the stages of development of corporate social responsibility, but an outline based on some literature, the stages of development of corporate social responsibility can be described.

After the industrial revolution, the focus of the companies at that time was profit only. They think that the contribution to society is given only by providing jobs, providing products needed by society, and pay taxes to the government. But as the time goes by, the paradigm of society began to change. They not only ask the companies to provide goods and services that they need, but they also demanding their social responsibility. This is caused by the existence of social inequality between business and society and also the negative impact of such operations due to environmental degradation and resource exploitation.

The sound of corporate social responsibility increasingly felt in the 1960s. At that time Rachel Carson warned the world that how dangerous pesticides on the environment and life with her book that called “Silent Spring”. She aware the world to watching corporate behavior before it brings destruction to the world. Since the appearance of the book, the environmental issues get more attention from the public.

Then in the 1970s the book called "The Limits to Growth" which is the result of the world scholars who joined in the "Club of Rome" was published. This book discusses the exploitation of natural should be done more carefully and cautiously because the earth has a limited carrying capacity while the number of people continues to grow.

Over the growth of discourse on social care, charity activities developed in the form of philanthropy and Community Development (CD). And in the 1980s the corporation began to shift the philanthropy concept towards the concept of Community Development such as the provision of skills, development cooperation, and so on.

In the year 1992 Earth Summit held in Rio De Janeiro, Brazil. This meeting emphasized the concept of sustainable development based on environmental protection, economic and social development as things that must do.

A major breakthrough in the concept of corporate social responsibility has been done by John Elkington through the concept of 3Ps (profit, people, and planets) are set forth in his book "Cannibals with Forks, The Triple Bottom Line of Twentieth Century Business". John argues that if the company wants to exist, it is necessary to consider 3Ps, that is, not only looking for profit, but also must provide a positive contribution to society (people) and is active in conserving the environment (planet). Corporate social responsibility increasingly sounding after organized World Summit on Sustainable Development (WSSD) in 2002 in Johannesburg, South Africa. Since that corporate social responsibility began to grow.

According to Chairil (2007), believes that In the process of CSR journey it faces many problems, such as The CSR program has not been well socialized in society, there is a difference of views between the legal and human rights department of the industrial department of the company and industry CSR, and Absence of clear rules in the implementation of CSR among companies.

2.1.1 Definition of Corporate Social Responsibility

The practice of CSR can be identified in a variety: identified in a variety of purposes, namely legal, economic, moral, and philanthropy. However, these goals can be developed in accordance with the actual conditions in the community related to the pressure that occur in people's lives (Kim, 2000).

According to Baron (2001) argued that “Corporate social responsibility is an ill- and incompletely defined concept.” Based on the broad definition proposed by the World Business Council for Sustainable Development (WBCSD 2004), which argued that “CSR is the commitment of a business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life.

Wibisono (2007:6) declare that definition of Corporate Social Responsibility is the responsibility company to stakeholders to behave ethically, minimize negative impacts and maximize the positive impact that covers aspects of economic, social, and environmental goals of sustainable development.

From the definitions above can be concluded that definition of corporate social responsibility is a commitment made by a company with a range of interests, directly or indirectly of company, where the
commitments undertaken as a form of corporate social responsibility towards the environment sector, social and economic aims to increase the credibility of the company and can be trusted by people.

2.1.2 Corporate Social Responsibility Goal

With respect to the goals of CSR, a company faces two primary assessment challenges. First, measuring CSR over time. Given that CSR outcomes can be realized over different time periods, a company faces the challenge of choosing CSR metrics adequate to assess both short-term and longer term effects (Shank et al, 2005). Further, measuring the utility of CSR for multiple stakeholders. Given the range of stakeholders and their different interests, a company faces the challenge of choosing CSR metrics adequate to assess multiple types of utility as well as the challenge of adopting a method of calculus for combining these resulting assessments in a balanced way (Carol, 1999).

Implementation of CSR has been done in such a way in a systematically and periodically. CSR goals always prioritize major issues facing society in improving welfare, among other fields of religion, economics, education and health. These objectives can be implemented based on the vision and mission of the company. Based on the objectives of the CSR, CSR implementation will follow the direction of the interests of the company in the middle of people's living environment. Those CSR objectives is same as goals as within the framework of responsibility for education, economic, moral, philanthropy (generosity) and purpose in legal liability.

2.1.3 Corporate Social Issue

Social issues will continue to evolve with the dynamics that occur in social life. Social issues are evolving as a manifestation of a change in the outlook of life that must be addressed by the company. The inability of the company to capture the growing social issues in the community will have an impact on the clashes that occurred in the community of social life. Moreover, in an atmosphere of economic crisis the world is going on, the issue of labor, government and corporate communications, public welfare, and even the relationship between the workers in the company itself will be able to be distracted from the upsurge of social issues in the community.

In this case, according to Budimanta et al (2008:14) the impact of globalization is happening not only has an economic dimension itself but also has a political dimension, technology, and culture. This perspective will also affect the of business people think of looking its business strategy. The company is no longer seen as the outside of community but also company is already be part of the community.

2.1.4 Corporate Relation Program

CSR program is the realization and actualization of the efforts of company to always be close to the people. According to Budimanta et al (2008:24) CSR is basically an important element in the sustainability framework that includes economic, social and cultural environment is an important process in the management of costs and business benefits with stakeholders both internally and externally.

There are several benefits of Corporate Social Responsibility. First, the reason for arguing in favor of CSR is that business organizations exist in order to provide valuable services to society. Balance between shareholders and social value has been discussed quite frequently within the framework of CSR, which addresses the relationship between business and the larger society (Snider, Ronald & Martin, 2003). With this activity can make the viability of company itself and viability of small business in society.

Second, the practical reasons for organization to be socially and environmentally responsible is to ward off government regulations and interventions, which is expensive for the organization and limits its ability of decision making. If the business organizations voluntarily do more than regulatory requirements, the need for government interference in business affairs will ultimately decrease (Tyrrell, 2006). If a business delays in coping with social and environmental issues then it will restrict itself from achieving the ultimate objectives of producing social and environment friendly goods and services (Davis, 1973).

Finally, Organization has been associated with enormous resources and social domination throughout the history where individual or groups find ways of imposing their will on others. All this becomes obvious if we trace the lineage of the contemporary organization from its origins in the ancient society, from the development of military enterprise, and to its role in current society. According to this argument business has valuable resources such as capital resources, significant tool of management talent and functional expertise, therefore business organizations should utilize these resources to resolve social issues (Hillman & Kein, 2001, Schaper & Savery, 2004). Moir, (2001) holds the view that business organizations have necessary resources and skills; there is an ethical responsibility to solve social problems. The immense resources of the organizations are highlighted by the comparison to the GDP of developing countries. According to Carroll and Buchholtz (2000) social problems arise partially because of faults of businesses and as a result businesses should assume a role in solving these problems. With the Program of Corporate Social Responsibility, the company should know how to use all of resources and the consequences is the company should know what people around need, based on the social issues.
2.2 Public Welfare
Public Welfare is one of the approaches that should be the main principle for all units of government and corporate parties in carrying out its duties and functions in providing social services (Ambadar, 2008). Public Welfare according Giarci (2001) saw community development as a matter of having the center of attention in helping the community in a variety of age groups to grow and develop through a variety of facilitation and support to enable them to Decide, plan and take action to manage and develop Reviews their physical environment and social welfare. This process takes place with the support of collective action and networking community developed. So, Public welfare is a condition where people have started to grow and develop in various aspects, such as economists, education, and health and be able to decide, plan and take action to manage and develop their physical environment and social welfare. This condition is also supported by the activities of the government or the company that runs as a provider of social services and reduce poverty.

2.3 Theoretical Framework
In this section of this research, the author believe that there are two theories that related with this research especially in Corporate Social Responsibility, Theory of Stakeholders and Theory of Legitimacy.

2.3.1 Theory of Stakeholders
Theory of Stakeholders explains that the company is not the only entity that operates for its own sake, but provide benefits to stakeholders (Chariri, 2007: 409). In the presence of the preferred companies are stakeholders. There are a number of stakeholders in the community, with the disclosure of CSR is a way to manage the organization's relationship with the different stakeholder groups. The main objective of the company is to balance the conflict between stakeholders. According to Chariri and Ghozali (2007) said that the company's survival depends on the support of the stakeholders so that the activity of the company is looking for such support. So, Theory of Stakeholders are a group of people who may be affected by the activities of the company or have the authority to influence the activities of the company. From the definition above, the company should be careful about all of the interests of Stakeholder, applied good corporate governance and program of corporate social responsibility.

2.3.2 Theory of Legitimacy
Theory of legitimacy explains the company conducting business with the limits prescribed by the norms, social values and reactions to these restrictions encourage the importance of organizational behavior with care for the environment (Chariri, 2007: 411). Gray et al. (1994) argues that legitimacy theory and stakeholder theory is a perspective theory that are within the framework of the theory of political economy. Because of the influence the public can determine the allocation of financial resources and economic resources other, companies tend to use performance-based environmental and disclosure of environmental information to justify or legitimize activities of the company in the eyes of society. Legitimacy theory focuses on interaction between the company and the community.

This means that the presence of company in the community will continue if the actions of the company in line with the values of the society in which it operates. Gray et al. (1995) stated that the company reported its performance affects the social value where the company operates. This is because legitimacy is influenced by culture, different interpretations of society, political system and government ideology. So, Theory Legitimacy is the boundaries in accordance with the values and norms that come from the people who must be obeyed by the company settled in an environment and willing to perform activities based on environment and will continue to innovate based on social issues in the community.

2.4 Previous Study
There are some previous research related with topic, such as:
Majid Khan (2013) with the research background In Pakistan, the dire need of CSR was felt after the recent corporate disasters which attracted corporate attention. With distributed 125 questionaries to stakeholders. And the result is Corporate Social Responsibility in Pakistan is really important for people in Pakistan.

Second, From research of Andi Mapisangka (2009) in this research problem is whether Corporate Social Responsibility of PT. Batamindo Investama Cakrawala affect to social welfare. With the sample of 222 people (include in Ring 1, Ring 2, Ring 3). The result is corporate social responsibility goals of PT.BIC can give the influence on the improvement of people's living being of Batam.

Yeni Yulianti (2013) with the background. The research problem is how much influence on the level of welfare programs Corporate Social Responsibility of PT. Pusri in 3 Ilir villages community. With the random
sampling of 100 people (55 male, 45 female). The result is the Corporate Social Responsibility program of PT. Pupuk Sriwijaya does not have significant effect for 3 ilir villages in Palembang.

Table 1.1

<table>
<thead>
<tr>
<th>NAME</th>
<th>BACKGROUND</th>
<th>VARIABLE</th>
<th>RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majid Khan</td>
<td>In Pakistan, the dire need of CSR was felt after the recent corporate disasters which attracted corporate attention</td>
<td>$Y = \text{Corporate Reputation}$ $X = \text{Corporate Social Responsibilities}$</td>
<td>CSR program in Pakistan is really important for people in Pakistan</td>
</tr>
<tr>
<td>Andi Mapisangka</td>
<td>The Policy of Corporate Social Responsibility by PT. BIC should be focused on local social values.</td>
<td>$Y = \text{Public welfare}$ $X = \text{Corporate Social Responsibility}$</td>
<td>Corporate Social Responsibility goals of PT. BIC can give effect on the improvement of public welfare in Batam</td>
</tr>
<tr>
<td>Yeni Yulianti</td>
<td>How big is the influence of CSR program of PT. Pusri with 3 ilir villages in Palembang</td>
<td>$Y = \text{Program Corporate Social Responsibility}$ $X = \text{Level of Public’s welfare}$</td>
<td>Program CSR of PT Pusri does not have significant effect for 3 villages in Palembang</td>
</tr>
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2.5 Hypothesis Development

2.5.1 Relationships between Corporate Social Responsibility Goal with Public Welfare

According to Gray, Kouhy and Adam (1994, p.35) declare that the company's survival depends on the support of the stakeholders so that the activity of the company is looking for such support.

The way companies in gaining support is to do a CSR program. CSR program has been directed at achieving social objectives the company that has been revealed in the vision and mission of the company in CSR. those purposes as the destination in the responsibility of education, economic, moral, philanthropy, and purpose in legal liability.

H1: Corporate Social Responsibility Goal affect the public welfare.

2.5.2 Relationships between Corporate Social Issue with Public welfare

In social life, social issues will continue to evolve with the dynamics that its occur. Social issues are evolving as a manifestation of a change in worldview society that must be addressed by the company.

Based on the feedback given community, the company must make appropriate changes to the company and provide an indication of whether company activities in accordance with the values and norms that exist in society.

H2: Corporate Social issues affect the public welfare.

2.5.3 Relationships between Corporate Social Program with Public Welfare

Implementation of CSR programs is the actualization and realization of the company's efforts to keep close to the people. CSR programs are held regularly, scheduled, and structured to be expected to give a positive response and the company gained recognition that the company has a social value that contribute positively to the community and stakeholders.

H3: Corporate relations programs affect the public welfare.

2.6 Conceptual Framework

3. RESEARCH METHODOLOGY

3.1 Method of The Research

This type of research used in this research is an explanatory research or research explanation. Explanatory research is to test a hypothesis between the variables and the other variables that influence each other with each other. Explanatory research itself is a study that describes the relationship between two variables in which one variable to another variable influence (Cooper and Schindler, 2008: 703). The result will be known how much
the contribution of independent variables on the dependent variable, and the magnitude of the direction of the relationship.

The reason for choosing this model is intended to make an explanation of the causal relationship between variables obtained with the facts, properties and determine how the contribution of the independent variables on the dependent variable and the major direction of the relationship that occurs.

3.2 Object and Limitation of Research

The study was conducted in PT. Semen Gresik is located at Jalan Veteran Km. 1 Gresik and in the area around PT. Semen Gresik, in the range 1 (Singosari, Sidomukti, Sidomoro, Sidomukti, Kawisanyar, Gending, Suramadu, Gulomantung) Gresik.

Limitation of the research are people who get benefit of CSR PT Semen Gresik whether in self benefit like Program Bina Mitra Mandiri, and public benefit and lived in the Range 1 arround PT Semen Gresik.

3.3 Population and Sample

Population refers to a whole group of people, events, or things that interest researchers investigation (Sekaran, 2007: 121). According Sugiyono (2010: 72), suggests that the population is a generalization region consisting of objects or subjects that have certain qualities and characteristics defined by the researchers to learn and then pulled the result. Target population or commonly referred to as the target population, is a collection of elements that possess or information sought to be drawn researchers and conclusion (Malhotra: 2006). The target population is part of the population that have certain characteristics that made the researcher. The population in this study was Society around of PT Semen Gresik. The specified characteristics are respondents who have age criteria has been able to provide an assessment of the implementation of CSR program of PT Semen Gresik to the target population of this study is Society around of PT Semen Gresik.

The population in this study was a community in Range 1 (Singosari, Sidomukti, Sidomoro, Sidomukti, Kawisanyar, Gending, Suramadu, Gulomantung), Gresik and employees of PT. Semen Gresik. In this study, researchers set a quota sample of 60 respondents. This amount is considered to represent the results of the study because has been qualified as a large sample. Large sample is a sample that size of 30 or more (Suharyadi and Purwanto, 2004).

According to Sekaran (2007: 123) sample is part of population. Sample consists of a number of selected members of the population. In determining the number of members of the sample according to the opinion expressed by Sugiyono (2008: 129) which proposes rules sample size as follows:
1. The sample size of more than 30 and less than 500 is appropriate for most research.
2. Where the sample is broken down into sub-samples such as male or female, and the minimum sample size of 30 for each category is appropriate.
3. In a multivariate study (including multiple regression analysis), the sample size should be several times (preferably 10 times or more) greater than the number of variables in the study.
4. For a simple experimental study with rigorous experimental controls (matched pairs, and so on), successful research is possible with a small sample size between 10 and 20.

3.4 Data Collection Methods

This research was conducted at PT. Semen Gresik. In accordance with company procedures, researchers are required to follow the research internship. Internship research firm conducted in accordance working hours are Monday-Friday hours of 07:30 to 16:00. This research internship started from December 1 2014 until December 31 2014. Researchers placed on the Community Development unit directly related to CSR according to the research problem.

Data were collected using questionnaires completed or answered by respondents. The questionnaire used was adopted from previous research, namely research Mapisangka (2009) in Batam. The questionnaire consisted of two parts, the first part contains data with the respondent and the second part contains questions relating to the implementation of CSR PT. Semen Gresik to the Public Welfare. Questionnaires were administered directly to the respondent with a payback period of 2 Questionnaires were gave directly to the respondent with a payback period of 2 until 3 days after the questionnaires distributed.
In addition to the questionnaire, secondary data obtained from company documents about CSR programs and literature or literature in the form of books, journals, articles, Internet sites and other relevant data required in this study.

3.5 Type and Source of Data
The data source is anything that can provide information about the data. Based on the data source is divided into two, namely the primary data and secondary data, the explanation is: (a) Primary Data. The type of data used in this study are primary data. Data is primary data obtained directly from the source data collected specifically and directly related to the problems studied (Malhotra ,2006: 120). Data Primary obtained using a questionnaire on the influence of CSR implementation PT. Semen Gresik to public welfare. Source of data in this research is that the public respondents in Range 1 arround PT. Semen Gresik ;(b) Secondary data. According to Umar (2002: 130) secondary data is primary data that has been processed into forms such as tables, graphs, diagrams, drawings and sebaagainya thus more informative for others. Data obtained or collected from existing resources such as literature, literature books, and reports or journals previous research related to the research problem.

3.6 Variables Research
In this study, there are four variables, namely the three independent variables (independent variables) (X1) (X2) and a bound variable (Y1).

According Sugiyono (2009: 33), "the independent variables (independent variables) are variables that affect or because changes or the onset of the dependent variable". In this case that is included in the independent variable is the goal of Corporate Social Responsibility (X1), Corporate social issue (X2), and Corporate relations programs (X3).

According Sugiyono (2009: 33), "the dependent variable (the dependent variable) is a variable that is affected or which become due, because of the free variable". In this case the dependent variable is the public welfare (Y).

3.7 Definition of Operational Variables
3.7.1 Dependent Variable
Dependent Variable (Y) in this study is the welfare of the community. Welfare society is the increase in people's lives for the better. Variable measurement scale public welfare is a Likert scale used to measure attitudes, opinions, perceptions of a person or a group of social phenomenon (Sugiono, 2004: 74). Likert scale measurement starts from a scale of 1 indicates strongly disagree, disagree scale 2 shows, the scale 3 shows neutral, scale 4 shows agrees, up to a scale of 5 indicates strongly agree.

3.7.2 Independent Variable
Independent variables that will be tested in this study is CSR which includes Corporate Social Responsibility Goal (X1), Corporate Social Issues (X2), Corporate Relations Program (X3).

1. Corporate Social Responsibility Goal (X1)
Corporate Social Responsibility is the goal of the company Goal CSR programs to enhance corporate image and improve the lives of the people in accordance with the vision and mission of the company. The scale of measurement variables Goal of Corporate Social Responsibility is a Likert scale used to measure attitudes, opinions, perceptions of a person or a group of social phenomenon (Sugiono, 2004: 74). Likert scale measurement starts from a scale of 1 indicates strongly disagree, disagree scale 2 shows, the scale 3 shows neutral, scale 4 shows agrees, and scale of 5 indicates strongly agree.

2. Corporate Social Issues (X2)
Corporate Social Issues is a company issues of company related to the surrounding environment (social responsibility) that affect both the company and the community. Social issues will continue to evolve with the changing times as the form of a change in the way people should be in response to the company. Measurement scale variable is Corporate Social Issues Likert scale used to measure attitudes, opinions, perceptions of a person or a group of social phenomenon (Sugiono, 2004: 74). Likert scale measurement starts from a scale of 1 indicates strongly disagree, scale 2 shows disagree, scale 3 shows neutral, scale 4 shows agrees, and scale of 5 indicates strongly agree.

3. Corporate Relation Program (X3)
Corporate Relations Programme, is the form of realization and actualization of the company's efforts to keep close to the people. CSR program is a response to the real needs of the community for the fulfillment of life. The scale of measurement variables Corporate Relations Program is a Likert scale used to measure attitudes, opinions, perceptions of a person or a group of social phenomenon (Sugiono, 2004: 74). Likert scale measurement starts from a scale of 1 indicates strongly disagree, scale 2 shows disagree, the scale 3 shows neutral, scale 4 shows agrees, and scale of 5 indicates strongly agree.
3.8 Testing Instrument Research

3.8.1 Cronbach’s alpha

Cronbach’s alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. Cronbach’s alpha is computed in terms of the average intercorrelations among the items measuring a concept (Sekaran, 2009). Cronbach’s alpha is used to test the questioners to other society or second priority to make a comparison between result of the society which in the first priority of CSR program. This test conducted as a statistic tool for reliability testing.

3.9 Analysis Method

3.9.1 Descriptive Statistics

Descriptive statistics were used to summarize the data obtained which can be seen through the average (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis and skewness (Ghozali, 2006).

3.9.2 Classical Assumption Test

Classic assumption test was conducted to determine the feasibility of a model regression. Before performing regression analysis performed classical assumption first first. In this study, the classical assumption used include Multicollinarity test, Heteroskedasticity test, and normality test.

3.9.2.1 Multicollinarity Test

Multicollinarity test aims to determine whether the models regression, independent variables are correlated. Good regression model should not occur correlation between independent variables. To test whether or not multicollinarity can be done by looking at the value of tolerance and variance inflation factor (VIF). Limits to tolerance value is 0.10 and VIF limit is 10. If the value is less than 0.10 tolerance and VIF is greater than 10, then there is multicollinearity (Ghozali, 2006).

3.9.2.2 Heteroskedasticity Test

Heteroscedasticity test aims to determine whether the models regression occurred inequality variance of residuals one observer to observer others (Ghozali, 2006). If the variance of the residual one observer to another observer fixed, then called and if different homoskedasticity called heteroscedasticity. Good regression model is a regression model that homoskedasticity or not happen heterocedastisity because this data collecting data representing a variety of sizes.

To detect the presence or absence of heteroscedasticity is to see graph plots the predicted value of the dependent variable is ZPRED with residual SRESID. Can be done also to see whether there is a pole scatterplot particular on the graph between SRESID with ZPRED where the Y-axis is predicted Y and X axis is the residual (Y prediction – Y in fact) who have in-studentized (Ghozali, 2006).

3.9.2.3 Normality Test

Normality test aims to test whether the regression model, the variable residuals have a normal distribution. Good regression model is data normal or near-normal distribution. To determine whether the data data normal distribution or not, this study used two ways: analysis graphs and statistical analysis with Kolmogorov-Smirnov (KS) (Ghozali, 2006).

1. Graphic Analysis

   By using the histogram or normal plot or graph. Basic decision-making (Ghozali, 2006):
   - If the data is spread around the diagonal line and follow the direction of the line diagonal, then the regression model to meet the assumption of normality.
   - If the data is spread far from the diagonal line and / or of the not follow directions diagonal line, the regression model did not meet the assumptions of normality.

2. Statistical analysis

   Normality testing by using the graph can not be ascertained that regression model to meet the assumption of normality. Basic decision-making (Ghozali, 2006):
   - If the value Asymp. Sig. (2-tailed) is less than 0.05, then H0 is rejected. This means that the data are not normally distributed residuals.
   - If the value Asymp. Sig. (2-tailed) is greater than 0.05, then H0 accepted. This means that the data are normally distributed residuals.

This research using 2-tailed test because is the testing of a hypothesis that unknown direction. For example there is a hypothesis, 'presumably significant influence between variable X to Y'. This hypothesis should be tested with two-way test. While the hypothesis, 'presumably a significant positive effect of variable X to Y'. Well, the hypothesis must be tested by testing one direction.

3.9.3 Multiple Linear Regression Analysis Method

Multiple linear regression analysis was used to test the effect of two or more independent variables on the dependent variable. The independent variable in this study is the Goal Social Responsibility, Corporate Social Issues and Corporate Responsibility Program. While the dependent variable is the welfare of the community. This analysis method using SPSS (Statistics Product and Service Solutions).
\[
Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e
\]

Where:
- \(Y\) = Variable of Public Welfare
- \(a\) = Constant
- \(b_1, b_2, b_3\) = Regression coefficient
- \(X_1\) = Variable of Social Responsibility Goal
- \(X_2\) = Variable of Corporate Social Issue
- \(X_3\) = Variable of Corporate Responsibility Program
- \(e\) = Standard of Error

This study has several testing, such as:

1). Coefficient of Determination.
   The coefficient of determination (R²) is used to measure how much the ability of the model to explain the dependent variables. If R² greater (close to one), the independent variables are large towards the dependent variables. Whereas, if R² is small then the effect independent variable toward dependent variable is very small (Ghozali, 2006).

2). Significant Test of Individual Parameters (Test Statistic t).
   According Ghozali (2006) a significant test of the individual parameters used to show how much influence the independent variables individual in explaining the dependent variable. The null hypothesis (Ho) which to be tested is whether a parameter (bi) is equal to zero, or:
   \[H_0 : b_i = 0\]
   That is, the individual independent variables had no significant effect on the dependent variable. Alternative hypothesis (HA) parameters of a variable is not equal to zero, or:
   \[H_A : b_i \neq 0\]
   That is, the independent variables have a significant effect on the dependent variable. Criteria decision making:
   - \(H_0\) is accepted if tcount < ttable on \(\alpha = 5\%\)
   - \(H_0\) is rejected if tcount < ttable on \(\alpha = 5\%\)

4. RESULT AND DISCUSSION

4.1 Research Object description
PT. Semen Gresik (Persero) Tbk is a State-Owned Enterprises (SOE) consisting cement factory unit I, unit II, and unit III, and unit IV. Cement Plant Gresik Unit I and II are located in the district Kebomas, Sidomoro, Gresik with an area of 150,000 m², located in the area of 750 ha. Cement factory Gresik Unit III is located in the village of Sumber Arum subdistrict of Tuban, East Java with a building area of 400,000 m², located in an area of 1,500 ha.

Tight competition among cement companies enhances the motivation to PT. Semen Gresik (Persero) Tbk. to give more services to their customers. Competition does not only occur between domestic products, but also with foreign products in accordance with the basic principles of marketing with based customer oriented on where the customer in this case is the user cement. Therefore, PT Semen Gresik (Persero) Tbk cooperates with PT Semen Padang and Semen Tonasa to become Semen Gresik Group (SGG). Each company is trying to create a new product that is expected to accommodate and the customers need.

4.2 Overview on the Characteristics of Respondents
The questionnaire were spread of 60 respondents with each division were 45 external respondents to the respondents as many as 20 respondents internal companies. Giving questionnaire was conducted on February 1, 2015 until February 16, 2015. However, two internal and one external questionnaire were incomplete because it does not populate the list of identities. So it is not known whether the respondent in accordance with the criteria. Therefore, the number of responses to questionnaires that deserves to be analyzed is as much as 59 questionnaires.

a. Gender of Respondents

<table>
<thead>
<tr>
<th>Characteristics Respondents by Gender</th>
<th>TOTAL</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>47</td>
<td>79.7%</td>
</tr>
<tr>
<td>Female</td>
<td>12</td>
<td>20.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
b. Characteristics of Respondents by Age

**Table 4.2**

<table>
<thead>
<tr>
<th>Age Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30 Years of Age</td>
<td>7</td>
<td>12%</td>
</tr>
<tr>
<td>31 – 40 Years of Age</td>
<td>17</td>
<td>29%</td>
</tr>
<tr>
<td>41 – 50 Years of Age</td>
<td>10</td>
<td>17%</td>
</tr>
<tr>
<td>51 – 60 Years of Age</td>
<td>23</td>
<td>39%</td>
</tr>
<tr>
<td>&gt;60 Years of Age</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

c. Characteristics of Respondents by Revenue per Month

**Table 4.3**

<table>
<thead>
<tr>
<th>Revenue Range</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;Rp.1000.000,00</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Rp.1000.000,00 - Rp.2000.000,00</td>
<td>13</td>
<td>20%</td>
</tr>
<tr>
<td>Rp.2000.000,00 - Rp.3000.000,00</td>
<td>26</td>
<td>44%</td>
</tr>
<tr>
<td>Rp.3000.000,00 - Rp.4000.000,00</td>
<td>19</td>
<td>32%</td>
</tr>
<tr>
<td>Rp.4000.000,00 - Rp.5000.000,00</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>&gt;Rp.5000.000,00</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4.3 Cronbach’s Alpha
Reliability is an index that is used to indicate how well a measure trustworthy or reliable. Reliability test used was Cronbach’s Alpha test. The instrument has been reliably inferred (reliable) if it has a coefficient of reliability index of 0.6 or more. If alpha is less than 0.6 then declared unreliable and reliable otherwise stated.

**Table 4.4**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient Alpha</th>
<th>Cronbach</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social Responsibility Goal</td>
<td>0.706</td>
<td>Reliable</td>
<td></td>
</tr>
<tr>
<td>Corporate Social Issue</td>
<td>0.751</td>
<td>Reliable</td>
<td></td>
</tr>
<tr>
<td>Corporate Related Program</td>
<td>0.745</td>
<td>Reliable</td>
<td></td>
</tr>
<tr>
<td>Social welfare</td>
<td>0.852</td>
<td>Reliable</td>
<td></td>
</tr>
</tbody>
</table>

4.4 Classical Assumption Test
In the table, each independent variable such as corporate social responsibility goal has a VIF value 2.551. Corporate social issue has a VIF value 2.034, and corporate related program has a VIF value 4.092. From all the VIF value of three variable showed are not more than the value of 10, it was concluded that no symptoms of multicollinearity in the data.

**Multicollinearity Assumption**

<table>
<thead>
<tr>
<th>Free Variable</th>
<th>VIF</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social Responsibility Goal</td>
<td>2.551</td>
<td>Non Multikolinier</td>
</tr>
<tr>
<td>Corporate Social Issue</td>
<td>2.034</td>
<td>Non Multikolinier</td>
</tr>
<tr>
<td>Corporate Related Program</td>
<td>4.092</td>
<td>Non Multikolinier</td>
</tr>
</tbody>
</table>

4.5 Heteroscedasticity Test
Based on the results of the scatterplot in Figure 4.1., Scattered dots either above or below the number 0 on the Y-axis, and there is no clear pattern. Thus concluded does not happen so there is Heteroscedasticity on the data.
4.6 Normality Test

Based on the Kolmogorov-Smirnov test, obtained a significance of 0.771, where the value is greater than α=0.05. Therefore, the significance value greater than α=0.05 it was decided to accept H0 and conclude that the data are normally distributed, is the assumption of normality has been fulfilled.

<table>
<thead>
<tr>
<th>Statistical Test</th>
<th>Value</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>0.664</td>
<td>Normally spread</td>
</tr>
</tbody>
</table>

4.7 Multiple Regression Analysis

The processing of data using multiple linear regression analysis, carried out several steps to find the relationship between the independent and dependent variables. Based on the results of data processing using SPSS software version 16.0 for Windows release obtained summary as in the table below:

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Coefficient</th>
<th>t count</th>
<th>Significance</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social welfare</td>
<td>Constant</td>
<td>9.137</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corporate Social Responsibility Goal</td>
<td>0.118</td>
<td>1.022</td>
<td>0.312</td>
<td>Not Significance</td>
</tr>
<tr>
<td></td>
<td>Corporate Social Issue</td>
<td>-0.091</td>
<td>-0.890</td>
<td>0.378</td>
<td>Not Significance</td>
</tr>
<tr>
<td></td>
<td>Corporate Related Program</td>
<td>0.300</td>
<td>3.780</td>
<td>0.000</td>
<td>Significance</td>
</tr>
</tbody>
</table>

From Table 4.12, obtained regression model of Corporate Social Responsibility relationship Goal, Corporate Social Issue, to the Social welfare, As follows:

\[ Y = 9.137 + 0.118X_1 - 0.091X_2 + 0.300X_3 \]

4.8 Interpretation of Results of Hypothesis Testing

4.8.1 Influence of Corporate Social Responsibility Goal towards Social welfare

The results of data analysis showed that Corporate Social Responsibility Goal of PT. Semen Gresik does not give effect to the social welfare living around the company. This indicates that the purpose of CS is not able to improve the welfare of society. These results different from the results Mapisangka (2009) which states that the Corporate Social Responsibility Goal affects the social welfare.

The absence of the influence of Corporate Social Responsibility Goals against welfare society in because according to the World Bank (1998), the public can say prosper if they are above the poverty line to have their own income that meet the needs of everyday life. Start of clothing, food, shelter and education. With an income of approximately Rp. 2.000.000 until Rp. 3.000.000, people are able to live independently without depending on the help of any party. Most of the receivers of Corporate Social Responsibility small and medium enterprise in range one have small enterprises such as small shops, homemade industries, and others. However, the outside of Range one, there are so many small medium business enterprises which are very useful by Corporate social responsibility.

4.8.2 Influence of Corporate Social Issue towards Social welfare

Social issues that develop in society as part of a change in the way people should be immediately addressed by the company. If the company is not able to capture the growing social issues in the community will have an impact on companies in the social environment. Because the company is no longer seen as the outside of the
community, but has become part of the community itself (Budimanta et al, 2008).

The analysis of data showed that Corporate Social Issues PT. Semen Gresik is not able to improve the social welfare. This result is not same with the theory above. Due to the preparation of the CSR program, lack of response of the company pay attention to social issues that are being developed in accordance with the values in the society. Another thing that this happen because according from questionnaires, the lack of education of CSR target.

The principle on which the implementation of CSR is the sustainability of any social and economic programs that grow social capital to achieve an independent society. Also, the principle of social development is both the preparation of infrastructure facilities and infrastructure as well as support activities. Based on the results of this study are not the same as Mapisangka study (2009) that the Corporate Social Issues affecting the social welfare, it can be concluded that the public about PT Semen Gresik cannot overcome social problems in the community around PT Semen Gresik because people wants to other aspects will be grow better, like Environmental, education, and others.

4.8.3 Influence of Corporate Relation Program towards Social welfare
The analysis of data showed that Corporate Social Programs PT. Semen Gresik affect the social welfare around PT Semen Gresik. This can be explained due to the strategy of implementation of the Corporate Social Responsibility from company do. According to the viewpoint shows that what has been done by PT. Semen Gresik has described the success in the implementation of CSR. It is seen that various CSR programs have been implemented and continuous. Education, economic business community facilities, environmental quality and health, and social activities, culture and religion is accompany's CSR programs that have a positive impact on society. So with the Program Corporate Social Responsibility of company can be recognized with benefits not only for the company but also to the community. The most successful program of Corporate Social Responsibility Program of PT Semen Gresik is Development program partners. This program help the people around PT Semen Gresik to create entrepreneurship program with helps of fund in certain nominal and the payments are cheap and easy. The results of this study are similar to Mapisangka research (2013).

This result also being supported the theory from Snider, Ronald & Martin (2003) said that First, the reason for arguing in favor of Corporate Social Responsibility is that business organizations exist in order to provide valuable services to society. Balance between shareholders and social value has been discussed quite frequently within the framework of Corporate Social Responsibility, which addresses the relationship between business and the larger society.

5. CONCLUSION, SUGGESTION AND LIMITATION
5.1 Conclusion
Based on the research results, it can be concluded as follows:

1. Corporate Social Responsibility Goal of PT. Semen Gresik does not have significant effect to the social welfare living around the company. This indicates that CSR programs fail to improve the social welfare, because most of them already have enough income.
2. Corporate Social Issue of PT. Semen Gresik does not have significant effect the social welfare living around the company. This indicates the lack of response of the company to social issues in the society. Most reliable cause of this phenomena is that because of, according from questionnaires, the lack of education of CSR target.
3. The data analysis revealed that Corporate Social Programs PT. Semen Gresik partially affects the social welfare surrounding community. This is as indicated on the implementation of the Corporate Social Responsibility in partner’s development program.

5.2 Suggestions and Limitations
Based on the conclusions of the research results, there are some suggestions proposed as follows:

1. For Company (PT Semen Gresik)
   - PT Semen Gresik is expected to implement Corporate Social Responsibility CSR program in wider and larger target. The implementation of CSR award should also be made to appreciate the CSR targets, especially partnership program.
   - PT Semen Gresik is expected to able to perform evaluation, monitoring, and review on CSR programs and targets to evaluate its performance and achievements.
   - PT Semen Gresik is expected to provide clear information to the CSR program. If the Company does not provide information, people will not know about the other CSR programs.

2. For Future Research
   - The next researcher is expected to create explore wider area of CSR target such as Tuban City and the small district surround Gresik as this research only takes sample from the area in Gresik.
- The next researcher will add another variable, beside variable of CSR.

3. Limitation of the research is the difficulty to meet people who receive CSR program, especially the Development Program. Many of them are also reluctant to fill the questionnaires.

REFERENCES


