



“Framing Corporate Social Responsibility On the Websites Of Company (Mudflow Incident)”

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ABSTRACT

The research conduct through the official website of the company which is engaged in energy and oil gas drilling (mudflow incident). The purpose of this research to frame of the company from their official website to reveal the CSR program, especially incorporate governance, environmental, and social. The research focus on three main areas : corporate governance and reporting, environmental policy, and social policy. Measurement of the quantity of information presented using the index as an indicator of Publicity. Data will analyzed with frame analysis. The data obtained and processed using qualitative software called Nvivo11. The results of this research will inform Publicity of CSR by the company that involved mudflow incident.

Keyword: Corporate Social Responsibility (CSR), official website, Publicity Index, Mudflow Incident

INTRODUCTION

Overview

Initially, many companies are only oriented towards profit maximization to demonstrate its performance. These companies to modernize and seek progress in the economic field. However, the success achieved by the company are not followed by the company's concern to the community and the environment, as also happens in Indonesia. Penecemaran case of Buyat Bay by PT Newmont Minahasa Raya, environmental pollution and social issues related to operational PT Caltex Pacific Indonesia, and the conflict between PT Freeport Indonesia with local communities related to customs violations and the socio-economic gap that occurs. These problems should be a thing that is focused by the company through a development program of Corporate Social Responsibility (Reverte, 2008).

Many social problems faced by companies in Indonesia due to weak enforcement of regulations regarding corporate social responsibility, such as labor regulations and environmental pollution. Statement of Financial Accounting Standards (IAS) 1 (revised 2009) paragraph 12 only suggested to express the form of corporate responsibility on social issues. The statement is as follows: "Entities can also be present, apart from the financial statements, reports on the environment and report value added (valued added statement), especially for industries where environmental factors play an important role and for an industry that considers its employees as a group of users report plays an important role. Additional reports are beyond the scope of Financial Accounting Standards. "

Statement of Financial Accounting Standards can be explained that the company is not required to disclose information about the form of corporate responsibility towards the environment surrounding the company. Consequently, there is a voluntary information disclosure practices. Anggraini (2006) stated that the company will consider the costs and benefits gained by disclosing social information. When the benefits greater than the cost of putting it, then the company will voluntarily disclose such information.

Progress on implementation of corporate social responsibility or Corporate Social Responsibility (CSR) also seems to be a logical consequence of the implementation of the practice of Good Corporate Governance (GCG), which in principle expressed the need of companies consider the interests of its stakeholders in accordance with existing regulations and establish cooperation actively with stakeholders for the sake of long-term survival of the company. There are five principles of Good Corporate Governance (GCG), which transparency, accountability, responsibility, independence, and fairness. Of the five principles, the principle of responsibility is a principle which has the closest relationship with CSR. By applying this principle, it is expected the company increasingly aware that in conducting its operations, the company also has a role to be responsible and provide added value not only to shareholders but also other stakeholders (Frankl, 2007: 12).

Entire companies in Indonesia increasingly required to provide transparent information on their social activities, so that the disclosure of the Corporate Social Responsibility (CSR), the role of social responsibility accounting (Anggraini, 2006). According to Boone and Kurtz (2007), the notion of social responsibility (social responsibility) in general is management support to the obligation to consider the profit, customer satisfaction and the welfare of society as equals in evaluating the company's performance. Tamam Achda B. (2007) defines CSR as the company's commitment to account for the impact of its operations in the social, economic, and environmental and continuously ensure that the impact will benefit the community and the environment.

Inawesnia (2008) stated that CSR is a business practice that is transparent and based on ethical values. CSR pays attention to employees, society and the environment, and is designed to gain legitimacy from the public in general and also of the shareholders. Companies developing this CSR program as a form of business responsibility is oriented to meet the public's expectations that the company gained legitimacy from the public.

Gossling and Voucht (2007) says that CSR can be viewed as a liability the business world to be accountable to all stakeholders, not just for one stakeholder alone. If the company does not provide accountability to all stakeholders that includes employees, customers, communities, local environment / global, eventually the company will be considered bad and would not get support from the community.

Most companies assume that communicating CSR program is as important as doing it's own CSR activities. By doing so, the company intends to encourage more people who know the social activities of the company, so the company can reduce the level of risk in the face of social unrest. Thus, it can be concluded that the CSR report to the public would enhance the social value of hedging the company.

Research on CSR already is not new anymore, but research has focused on the presentation of CSR in the company's official website only a few who do. In this study will only measure Publicity Index, ie the quantity of CSR information presented in this case is information about CSR is presented on the company's official website.

The problem in this research is: "How to looking at disclosure of Corporate Social Responsibility (CSR) on the official website of the companies involved in the case of Lapindo mudflow?". The goal of this research is to see whether the company has leveraged its official website to disclose CSR program, in terms of corporate governance, environmental, and social. Given this research, the expected benefits is that it can provide new inputs that can assist companies in disclosing Corporate Social Responsibility (CSR) in the company's official

website.

LITERATURE REVIEW

Corporate Social Responsibility (CSR)

Many experts have suggested a definition of Corporate Social Responsibility (CSR). One is the notion of CSR according to Kotler and Nancy (2005) that Corporate Social Responsibility is the company's commitment to improve the welfare of the community through good business practices and contributes most of company resources. Meanwhile, According to the World Bank (2009) in Nurkhin (2009), the definition of CSR is the commitment of business to contribute to sustainable economic development, working with employees of the company, the family employee, as well as local communities and society as a whole, in order to improve the quality of life .From the several definitions cited above, it can be concluded that Corporate Social Responsibility is the company's commitment to provide long-term contribution to the community and the surrounding environment so as to create a better environment. Social responsibility can take many forms, for example: reduce waste and pollution, grants, provision of expert assistance from the company, the provision of employment, and so forth.

CSR Disclosure On Company's Website

Development of communication no longer possible for an organization to cover up a fact. The existence of today's Internet technology led to the development of information could not be separated by sea or land boundary. With increasingly rapid internet technology makes information easy to obtain.

In terms of communicating CSR, web media selection has strategic reasons because "the web organisasi Also offers the opportunity to design messages that do not have to follow the dictates of gatekeepers as with print and electronic media "(Chaudri & Wang, 2007) and website characterized as "an ongoing and interactive process, rather than an annual static product. "In addition, most activists or those who have concern for the issue of CSR will monitor activity Companies with looking through his website. According to Lodhia (2004), reporting the company through the company website has advantages and disadvantages as follows:

Table 1. Advantages and Disadvantages Website

Benefits	Limitations
<ul style="list-style-type: none"> a) Global reach and mass communication b) Timelines and updateability c) Interaction and feedback d) Presentation flexibility and visibility e) Navigational ease f) Increased information (downloadable) and analysis g) Cost beneficial h) Archieved information can be kept and users of websites can be tracked i) Integration j) Push information 	<ul style="list-style-type: none"> a) Developed/Developing country digital divide b) Costs and expertise c) Information overload d) Security problems e) Authentication, attestation and legal impediments f) Poor website design and advertising g) User preference and competence

Publicity Index

Publicity Index is divided into 3 main areas, and each area has 5 categories. The following are the 15 categories will be described:

Corporate Governance and Reporting as follows :

- Does the company explain in detail the structure of the management company?
- Does the company comply with the law / rules of corporate governance?
- Does the company report information on financial audit?
- Does the company explain on shareholders' rights policies?
- Does the company report and explain the company's internal code of conduct?

Environmental Policy as follows :

- Does the company state adhere to industry-specific rules, in accordance with national regulations and / or international standards regarding the environment?
- Does the company include the names of individuals (management and / or board members) or the department responsible for environmental management and dedication to the environment?
- Does the company report on the use of energy and water?
- Does the company report environmental performance, including efficiency?
- Does the company incorporate environmental aspects into circuit inventory management wisdom?

Social Policy as follows :

- Does the company disclose compliance with national regulations and / or international human rights and / or employment?
- Does the company reported a sponsorship program or as an advocate for community activities?
- Does the company explain on employee development, or policy interests of employees?
- Does the company explain the policy on health and safety?
- Does the company explain about the policy positions?

Previous Research

The previous study used as a support is the research conducted by the East-West Management Institute (2004) entitled "Report on a survey of corporate social responsibility of the Reviews largest listed company in Hungary". The purpose of these studies is to raise awareness and practical application of the principles of CSR among companies, investors, and regulators who are in Hungary. East-West Management Institute (2004) Report on a survey of corporate social responsibility of the Reviews largest listed company in Hungary Both studies use the index as the index measurement publicity studies which are carried out by the East-West Management Institute uses some companies in Hungary as an object of research.

Ati Harmoni and Ade Andreyani (2008) Disclosure of corporate social responsibility (CSR) in the company's official website Studies in PT. Unilever Indonesia Tbk Both studies used the publicity index as the index is measured, and the official website as the research object Research Ati Harmoni and Ade Andreyani conducted in 2008, the company studied is a company engaged in the field of Home and Personal Care and Food and Ice Cream Product.

Ati Harmoni (2009) Interactivity CSR issues in the company's official page. Studies in PT. Indocement Tunggul Prakasa TBK Both studies use the official company website as the research object Research conducted Ati Harmoni conducted in 2009 and does not use the index as the index measurement publicity

RESEARCH METHODS

Research Approach

This study used a qualitative approach. Moleong (2007: 6) states that the study used a qualitative approach is research that aims to understand the phenomenon of what is experienced by the subject of the study such behavior, perception, motivation, action and others, holistically, and by way of description in the form of words words and language, in a specific context by using various natural and scientific methods.

The research approach used by the writer is descriptive qualitative approach with content analysis method (Weber, 1990: 9). The purpose of this study is to provide a systematic overview, actual and accurate information on the facts available, the nature and character, as well as the relationship between the phenomena being studied, ie disclosure of corporate social responsibility in the company's official website.

The Scope Of Research

The scope of this study is limited to the following matters:

- This study examines only the disclosure of CSR by companies involved in the case of Lapindo mudflow through its official website.
- This study will measure the index only publicity, ie the quantity of CSR information presented on the company's official website.

Types and Sources of Data

Data used in this study is qualitative data. Qualitative data is data that is not expressed in the form of numbers, which in this study in the form of Annual Report and Sustainability Report as well as the Code of Conduct of the company.

Data Collection Procedures

Data collection methods used in this research is the method of online data searches. Burhan Bungin (2008: 125) states that the method of data searches online are ordinances perform data searches through online media such as the Internet or media other network providing online facilities, thus enabling researchers can utilize data online information in the form of data or information theory, as quickly or as easily as possible, and accountable academically.

Techniques Analysis

The analysis was conducted based on data of companies that will be used by the authors to address issues raised. In this study, the authors process the data obtained using a software program called Nvivo11. In this study, the stages of data analysis carried out as in the following table:

Table 2. Techniques Analysis

Stages Analysis	Input	Process	Output
Preparation 1	Searching website of company	Google	Access official website company
Preparation 2	Download installer Nvivo11	Meng-install software Nvivo11	Software Nvivo11
Collecting Data	Access Website mudflow incident	Download Annual Report, Sustainability report, and Code of Conduct	Annual Report, Sustainability report, and Code of Conduct
Data Processing	Login Nvivo11	Nvivo11	Analysis and Discussion (Framing Analysis)

RESULTS AND DISCUSSION

Measurement CSR Index Publicity

In the tables presented below are categories of CSR expressed by EMP and MedcoEnergi on its official website. Each category expressed receive the value of one (1), while an undisclosed will have a value of zero (0). Assessment score is performed as follows:

- Very Less: 1-3
- Less: 4-6
- Pretty Good: 7-9
- Good: 10-12
- Very Good: 13-15

Table 3. Presentation CSR PT EMP 2006 - 2011

Statements	2006	2007	2008	2009	2010	2011
Corporate Governance						
1. Structure						
• Board structure	0	0	0	0	0	0
• Responsibilities of board members	0	0	0	0	0	0
• Composition of the board	0	0	0	0	0	0
• Names and biographical details of board members	0	0	0	0	0	0
• Individual responsible for implementation	0	0	0	0	0	0
2. Code	0	0	0	0	0	0
3. Financial Audit						
• Composition and task of Audit committee	0	0	0	0	0	0
• Procedure for appointment of External auditor	0	0	0	0	X	X
• Policy on rotation of external auditors	X	X	X	X	X	X
• Statement regarding audit fees and non-audit fees	X	X	X	X	0	0
• Independence of auditor	0	0	0	0	0	0
4. Shareholders policy	0	0	0	0	0	0
5. Code of ethics	0	0	0	0	0	0
Environmental Policy						
1. Regulation environmental standard	0	0	0	0	0	0
2. Individual name/department environmental responsibility	0	0	0	0	0	0
3. Energy and water use	X	X	X	0	0	0
4. Emission minimum or management wasted	X	0	0	0	0	0
5. Environmental aspects as a inventory management policy	X	X	X	X	X	X
Social Policy						
1. Human Rights and/or Working standard	X	X	0	0	0	0
2. Sponsor	0	0	0	0	0	0
3. Employee development	0	0	0	0	0	0
4. Healthy and safety work policy	0	0	0	0	0	0
5. Work position policy	0	0	0	0	0	0

0 = YES X= NO

Source: proceed, 2016

From the table above it can be seen that in 2006, EMP get a score of 9 so it is quite good in presenting CSR. Then in 2007, the score increased to 10 and increased again to 11 in 2008, then in 2009 to 2011, EMP got a score of 12. It can be concluded that in 2007 and 2001, EMP has presented CSR is well on its official website.

Table 4. Presentation of CSR PT Medco Energi 2006 to 2011

Statements	2006	2007	2008	2009	2010	2011
Corporate Governance						
1. Structure						
• Board structure	0	0	0	0	0	0
• Responsibilities of board members	0	0	0	0	0	0
• Composition of the board	0	0	0	0	0	0
• Names and biographical details of board members	0	0	0	0	0	0
• Individual responsible for implementation	0	0	0	0	0	0
2. Code	0	0	0	0	0	0
3. Financial Audit	0	0	0	0	0	0
• Composition and task of Audit committee	0	0	0	0	0	0
• Procedure for appointment of External auditor	0	0	0	0	0	0
• Policy on rotation of external auditors	X	X	X	X	X	X
• Statement regarding audit fees and non-audit fees	X	X	X	X	X	X
• Independence of auditor	0	0	0	0	0	0
4. Shareholder policy	0	0	0	0	0	0
5. Code of ethics	0	0	0	0	0	0
Environmental Policy						
1. Regulation environmental standard	0	0	0	0	0	0
2. Individual name/department environmental responsibility	0	0	0	0	0	0
3. Energy and water use	0	0	0	0	0	0
4. Emission minimum or management wasted	0	0	0	0	0	0
5. Environmental aspects as a inventory management policy	X	X	X	X	X	X
Social Policy						
1. Human Rights and/or Working standard	0	0	0	0	0	0
2. Sponsor	0	0	0	0	0	0
3. Employee development	0	0	0	0	0	0
4. Healthy and safety work policy	0	0	0	0	0	0
5. Work position policy	0	0	0	0	0	0

0 = YES X= NO

Source: Proceed, 2016

From the table above it can be seen that from 2006 to 2011, MedcoEnergi always got a score of 12. It can be concluded that MedcoEnergi has presented the CSR well on its official website.

CONCLUSION

Based on the analysis and discussion that has been described in the previous chapter shows that the EMP and MedcoEnergi has leveraged its official website performs well in terms of CSR disclosure has been made by both companies, both in terms of corporate governance, environmental policy and social policy. The results showed that the index Publicity EMP is increasing every year, while the index MedcoEnergi Publicity is always stable and high. This is a proof that the EMP and MedcoEnergi has been implementing sustainable CSR and getting better every year.

MedcoEnergi must be present in full on its official website about the sustainability report. In addition, further research can be expected to examine the CSR disclosure before and after the Lapindo mud disaster.

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