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# Enhancing Community Participation in Corporate Social Responsibility Activities at PT. Prima Bara Nusantara through Improved Decision-Making Process

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ABSTRACT: Corporate Social Responsibility (CSR) is crucial for companies that have a substantial ecological footprint, such as coal mining in Indonesia. PT. PBN strives to achieve a harmonious combination of responsible behaviors and economic viability. However, attaining this equilibrium necessitates strong community engagement to alleviate negative effects and provide beneficial contributions at the local level. This study focuses on the underexplored issue of poor community participation in CSR initiatives within Indonesia's coal mining sector. Although PT. PBN has made substantial investments in environmental and community activities, recent evaluations indicate a substantial disparity between stakeholder expectations and the level of actual participation in activities. Gaining insight into the factors contributing to this disparity is vital for the effectiveness of CSR endeavors, as the support of stakeholders and active involvement of the community are crucial for ensuring social sustainability and enduring stability. The study utilizes analyzed data from interviews conducted with both internal and external respondents. It uses problem tree analysis in order to uncover the root causes of low community participation. Focus group discussions are used to delve deeper into the objectives of Value-focused Thinking (VFT) and help determine which alternative solutions should be chosen. The integration of VFT with Analytical Hierarchy Process (AHP) aids decision-making by recognizing the criteria and sub-criteria used to evaluate solutions based on their values. The findings emphasize identifying skill gaps and providing formal acknowledgment to improve the sense of responsibility and involvement of the community in CSR initiatives. This is in line with PT. PBN's commitment to its stakeholders and the sustainable development of the community in the long run. In the end, decision-makers give the utmost significance to the strategy of licensing and training, considering its long-term impact, effectiveness, resource availability, and ease of control.

**KEYWORDS:** Analytical Hierarchy Process, Corporate Social Responsibility, Community participation, decision-making, Value-Focused Thinking.

### I. INTRODUCTION

The notion of Corporate Social Responsibility (CSR) in Indonesia has seen substantial development, mirroring a wider cultural transition towards sustainable development and ethical business practices. The concept of social sustainability arose in 2002 as a result of international conversations about economic and environmental sustainability [1]. It was developed in recognition of the limitations of current models in promoting the well-being of the global society. This led to the development of CSR, which highlights the responsibility of firms in improving the well-being of their employees, families, and the wider community. In Indonesia, it is anticipated that enterprises will place importance on both financial profitability and their beneficial impacts on society and the environment. Consequently, CSR has become a crucial factor in attaining social sustainability [2]. CSR embodies a dedication to conducting business ethically, adhering to legal requirements, and enhancing the overall well-being of society. This commitment promotes collaborative relationships between government, corporations, and local communities, supporting a well-rounded and inclusive approach to sustainable development. Nevertheless, the implementation of CSR in Indonesia encounters numerous obstacles, such as a deficiency of awareness and backing from a wide range of stakeholders [3]. To successfully implement CSR efforts in Indonesia, it is crucial for all parties involved to demonstrate strong commitment and ensure effective governance. This will enable the translation of the envisioned goals into tangible outcomes, thereby making a significant contribution to the country's social sustainability.

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Traditionally, the business sector has had a limited role in societal development, primarily through voluntary financial support and philanthropy. However, this approach has been considered inadequate by both society and governments [3]. In order to counter this impression and enhance the significance of enterprises in societal progress, it becomes crucial to engage in collaboration with the stakeholders. Active participation of stakeholders is essential for achieving societal sustainability. This requires collaboration with employees, their families, government, and local communities to enhance the overall quality of life [4].

In the coal mining sector, the growing focus on CSR represents a significant period of societal awareness. Mining activities frequently provide substantial environmental obstacles, such as the clearance of forests, the destruction of habitats, and the contamination of water sources. In order to tackle these problems, mining corporations must adopt rigorous environmental management systems and actively participate in reforestation initiatives to reduce their impact on the environment. In addition, the difficulties associated with community dislocation require strong structures for community engagement and growth [5]. PT. PBN, a major player in the coal mining sector, has adopted environmental management systems and initiated reforestation programs to alleviate its environmental footprint. Nevertheless, the corporation acknowledges the necessity for ongoing enhancement and interaction with local communities to guarantee ethical mining methods and enduring progress.

The implementation report spanning from 2018 to 2022 (shown in Fig. 1) is compelling proof of PT. PBN's unwavering dedication to corporate responsibility. The organization has shown unwavering commitment to optimizing the use of allotted CSR funds, with an average absorption rate of 116% for CSR program funds. The consistent performance highlights the organization's reliability in making significant contributions to meet its requirements for corporate social responsibility [6].





Furthermore, a detailed analysis of the allocation for 2022 indicates a significant focus on the advancement of infrastructure to foster community development (as shown in the pie chart in Fig. 2). The investments were attentively tailored to enhance community development and empowerment programs, showcasing a purposeful endeavor to enhance the socio-economic landscape of the regions where CSR activities are implemented. This particular allocation demonstrates a commitment to supporting sustainable development and tangible improvements in the communities that are supported by these projects.

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(**Source:** Sustainability Report of PT. PBN, 2022)

### **II. BUSINESS ISSUE**

PT. PBN's CSR initiatives are integral to its dedication to sustainable community development. These programs not only seek to reduce the negative effects of mining but also strive to improve the lives of local residents and make lasting contributions to their overall welfare. However, despite the significant allocation of resources to these projects, recent analysis uncovers alarming findings. The Important Performance Analysis (IPA) conducted for the year 2022 reveals a notable disparity between the expectations of stakeholders and the actual level of community participation in CSR activities (refer to Fig. 3). This analysis, represented in a Cartesian diagram, identifies five performance indicators located in quadrant III, indicating both a low level of actual performance and a low perception of importance. Out of all the indicators, the indicator for community participation in implementation and monitoring had below average scores for both performance (3.87) and significance (4.30). This indicates a lack of alignment between what stakeholders are seeking and the actual level of community participation.



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### Figure 3. Important Performance Analysis cartesian diagram of CSR activities

(Source: Internal CSR Program Evaluation Report for PT. PBN, 2022)

Similarly, the analysis of community capacity development (shown in Fig. 4) reinforces the identical finding, as the community participation indicator scored a low score of 2.72 on a 5-point likert scale, classifying it as 'low to moderate.' This assessment provides an accurate representation of the community's outlook and viewpoint toward CSR activities, highlighting the need for improvement in engaging community members effectively. The ESD management of PT. PBN recognizes the need of improving community participation, considering it a crucial element of the company's commitment to sustainability. The goal is not only to meet but exceed average scores across all indicators, aligning with the company's overarching mandate for responsible practices.



**Figure 4. Level of community capacity development analysis** (**Source:** Internal CSR Program Evaluation Report for PT. PBN, 2022)

The findings highlight the crucial importance of the ESD division in PT. PBN, which has a direct obligation to ensure that the firm follows sustainable and responsible practices. Strategic interventions are necessary to bridge the gap between stakeholder expectations and actual community involvement. This entails a thorough evaluation of existing CSR efforts in order to pinpoint areas that can be enhanced, as well as a proactive strategy to increase participation in the community.

### III. RESEARCH METHODOLOGY

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#### A. Research Design



Figure 5. Research design

The first step in this research framework is to define the business issue in current CSR activities that should be researched. The CSR program evaluation report from PT. PBN's internal data will reveal the business issue. For qualitative insights, interviews and focus group discussions are used to collect data. The issue is fully understood from statistical and humanistic perspectives with this bifurcated approach. Qualitative data is then analyzed thematically. This process identified qualitative data patterns or themes to identify root causes of the business issue. After identifying the root cause, the first focus group will define mean objectives and the second will generate reasonable alternatives. After determining the AHP framework's alternatives, criteria, and sub-criteria using value-focused thinking, a pairwise comparison is done to choose the best business issue solution.

### B. Data Collection & Analysis

The study utilized a multifaceted methodology for acquiring data, incorporating both primary and secondary sources to ensure thorough and reliable information collection. The collection of primary data involved conducting semi-structured interviews and focus group discussions (FGD) with stakeholders, which included the company's management team and external representatives. These approaches made it easier to get direct observations, viewpoints, and personal experiences on CSR efforts, resulting in valuable qualitative data. In addition, secondary data sources, such as internal corporate data and comprehensive literature reviews, were used to supplement the primary data. The internal data provided insights into previous CSR activities, budgetary allocations, and performance measures. The literature reviews helped develop a strong theoretical basis and provided context for the research topic. The research attempted to improve the accuracy and dependability of the findings by analyzing data from different sources. This would provide a thorough grasp of the complexity related to the business issue being investigated.

To analyze the collected data comprehensively, the research employs a robust combination of qualitative and quantitative methodologies, enabling PT. PBN to gain a nuanced understanding of the issue and develop effective solutions. The CSR landscape is fully understood with this mixed-method approach, enabling data-driven plan prioritization. These two separate yet complementary approaches are used to fully comprehend the data collected. At first, qualitative data analysis will be conducted using thematic analysis. This systematic approach entails the process of coding and categorizing qualitative data acquired from interviews and focus group discussions, with the aim of discovering reiterating patterns or themes within the dataset (7). Subsequently, these themes will undergo a thorough analysis and interpretation in order to extract significant insights pertaining to



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the study issue. The process will conclude with the creation of assertions and propositions to portray the findings in a narrative framework, backed by applicable evidence and interpretations. Subsequently, the Analytic Hierarchy Process (AHP) will be used as a quantitative method to evaluate and prioritize different solutions that aim to improve community participation in CSR activities. AHP entails breaking down the decision problem into a hierarchical structure of criteria and sub-criteria collected from the qualitative data, which allows for separate study of each component. This systematic approach will assess and rank strategic objectives according to their relative significance, facilitating informed decision-making and strategy selection. By combining theme analysis and AHP analysis, a strong framework for data analysis may be established, resulting in useful insights and recommendations that fulfill the study objectives.

#### IV. ANALYSIS

#### A. Problem Tree Analysis

The problem tree analysis serves as a heuristic tool primarily employed during the initial stages of addressing complex and ambiguous issues. It helps identify and visualize factors that contribute to the low level of community participation in CSR implementation. Interviews with internal and external stakeholders from the ESD division revealed a total of five external and six internal causes that significantly impact the core issue. The causative elements are categorized into four main factors: process, environment, people, and regulation. Based on Veselý's problem tree framework [8], these causes are organized systematically to identify the root causes of the issue.

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Figure 6. Problem tree analysis of CSR implementation in PT. PBN

Figure 6 shows that top-down activity design, inadequate communication channels, and lack of licensing opportunities are the root causes of low community participation in CSR activities. Multiple factors influencing each other show how complex these challenges are. The nature of these challenges falls within the "complex" domain according to the Cynefin Framework, requiring nuanced leadership and stakeholder collaboration [9]. French suggests using simple Multi-Criteria Decision Analysis (MCDA) methods such as Analytical Hierarchy Process (AHP) and Multi-Attribute Value Analysis (MAVA) methods such as value-focused thinking to solve complex problems. Furthermore, these methods help decision-makers understand and contextualize their situation's core values. Scenarios can also help stakeholders with different values discuss preferences in the complex space. These methods and collaborative dialogue help decision-makers navigate complex situations and make informed, inclusive decisions.

### B. Value-Focused Thinking

The Value-focused Thinking (VFT) is used as a guiding framework to identify objectives which will subsequently be utilized to generate alternatives. Three Subject Matter Experts (SMEs) were involved in two sessions of Focused Group Discussion (FGD). These individuals were selected based on their qualifications and experience to make substantial decisions in the corresponding division.

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#### Table 1. List of Subject Matter Expert (SME)

| Member   | Position   |
|----------|--|
| Expert 1 | General Manager of External Affairs and Sustainable Development Division |
| Expert 2 | Manager of External Affairs and Sustainable Development Division         |
| Expert 3 | Supervisor of External Affairs and Sustainable Development Division      |

### 1) Identification of Criteria and Sub-Criteria

To clearly establish the primary and average goals, it is essential to carry out a focus group discussion using the VFT method. The 'ten questions' technique proposed by Keeney was employed to produce appropriate questions for the internal respondents [10], with the intention of eliciting a comprehensive list of goals based on their values. From the discussion among SMEs, a fundamental-mean objectives network was created to condense all the relevant points that will be considered and measured to achieve the fundamental goal (see Fig. 7). Structural objectives lay the groundwork for using quantitative modeling, and the fundamental objectives hierarchy might indicate which objectives should be evaluated [11].





Based on the hierarchical structure outlined above, there are four mean objectives and ten attributes identified to achieve the fundamental objective. In order to utilize the AHP framework for decision-making, it is necessary to evaluate four primary objectives: maximized long-term impact, maximized effectiveness, maximized control function, and minimized cost and burden.

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These identified objectives and attributes are translated to criteria and sub-criteria that will be used in the AHP selection process. Each criterion is specified in the Table 2 below:

#### Criteria/Sub-Criteria **Description** The long-term positive change that the chosen strategy will generate. Long-term Impact Sustainability of implementation How long-lasting the chosen strategy's positive impact will possibly be on the community. Social return on investment Number of social benefits generated relative to the resources invested in the strategy. Effectiveness The strategy's ability to achieve its intended goals and reach the target beneficiaries. Coverage of benefit How many people in the community will possibly benefit from the chosen strategy. Accessibility of benefit How easily and readily the community can access the benefits offered by the strategy. Conversion rate The possible success rate in getting community members to participate in the strategy. **Resource Availability** The feasibility of implementing the strategy based on resources available to the company. Personnel availability The organization's internal capacity to implement the strategy. Budget availability The financial resources' availability to implement the strategy. Tangible support The availability of resources beyond budget (equipment, facilities, partnerships, etc). **Ease of Control** The level of effort required to manage, monitor, and evaluate the strategy effectively. Transparency The openness and clarity in resource allocation and program execution related to strategy. Monitoring and evaluation How easy it is to track the progress, effectiveness, and impact of the chosen strategy.

#### Table 2. Description of criteria and sub-criteria

### 2) Generating Alternatives

Once a mean-end network was established, a second FGD session was held using the VFT framework concept to generate and evaluate potential alternatives put forth by key stakeholders. Based on the result, three alternative strategies were formulated as a way to improve the level of community participation in CSR activities.

- Sustainable Engagement: Create lasting community engagement by setting up supportive hubs. Seasoned members guide new members, promoting teamwork and exchanging information. The hubs foster a supportive atmosphere for education and growth, promoting creativity and independence in the community. The objective is to maintain this involvement by providing ongoing assistance and cooperation, leading to increased participation in CSR initiatives.
- Licensing and Training: Equipping individuals with the necessary skills and credentials to engage in CSR projects. It involves offering targeted training workshops in areas relevant to CSR activities, such as education, health, or infrastructure. Certification programs validate gained expertise, potentially enhancing employment opportunities and social standing. Partnering with educational institutions guarantees that the training is pertinent and efficient. This approach enables individuals to make significant contributions to CSR initiatives, enhances long-term sustainability, and is in line with the company's Mine Closure Plan by promoting enduring community development.
- Incentive: This strategy seeks to incentivize community involvement through rewards and recognition. The goal is to foster appreciation and recognition among engaged individuals, motivating them to show further commitment. Examples consist of issuing endorsements, publicly acknowledging participation scores, or granting family subsidies. Furthermore, giving priority to those with high involvement levels for opportunities in the company's CSR programs might increase engagement. This strategy intends to promote active engagement and cooperation to achieve positive social effect and sustainable development.

#### C. Analytical Hierarchy Process

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It is vital to use decision-making methods capable of handling progressively complicated issues that the human brain is unable to compute in order to assess and compare certain elements. MCDA (Multi-Criteria Decision Analysis) tools and associated methodologies are frequently employed to assess and make decisions, especially when dealing with challenges that involve various

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sorts of considerations. The objective of MCDA is to identify the optimal alternative or to provide a ranking among a given collection of alternatives. Several effective and widely used MCDA methods are available such as AHP, TOPSIS, PROMETHEE, and EVAMIX [12]. However, AHP is the most prevalent method employed in decision making due to its versatility [13]. AHP is used to choose one alternative over another or to rank all alternatives based on criteria and sub-criteria, which are referred to as factors [14]. The section aims to determine the most strategically sound and value-aligned approach to increase community participation through an integrated approach. This requires breaking down the primary goals into smaller objectives and criteria, leading to a hierarchical structure. Pairwise comparisons will be conducted to evaluate the relative importance of these criteria based on the set values.

#### 1) Structuring Decision Hierarchy

The initial stage of the Analytic Hierarchy Process (AHP) involves breaking down the problem into a hierarchical framework, which includes all the factors and choices. The purpose of the hierarchy (or network) structure is to build connections between the objective (the highest priority goal), its components (criteria and sub-criteria), and alternatives, and to present them in a logical sequence during the decision-making process. Structured strategies to enhance community participation in CSR activities can be envisioned using the AHP framework, as determined in the preceding analysis. The visualization incorporates alternative strategies along with main criteria and sub-criteria derived from the VFT analysis to assist in prioritization and strategic decision-making. Figure 8 displays the hierarchical tree for decision analysis regarding different strategies to achieve the decision context or goal.



Figure 8. AHP hierarchy framework for decision analysis

The AHP hierarchy framework was presented to key stakeholders for expert review and approval to enhance its accuracy and relevance. Once the criteria, sub-criteria, and alternatives have been confirmed, an AHP questionnaire survey will then be distributed. The process of comparing pairs was made easier using an online platform available on the Business Performance Management Singapore website (https://bpmsg.com/ahp). The AHP tool conducts pairwise comparisons between each element in the hierarchy to generate a set of priority weights in relation to the goal. The survey tool helps ensure a consistent rating experience by guiding respondents and flagging any inconsistencies in their responses, ultimately maintaining a desired consistency ratio (CR).

#### 2) Weighting the Criteria and Sub-Criteria

The questionnaire survey was distributed to participants who are the primary individuals involved in CSR implementation. Eight experts were selected to assess the importance of criteria, sub-criteria, and alternatives. The experts listed in Table 3 were selected

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based on their relevance to the research topic, competence, and experience. Each participant was from a different department, each focusing on a specific area of work related to CSR activities. By assembling pertinent stakeholders who are experts in this research subject, the survey will be comprehensive. This intentional selection guarantees a variety of viewpoints from various departmental specializations and connections, with the goal of developing a thorough and impartial comprehension of the company's CSR environment.

| Member   | Position                            |
|----------|-------------------------------------|
| Expert 1 | Chief Financial Officer             |
| Expert 2 | General Manager of ESD              |
| Expert 3 | Manager of ESD (CE department)      |
| Expert 4 | Manager of ESD (BCRD department)    |
| Expert 5 | Supervisor of ESD (PME department)  |
| Expert 6 | Supervisor of ESD (BCRD department) |
| Expert 7 | Manager of ESD (PME department)     |
| Expert 8 | Supervisor of ESD (CE department)   |

#### Table 3. Experts as weight evaluator for pairwise comparison

The criteria and sub-criteria were compared in pairs and then converted into a questionnaire for respondents. Key individuals must provide their scores for each comparison table. Completing the matrix of pairwise comparison involves assigning numerical values to indicate the relative significance of one element compared to another on a scale ranging from 1 to 9, as shown in Table 4. This scale delineates and elucidates the values from 1 to 9 for assessing pairs of elements at each level of the hierarchy against a criterion at a higher level, as based on literature [15]. The outcome of the questionnaire yielded point values for paired comparisons of criteria and alternative solutions. The results will be used for subsequent calculations in this paper. The calculated results are shown in Table 5 for pairwise criteria comparison and Table 7 for pairwise alternative comparison.

| Table 4. The | Table 4. The scale of importance rating |  |  |  |  |
|--------------|---|--|--|--|--|
| Rating       | Definition                              | Explanation  |  |  |  |
| 1            | Equal importance                        | Two activities contribute equally to the objective                               |  |  |  |
| 2            | Weak or slight                          | A faint preference for one activity over the other                               |  |  |  |
| 3            | Moderate importance                     | Experience and judgement slightly favor one activity over another                |  |  |  |
| 4            | Moderate plus                           | A preference that is more pronounced than just moderate.                         |  |  |  |
| 5            | Strong importance                       | Experience and judgement strongly favor one activity over another                |  |  |  |
| 6            | Strong plus                             | A nuance between strong and very strong importance.                              |  |  |  |
| 7            | Very strong                             | One activity vastly overshadows the other, often supported by tangible evidence. |  |  |  |
| 8            | Very, very strong                       | Almost the utmost preference, but just a shade below the peak.                   |  |  |  |
| 9            | Extreme importance                      | Representing an unparalleled preference for one activity.                        |  |  |  |
|              |   |  |  |  |  |

Table 4. The scale of importance rating

(Source: Saaty & Vargas, 2012)

#### Table 5. Weighting result of criteria and sub-criteria

| Criteria              | Local Weight | Sub-Criteria                     | Local Weight | Global Priority |
|-----------------------|--------------|----------------------------------|--------------|-----------------|
| Long term Impact      | 0.310        | Sustainability of implementation | 0.341        | 10.6%           |
| Long-term impact      | 0.310        | Social return on investment      | 0.659        | 20.4%           |
|                       |              | Coverage of benefit              | 0.303        | 11.0%           |
| Effectiveness         | 0.362        | Accessibility of benefit         | 0.187        | 6.8%            |
|                       |              | Conversion rate                  | 0.509        | 18.4%           |
| Resource Availability | 0.231        | Personnel availability           | 0.379        | 8.8%            |

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|                 |       | Budget availability       | 0.183 | 4.2%  |  |
|-----------------|-------|---------------------------|-------|-------|--|
|                 |       | Tangible support          | 0.438 | 10.1% |  |
| E (C 1          | 0.007 | Transparency              | 0.358 | 3.5%  |  |
| Ease of Control | 0.097 | Monitoring and evaluation | 0.642 | 6.2%  |  |
|                 |       |                           |       | 100%  |  |

#### (Source: AHP result on bpmsg.com)

Table 5 shows the ultimate weighted result of the primary criteria, where Effectiveness is the most important individual criterion in this category, accounting for 36.2%. The next important criteria are Long-term Impact and Resource Availability, each with a weight of 31.0% and 23.1% respectively. Experts consider these aspects to be crucial in decision-making and recommend giving them considerable importance when selecting a strategy to enhance community participation. The category of Ease of Control carries a reduced overall weight of 9.7%, indicating that although control-related factors are significant in strategy selection, they are not considered the primary objective.

To ensure the quality of the ultimate decision, it is pivotal to uphold the consistency of decision-makers' evaluations in the AHP process. The consistency ratio, which measures the level of agreement in pairwise assessments, was calculated using the built-in feature of the AHP tool. According to the checking, all criteria and sub-criteria have consistency ratios below 0.1, indicating that the pairwise comparisons supplied by respondents are consistent and deemed acceptable according to literature [16].

#### Table 6. Summary of consistency ratio calculation

| No | Aspect                | Consistency Ratio | Conclusion |
|----|-----------------------|-------------------|------------|
| 1  | Main Criteria         | 3.2%              | Acceptable |
| 2  | Long-term Impact      | 0%                | Acceptable |
| 3  | Effectiveness         | 0.7%              | Acceptable |
| 4  | Resource Availability | 1.7%              | Acceptable |
| 5  | Ease of Control       | 0%                | Acceptable |

(Source: AHP result on bpmsg.com)

#### 3) Weighting and Ranking the Alternatives

While meeting as many objectives as possible is essential, PT. PBN must strategically prioritize its preferred CSR strategy. This prioritization is necessary because each alternative affects community participation differently, even though they are related. By ranking alternatives to increase community participation, PT. PBN can optimize its efforts and positively impact stakeholders and the environment. After the pairwise comparison for the previous section, the same AHP tool is used to create another pairwise comparison for weighting the alternatives. The same experts who answered the first questionnaire receive the second. By multiplying the weight of each sub-criteria by each alternative, the alternatives were compared in this form with regard to each sub-criteria; the computation results are displayed in Table 7 below.

| 7. merarcity v | vitil consolidated priorities    |                    |                           |                           |                                  |
|----------------|----------------------------------|--------------------|---------------------------|---------------------------|----------------------------------|
| Criteria       | Sub-Criteria                     | Global<br>Priority | Sustainable<br>Engagement | Licensing<br>and Training | Incentive                        |
| Long-term      | Sustainability of implementation | 10.6%              | 0.441                     | 0.438                     | 0.121                            |
| Impact         | Social return on investment      | 20.4%              | 0.319                     | 0.570                     | 0.111                            |
|                | Coverage of benefit              | 11.0%              | 0.435                     | 0.405                     | 0.121<br>0.111<br>0.160<br>0.421 |
| Effectiveness  | Accessibility of benefit         | 6.8%               | 0.129                     | 0.450                     | 0.421                            |
|                | Conversion rate                  | 18.4%              | 0.153                     | 0.329                     | 0.517                            |
| Resource       | Personnel availability           | 8.8%               | 0.148                     | 0.513                     | 0.339                            |
| Availability   | Budget availability              | 4.2%               | 0.466                     | 0.399                     | 0.135                            |

### Table 7. Hierarchy with consolidated priorities

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|         |    | Tangible support          | 10.1% | 0.363 | 0.433 | 0.204 |
|---------|----|---------------------------|-------|-------|-------|-------|
| Ease    | of | Transparency              | 3.5%  | 0.404 | 0.492 | 0.105 |
| Control |    | Monitoring and evaluation | 6.2%  | 0.407 | 0.489 | 0.104 |
|         |    |                           | 100%  | 0.305 | 0.452 | 0.243 |

(Source: AHP result on bpmsg.com)

Management may consider the strengths and weaknesses of each strategy in Table 8 before deciding whether to pursue the priority focus area, in addition to considering current circumstances and consulting with research experts.

| Table 8. Advantages and disadvantages | ges of each alternative strategy |
|---------------------------------------|----------------------------------|
|---------------------------------------|----------------------------------|

| Strategy    |   | Advantages                | Disadvantages                          |
|-------------|---|---------------------------|--|
| Sustainable |   | Adequate budget available | Potentially low conversion rate        |
| Engagement  |   |                           | Limited capable personnel available    |
| Licensing d | & | High SROI                 |  |
| Training    |   | Robust tangible support   |  |
| Incentive   |   | High conversion rate      | Limited coverage of benefit            |
|             |   |                           | Less sustainable in the implementation |

The strategy of fostering sustainable engagement through mentoring and community hubs is advantageous due to the availability of an adequate budget. Challenges may arise in achieving high participation rates due to a potentially low conversion rate, and the lack of knowledgeable personnel could impede its implementation. Conversely, implementing thorough licensing and training strategy yields a significant social return on investment and offers substantial tangible assistance by granting access to essential resources. Furthermore, this strategy has no significant drawbacks in regards to the criteria. On the other hand, providing incentives through rewards and recognition is an effective strategy for encouraging participation among motivated individuals due to its high conversion rate. Yet, its efficacy could be restricted by its narrow coverage, possibly excluding a wider range of community members, and its durability could be jeopardized if incentives become less effective over time.



Figure 9. Consolidated weights of alternatives

After assessing the three alternative solutions and analyzing the AHP questionnaire survey along with the assigned weights, the strategies can be ranked based on their weights. Figure 9 shows that providing adequate licenses and training is the most favored strategy to increase community participation in CSR activities, with the highest proportion of weight of 45.2%. All eight respondents ranked this strategy as the most preferred alternative method based on pairwise comparison results, which solidify the agreement among participants regarding the effectiveness of this strategy. Following that, fostering sustainable engagement had a significant percentage of 30.5%, highlighting its strategic relevance despite being ranked second. On the other hand, providing incentive was the least-favored option (24.3%), indicating that respondents think that the strategy may have limited impact on community participation.

#### V. BUSINESS SOLUTION

Recognizing the significant challenge of low community engagement in CSR initiatives, the provision of adequate licensing and raining offers a comprehensive solution addressing root causes. The top-down approach, a major barrier, is replaced by an inclusive 1826 **\*Corresponding Author: Muhammad Fikry Volume 07 Issue 03 March 2024** 

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model where community members gain essential skills and certifications through targeted training workshops. This enables individuals to assume responsibility for their growth and actively participate in CSR initiatives. Furthermore, the strategy addresses inadequate communication channels that frequently impede participation. While providing necessary expertise, the organization also forced to prioritize building effective communication channels with the community. These channels are needed to enable the sharing of information, collecting feedback, and maintaining ongoing communication, which encourages greater community engagement and participation in CSR initiatives. Finally, the chosen approach directly addresses the lack of licensing opportunities by offering certifications. This provides individuals with the necessary licenses and credentials for CSR-related activities, eliminating a significant obstacle to participation and improving their chances of employment and social status. This promotes enduring sustainable growth and economic empowerment.

While all three strategies could be implemented to varying degrees, prioritizing the one with the most significant impact on community participation aligns with PT. PBN's commitment to corporate responsibility and community development. This strategy is in line with the Mine Closure Plan as it emphasizes maintaining CSR benefits even after contractual obligations have been fulfilled. PT. PBN empowers individuals with skills and credentials that go beyond the organization's operations to promote self-reliance and ensure that the community continues to benefit from CSR activities even after the organization's involvement ends. The selected strategy not only tackles the current business challenge of low community involvement but also aligns with the broader organizational objectives of sustainable development and community empowerment.

#### VI. CONCLUSION

This study offers a thorough analysis of the strategy selection to improve low levels of community participation in CSR activities at PT. PBN. The root causes of the issue have been identified using a problem tree analysis, which revealed six internal and five external factors categorized into environment, process, people, and regulation factors. Minimal participation in CSR activities is primarily due to top-down activity design, inadequate communication channels, and limited licensing opportunities. The insights help in understanding the challenges that PT. PBN faces in achieving its desired level of community participation.

The research conducted further examines effective strategies to tackle the issue using the Value-focused Thinking (VFT) method. The results highlight three alternatives: (1) Sustainable Engagement; (2) Licensing & Training; and (3) Incentive. The research determines the optimal solution for addressing the current situation by employing the Analytical Hierarchy Process (AHP) method. An AHP analysis involving eight decision-makers assessed criteria such as Long-term Impact, Effectiveness, Resource Availability, and Ease of Control. The analysis, facilitated by an AHP tool, determined that providing adequate licensing and training is the ideal option among the alternatives.

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