

# Impact of Corporate Social Responsibility on Children's Education Program of Suku Anak Dalam assisted by PT. Pertamina Hulu Energi Jambi Merang

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## Abstract

This study aims to measure the impact of the CSR program assisted by PT. Pertamina Hulu Energi (PHE) Jambi Merang on the education sector for children of Suku Anak Dalam (SAD) through Social Return on Investment analysis. This research was a descriptive quantitative approach that used primary and secondary data sources. Primary data was collected through observation and interviews, while secondary data was collected through a literature study. Based on the results of the SROI calculation for the program, the conclusion was the social investment designed for this program was feasible indicated by the SROI score higher than one or giving positive SROI score during program implementation. According to the SROI calculation analysis results, the program has produced benefits greater than the program costs. Moreover, the scope of the program needs to be extended to increase the number of benefit receivers.

**Keywords:** *Social Return on Investment, Corporate Social Responsibility, Suku Anak Dalam, Outcome, Education.*



## A. INTRODUCTION

The company's performance improvement is inseparable from the social and environmental responsibility program implemented in the areas affected by the company's operations. Local stakeholders need to be involved in realizing company performance or Good Business with various planned activities. This is in accordance with government regulations that require every company to carry out social responsibility or Corporate Social Responsibility (CSR) as stated in UU No. 4 of 2007 article 74. The company's CSR activities actually cover various fields i.e. the environment, the economy, capacity building, and education. Various social problems that occur, especially those caused by company activities in areas affected by operations, are the responsibility of the company in synergy with related stakeholders. In spite of the company's responsibility, CSR also has various benefits for the community itself even though its meaning is not clear and it is just helping charity activities (Hadisuamardjo, 2014).

Clarity CSR has various challenges because of the many changes that occur as a result of company activities. The intended consequences include changes in the location of residential areas that are evicted and relocated, changes in environmental systems, health, welfare, social, culture, infrastructure, and agriculture, including disruption to the achievement of minimum education service standards

(Hadisuamardjo, 2014). There are challenges for companies dealing directly with indigenous peoples so the implementation of CSR requires field studies to obtain concrete data on community conditions and carry out careful planning by adjusting the surrounding conditions. This will have an impact on the minimum conflict that might arise.

One of the main problems that occur due to the development of industrial areas is education, especially the increasing distance of access to school locations, school quality, the need for educational assistance, and the transparency of educational assistance to students (Hadisuamardjo, 2014). Education is the basis for a society to develop in order to realize a prosperous standard of living. Improving the quality of education in a country can be assessed from the high reading interest of the community with supporting facilities and infrastructure. Prajarto revealed that corporate CSR programs in Indonesia in supporting human resource development through the education sector including scholarships, equality in competence, and development of school facilities and infrastructure (Kurniawan, Resmanda, Raharjo, Resnawati, & Irfan, 2020). Education is the main foundation that companies need to apply, before continuing other community development programs. Good community knowledge will increase the welfare of the community itself and encourage the achievement of good business for the company.

To achieve the company's Good Business, PHE Jambi Merang applying the CSR concept that is sustainable and reaches the right target, especially on the education program for the Suku Anak Dalam (SAD) in Jambi. SAD is a minority ethnic group that lives in the jungles of Sumatra, especially Jambi, which is also often referred to as "Suku Kubu" (Rina Astarika, 2019). The attention to Remote Indigenous Communities (KAT) from the government has been carried out since the 1950s by providing health services and housing (Astarika, AGRARIA CONFLICT OF CHILDREN IN JAMBI IN A SOCIOLOGICAL REVIEW, 2016). As one of the areas traversed by the ROW route, PHE Jambi Merang synergies with relevant stakeholders to improve the standard of living of the SAD community through education. Education is expected to encourage the SAD community to know and protect the forest area they live in. SAD children are given access to formal and non-formal education. In implementing the educational CSR program, PHE Jambi Merang synergies with SEAD (Sobat Eksplorasi Anak Dalam) as the partner.

PHE Jambi Merang realizes that education is one of the basic things that must be given to the community around the company's operational area. Through planned preparations, SAD is the right education beneficiary because it is considered far from various accesses, both infrastructure, economy, and distance to school locations. In existing programs, it is necessary to monitor and evaluate the impact assessment of the program's social investment on beneficiaries. The impact on the community is a benchmark for whether or not the program is feasible or continued. To assess this impact is measured through an SROI (Social Return on Investment) study that assesses the social sustainability of the impact. SROI is a method that will help to obtain financial achievement values from the implemented programs that

apply to direct and indirect beneficiaries (Santoso, Adinegara, Ismanto, Mumajad, & Mulyono, 2018). Based on the description above, the purpose of this research is to analyze the feasibility of the value of the social investment in SAD children's education programs using SROI calculations.

## **B. METHODS**

The SROI framework is an approach to measurement developed from a cost-benefit analysis, social accounting, and social auditing that captures social value by translating social goals into financial and non-financial measures. The SROI calculation compares the impact resulting from a program/activity with the investment/cost incurred. In the logical framework approach, a program/activity is implemented in a sequence of input, process, output, outcome, and impact. Input, process, and output are stages that can still be controlled by program administrators, while the outcome and impact stages cannot be controlled by program administrators because they are already under the control of program recipients or other stakeholders.

The SROI study uses data on changes experienced by stakeholders as a result of program implementation. Identification of stakeholders in each activity shows that there is a group of informants as a source of information. Data was collected from the beneficiaries of this program, namely the community and SAD children (Suku Anak Dalam). Information was also obtained from several parties involved in program implementation, including the Muara Medak Village Government, Gita Buana NGO, SEAD NGO, and PT PHE Jambi Merang. The location of this research was in Hamlet VII, Muara Medak Village, Bayung Lencir District, Musi Banyuasin Regency, South Sumatra. Data was collected through an in-depth interview process at program locations in September 2022 to identify details of the form of change, evidence of change, and the appropriate method of scoring.

## **C. RESULT AND DISCUSSION**

### **1. Children's Education Program of Suku Anak Dalam**

In organizing education for SAD residents, PT PHE Jambi Merang is working with SEAD Jambi. The implementation of education consists of two activities:

#### **a. Floating School Program (2020)**

From 2017 to 2020 PHE Jambi Merang has collaborated with SEAD Jambi to provide access to education for SAD children. The implementation of floating school activities is carried out twice a month with the aim of providing informal education for SAD children, by sending SEAD volunteers to carry out teaching and learning activities in the SAD area. The floating school to provide informal education in learning to read, write and count.

#### **b. "Package A" pursuit certification**

Package A program is a pursuit certification program (equivalent to elementary school level) that is carried out so that SAD children have a certificate of formal education so that SAD children can then receive higher

education.

c. Formal School Scholarships for Junior High School Level

PHE Jambi Merang also contributed to providing formal education to SAD children by providing scholarship assistance (tuition fee assistance, housing, pocket money, and school supplies) to 7 (seven) SAD children who had passed the package A exam (equivalent to elementary school level) to attend formal junior high schools.

Through educational activities for SAD residents, currently, SAD children already have the ability to read, write and count. Prior to PT PHE Jambi Merang's CSR activities, SAD children did not have the ability to read, write and count and had never attended formal education. Following the implementation of scholarship assistance activities for formal schools, children in SAD can now have access to study in formal schools to obtain a junior high school, so that SAD children can continue their higher education.

## 2. SROI Analysis on Children's Education Program of Suku Anak Dalam

Result of SROI Analysis on Children's Education Program of SAD as follow:

**Table 1. Determination of Indicators and Outcome Values**

Outcome	Indicator	Methods and Monetization Value	Reference
Children of SAD has adequate learning equipment	A total of 12 children from SAD were facilitated with learning equipment for reading, writing, and arithmetic	Cost savings on learning equipment and equipment: 12 notebooks (IDR 32,000.00/dozen), 12 stationery (IDR 10,000.00/piece) and 12 study desks (IDR 85,000.00/piece)	Interview with the program's counterpart (SEAD community)
Children of SAD have access to school without having to leave the neighborhood	A total of 12 children of SAD do not need to pay transportation costs to the school premises	Saving transportation costs to the nearest village and school with transportation costs of IDR 50,000.00 / person (return)	Observations for the market price of transportation costs in rural areas
Children of SAD who can already read, write, and count, are included in the "Package A" program	A total of 12 children of SAD following the "Package A" Program	Saving on counting and writing of basic education costs of IDR 150,000.00 / person / meeting, with a transportation cost of 75%	Observations for the price of counting and writing of basic education costs (local area)
Children of SAD successfully passed the "Package A" program	A total of 7 children of SAD successfully received elementary school diplomas	Savings on "Package A" registration and certification fees for 7 children (@ IDR 300,000.00) and "Package A" certification exam fees for 7 children (@ IDR 2,500,000.00) with a transportation cost of 75%	Observations for market price of "Package A" program

Children of SAD have been able to complete formal education up to junior high school level	A total of 6 children of SAD have graduated from junior high school/equivalent	Saving on school fees for each child of IDR 7,812,500.00	Interview with the program's counterpart (SEAD community)
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**Table 2. Impact Fixation**

Outcome	Deadweight	Displacement	Attribution	Drop off
Children of SAD has adequate learning equipment	Not available	Not available	Not available	Not available
Children of SAD have access to school without having to leave the neighborhood	Not available	Not available	Not available	Not available
Children of SAD who can already read, write, and count, are included in the "Package A" program	Not available	Not available	Not available	Decreasing amount of learner/participant from 12 to 7 children
Children of SAD successfully passed the "Package A" program	Not available	Not available	Not available	Not available
Children of SAD have been able to complete formal education up to junior high school level	Not available	Not available	Not available	Decreasing amount of learner/participant from 7 to 6 children

**Table 3. Program Expenditure**

Activity	Year	Expenditure	Present Value
Education program for children of SAD	2020	IDR 200,000,000	IDR 200,000,000
Education program for children of SAD	2021	IDR 250,000,000	IDR 241,545,894
<b>TOTAL</b>		<b>IDR 450,000,000</b>	<b>IDR 441,545,894</b>

**Table 4. Beneficiary Value**

Perceived of alteration	Description of alteration	Indicator	Monetization Methods	Present Value (After Outcome Value Fixation)
Children of SAD has adequate learning equipment	A total of 12 children from SAD were facilitated with school supplies. These school supplies are useful as primary facilities of participant in the floating school program	Number of SAD children who have the ability to read and write.	Provision of school equipment: 12 notebooks (IDR 32,000.00/dozen), 12 stationery (IDR 10,000.00/piece) and 12 study tables (IDR 85,000.00/piece).	IDR 2,304,367
Children of SAD have access to school without having to leave the neighborhood	The existence of floating schools can provide opportunities for SAD children to learn to read, write, and count because there are cultural barriers and access to formal education. The existence of floating	Calculation of transportation costs of SAD children living in forest areas if they attend school in nearby villages	Transportation costs to the nearest village and school with transportation costs of IDR 50,000.00 / person (return)	IDR 430,594,203

	schools can provide learning opportunities without having to lose the opportunity to help parents (culture) and can save transportation costs due to distance and geographical conditions.			
Children of SAD who can already read, write, and count, are included in the "Package A" program	About 12 children of SAD who had the ability to read, write and count are ready to join the "Package A" program.	Number of SAD children who are ready to join the "Package A" program	The cost of reading, writing, counting lessons is IDR 150,000 per person/meeting combine with limited access to the location (transport expenditure) 75%	IDR 62,147,826
Children of SAD successfully passed the "Package A" program	Children of SAD who complete the "Package A" program get an elementary school diploma so that they can receive higher education.	Number of SAD children who had elementary school diploma	"Package A" registration and certification fees for 7 children (@ IDR 300,000.00) and "Package A" certification exam fees for 7 children (@ IDR 2,500,000.00), combine with limited access to the location (transport expenditure) 75%	IDR 39,034,300
Children of SAD have been able to complete formal education up to junior high school level	Children of SAD took formal education at the junior high school level. During the pandemic, the student facilitated and accompanied to be able to learn online.	Number of SAD children who graduated from junior high school level.	Each child receives tuition assistance in amount IDR 7,812,500.00	IDR 143,735,669
<b>TOTAL</b>				<b>IDR 677,816,365</b>

The value of SROI has been calculated by comparing the total value of benefits (IDR 677.8 million) with the total cost of the program (IDR 441.5 million).

$$SROI = \frac{\text{Total value of benefit}}{\text{Total program cost}} = \frac{Rp677.816.365}{Rp441.545.894} = 1,53$$

An SROI with a value of 1.53 shows that every rupiah of program costs results in a positive change of Rp 1.53, or 1.53 times the program cost. Based on positive SROI numbers and more than one, it can be stated that the SAD Child Education program is socially feasible (Sukasanto, Indriani, & Fikri, 2022).

#### D. CONCLUSION

The children's education program of SAD implemented by PT PHE Jambi Merang has an SROI value of 1.53. This value is generated from a comparison of the benefit value of IDR 677.8 million with the program costs of IDR 441.5 million. For every IDR 1 spent on the program, the benefit value created is IDR 1.53. A positive SROI value and more than one indicates that this program has a positive impact and generates a value of benefits greater than the cost of the program so that it is declared socially feasible.

The objectives of the SAD Children's Education Program include providing basic rights to education for children of the SAD community, increasing parents' understanding of the importance of education, encouraging children of the SAD community in the "Package A" equalization program, and increasing creativity and independence in community children. SAD. The output of the program is conveying the basic right to education for the children of the SAD community, increasing the interest of the children of the SAD community in participating in educational activities, the children of the SAD community being able to take the "Package A" program exam, and increasing the creativity and independence of the children of the SAD community. Moreover, the scope of the program needs to be extended to increase the number of benefit receivers.

Recommendations for the sustainability of PT. PHE Jambi Merang's CSR program, especially in the education sector, are continuous monitoring and communication with implementer and beneficiaries of the program, both in terms of funding and the facilities needed. Monitoring and communication are the keys to maintaining the relationship between program implementer and beneficiaries so that the program is expected to continue and develop according to program success indicators. Through this educational program, it is hoped that the program will be able to provide more benefits in the form of opportunities and easy access to education which can be a provision for the children of the SAD community to improve the quality of life for future generations.

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