

**THE APPLICATION OF GOOD CORPORATE GOVERNANCE (GCG)
PRINCIPLES THROUGH THE PROGRAMS OF CORPORATE SOCIAL
RESPONSIBILITY (CSR) BY PT TELEKOMUNIKASI SELULAR
(TELKOMSEL)**

UNDERGRADUATE THESIS

**This undergraduate Thesis is Proposed to be eligible to Achieve a Bachelor
Degree at Faculty of Administrative science, Universitas Brawijaya**

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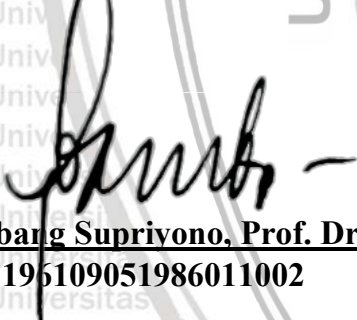
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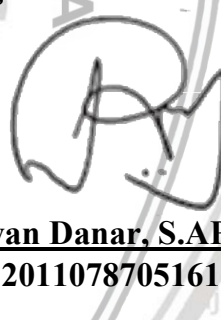
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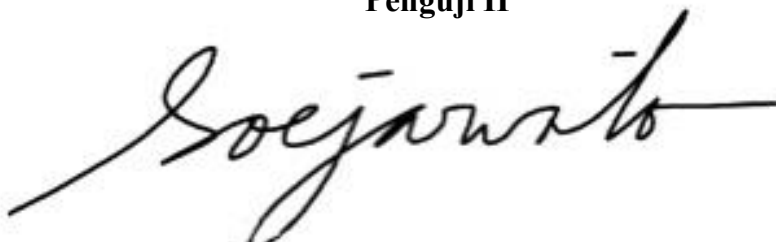


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DECLARATION OF UNDERGRADUATE THESIS ORIGINALITY

I declare with truth that all my knowledge, in this Undergraduate Thesis with the title **The Application of Good Corporate Governance (GCG) Principles Through the Programs of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel)** there is no scientific papers that have been asked by others to get the work or opinion which ever written or published by others, except for the written quotes in this script, it referred and mentioned in the source of references.

If evidently in this Undergraduate Thesis, may be proven are elements of plagiarism, I am willing for this thesis being disqualified and academic degree I have gained for Bachelor Degree (S-1) is canceled, then will be processed in accordance with the Law in force (UU) No. 20 of 2003, Article 25 of Paragraph 2 or in the article 70.

Jakarta, 26 March 2021



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SUMMARY

Dio Kevin Alfatih Hendarman, 2021. **The Application of Good Corporate Governance (GCG) Principles through the Programs of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular.** Departement of Public Administration. Faculty of Administrative Science. Universitas Brawijaya Malang. Supervision: Prof. Dr. Bambang Supriyono, MS and Oscar Radya Danar, S.AP, M.AP, PhD

PT Telekomunikasi Selular (Telkomsel) is a cellular company that has been established since 1995, this company has carried out well as stated in the law that a company is required to organize a Corporate Social Responsibility (CSR) program, in this program Telkomsel has been holding it since 2017. CSR from Telkomsel is divided into 4 pillars, namely Education, Digital Society, Community Empowerment and finally Philanthropy.

The reason this research was taken is because it has the aim of being able to analyze and explain the application of the principles of Good Corporate Governance (GCG) through the pillars of community empowerment from the Corporate Social Responsibility (CSR) program of PT Telekomunikasi Selular (Telkomsel), as well as to analyze and describe. Supporting factors for the implementation of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel).

With the relevance and correlation found in several previous studies with the theme of CSR, GCG and Good Governance, the researchers took references to be used as references in research and as a comparison for differences and similarities in the field, the previous research used was Puspa and Ambar. (2018), Adhianty and Frizki (2018), Rieke (2019), Erna, Riska, and Nur (2018), Chow, Yeow, Audrey, Cheak, Wong and Yeo (2012) and Abdul, Lu'liyatul, Joko, and Ibnu (2017).

By using this type of descriptive research and the method used is qualitative, the researcher has a focus, namely (1) Implementation of GCG principles based on the theory of GCG by the National Committee on Governance (KNKG) (2) Impact of CSR programs on society (3) Supporting factors and

obstacles in the application of GCG CSR principles. With the data analysis method in this study is the Creswell model.

The results of this study indicate that the implementation of the Telkomsel Baktiku Negeriku CSR program has gone well but still has shortcomings, with the application of collaboration, good communication, transparency, and good human resources in processing the basic principles of implementing Good Corporate Governance (GCG) used, but with a lack of community support, a sustainable system, and a lack of understanding of the internet, the application of this program still needs some improvement.

There are still many shortcomings that hinder its achievement. So recommendations that can be applied to develop the program include sustainable relationships, clarity of programs and information, attractive programs, broader training, and clear directions.

Keywords: Good Governance, Corporate Social Responsibility, Application

PREFACE

Assalamualaikum Warahmatullahi Wabarakatuh

Allhamdulillah, all praises and gratitude, the writer prays to Allah SWT because of His blessings and guidance, the writer can complete this Undergraduate Thesis with the title of **“The Application of Good Corporate Governance (GCG) Principles through the Programs of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel)”**.

This writing is one of the requirements to compile an Undergraduate Thesis in completing studies in the Faculty of Administrative Science, Departement of Public Administration, Universitas Brawijaya Malang. Therefore, the author expresses her utmost gratitude to the parties who contributed to this Undergraduate Thesis:

1. Prof. Dr. Bambang Supriyono, MS. As Dean of the Faculty of Administrative Science, Universitas Brawijaya and head of Undergraduate Thesis supervisor who is always supervising in writing and discussion.
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Only hope and prayer may Allah SWT give multiple reply to all the parties who have contributed in helping the author to complete this Undergraduate thesis. Therefore, constructive criticism and suggestions are highly expected for the improvements of this Undergraduate thesis. I hope this undergraduate thesis will be useful for the society in general and for writers in particular, students and descendants of the future writers. Aaammiinn.

Wassalamualaikum Warahmatullahi Wabarakatuh

Jakarta, 13 February 2021

Dio Kevin Alfatih Hendarman

TABLE OF CONTENT

| | |
|--------------------------------------------------------------------------------------------------------|-------------|
| QUOTE OF LIFE | i |
| APPROVAL LETTER OF UNDERGRADUATE THESIS..... | ii |
| ENDORSEMENT LETTER OF UNDERGRADUATE THESIS..... | iii |
| DECLARATION OF UNDERGRADUATE THESIS ORIGINALITY..... | iv |
| LETTER OF DEDICATION..... | v |
| SUMMARY..... | vi |
| PREFACE..... | viii |
| TABLE OF CONTENT | x |
| LIST OF FIGURE | v |
| LIST OF ATTACHMENT | vi |
| CHAPTER I INTRODUCTION..... | 1 |
| 1.1 Research Background..... | 1 |
| 1.2 Research Problems..... | 12 |
| 1.3 Research Purpose | 13 |
| 1.4 Research Contribution..... | 14 |
| 1.5 Systematics Discussion..... | 15 |
| CHAPTER II LITERATURE REVIEW..... | 18 |
| 2.1 Previous Research | 18 |
| 2.2 Theoretical Study | 22 |
| 2.2.1 Public Administration | 22 |
| 2.2.2 Government..... | 23 |
| 2.2.3 Governance and Good Governance | 24 |
| 2.3 Good Corporate Governance..... | 28 |
| 2.3.1 The Definition of Good Corporate Governance (GCG)..... | 28 |
| 2.4 Corporate Social Responsibility..... | 41 |
| 2.4.1 The Definition of Corporate Social Responsibility (CSR) | 41 |
| 2.4.2 The Scope of Corporate Social Responsibility (CSR) Scope of Corporate Social Responsibility..... | 43 |
| 2.4.3 Factors that Affected the Application of Corporate Social Responsibility (CSR)..... | 46 |
| 2.5 Comparison and Difference..... | 55 |
| CHAPTER III RESEARCH METHOD | 50 |
| 3.1 The Type of Research | 50 |
| 3.2 Research Focus..... | 51 |
| 3.3 Location and Place of Research..... | 56 |

| | | |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 3.4 | The Type of Data | 57 |
| 3.5 | Data Collection Technique..... | 58 |
| 3.6 | Research instrument..... | 60 |
| 3.7 | Data Analysis Technique | 61 |
| 3.8 | Data Validity Test..... | 62 |
| CHAPTER IV FINDINGS AND DISCUSSION | | 65 |
| 4.1 | The General Description of the Research Location | 65 |
| 4.1.1 | The General Description of the Institution or Organization | 65 |
| 4.1.1.1 | The History of the Institution or Organization | 65 |
| 4.1.1.2 | The Description of the Institution or Organization | 66 |
| 4.1.1.3 | The Operational Area..... | 68 |
| 4.1.1.4 | The Development Telkomsel CSR..... | 69 |
| 4.2 | The Research Focus Data Presentation | 72 |
| 4.2.1 | The Application of GCG Principle Through the Program of Corporate Social Responsibility (CSR) by PT TELKOMSEL..... | 72 |
| 4.2.1.1 | Transparency..... | 72 |
| 4.2.1.2 | Accountability..... | 74 |
| 4.2.1.3 | Responsibility | 78 |
| 4.2.1.4 | Independency | 83 |
| 4.2.1.5 | Fairness and Equity..... | 85 |
| 4.2.2 | The Impact of the CSR Program..... | 87 |
| 4.2.3 | The Supporting and Constraining Factors | 89 |
| 4.2.3.1 | Supporting Factor..... | 89 |
| 4.2.3.2 | Inhibiting factors..... | 93 |
| 4.2.3.3 | How to Overcome those Problems | 96 |
| 4.3 | Data Analysis | 98 |
| 4.3.1 | The Application of Good Corporate Governance (GCG) Principles through the Program of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel) | 98 |
| 4.3.2 | The impact of the Baktiku Negeriku Corporate Social Responsibility (CSR) program of PT Telekomunikasi Selular (Telkomsel) | 108 |
| 4.3.3 | Supporting and Inhibiting Factors of the Application on the Application of GCG principles through the Programs of CSR..... | 110 |
| 4.4 | Implication..... | 113 |
| CHAPTER V CONSLUSSION AND SUGGESTION..... | | 114 |
| 5.1 | Conclusion | 114 |
| 5.2 | Suggestion..... | 119 |
| BIBLIOGRAPHY | | 121 |

LIST OF FIGURE

| | |
|------------------------------------------------------------------------|----|
| Figure 1.1 Annual Digital Growth..... | 8 |
| Figure 1.2 Indonesian Digital Growth..... | 9 |
| Figure 2.1 Previous Study..... | 23 |
| Figure 2.2 CSR Triple Bottom Line Theory..... | 41 |
| Figure 3.1 Data Analysis based on Cresswell..... | 62 |
| Figure 4.1 The Operational Area of Telkomsel..... | 66 |
| Figure 4.2 Telkomsel CSR's Awards..... | 69 |
| Figure 4.3 Agreements from PT Telkomsel with the Local Government..... | 76 |
| Figure 4.4 Baktiku Negeriku Ceremony..... | 79 |
| Figure 4.5 Opening the Digital Center..... | 80 |
| Figure 4.6 10 Members of "Agent of Change" from Desa Bojongloa..... | 87 |

LIST OF ATTACHMENT

Attachment 1. Research Location..... 123

Attachment 2. Interview Session..... 125



CHAPTER I

INTRODUCTION

1.1 Research Background

A country or nation is the area of residence of people governed by a number of officials and asks its citizens to comply at the time of the law through the monopolistic control of legitimate power Budiardjo (2008). Therefore, a country needs and requires the name of the government as an actor in the country whose task is to regulate and make regulations to advance the welfare of the people of the country itself. Public welfare can also occur if in a country led by the government implementing a development system, therefore Indonesia as a developing country still needs the application of scientific disciplines in development administration.

According to Siagian (1994), development is an effort or business development and changes made and carried out by the nation, state and government towards modernity in the context of fostering a nation of "nation building". Development in a country there are three actors who can support the development process itself namely, Government, Private, and the community. The government and the private sector can work together in the development process to improve the welfare of the community.

To improve the welfare of the community so as to increase, in understanding the science of state administration not only discusses collaboration between the government, the private sector, and the community, but also understanding in this

science also discusses how a private company can implement a good and directed system called the Good principle Corporate Governance (GCG). GCG is a principle that discusses how to direct and control the company in order to achieve a balance between strength and authority within a company.

GCG can be interpreted as a system that regulates the elements in the company to be more directed and controlled. "GCG in the company will encourage transparency and accountability within the company, so that in the end the implementation of GCG can provide overall benefits for the community" (Wahyudi and Azheri, 2008: 170). Based on these definitions and explanations, GCG in a company or institution also functions as a pillar to control or guidelines that aim to direct and control the course of the system that applies within the company itself.

GCG also has three components, which consist of Good Public Sector Governance on the public sector, Good Governance in the public sector, and Good corporate Governance on the private sector.

Corporate Governance refers to the way the company is regulated. This is a technique where the company is directed and managed. This means running the business in accordance with the wishes of the stakeholders. This is actually done by the board of directors and related committees for the benefit of the company's stakeholders. It's all about balancing individual and social goals, as well as, economic and social goals.

Corporate Governance is the interaction between various participants (shareholders, board of directors, and company management) in shaping company performance and the way it is processed. The relationship between the owner and

manager in an organization must be healthy and there should be no conflict between the two. The owner must see that the individual's actual performance matches the performance standard. This dimension of corporate governance should not be ignored. Corporate Governance relates to the way financial providers guarantee themselves to get a fair return on their investment. Corporate Governance clearly distinguishes between owners and managers. The manager is the determining authority. In a modern company, the functions / duties of the owner and manager must be clearly defined, rather than in harmony.

Corporate Governance is concerned with determining how to make effective strategic decisions. This gives the highest authority and full responsibility to the Board of Directors. In today's market-oriented economy, the need for corporate governance arises. In addition, efficiency and globalization are important factors that drive corporate governance. Corporate Governance is very important to develop added value for stakeholders.

Corporate Governance ensures transparency that ensures strong and balanced economic development. It also ensures that the interests of all shareholders (majority and minority shareholders) are protected. This ensures that all shareholders fully exercise their rights and that the organization fully recognizes their rights.

Corporate Governance has a broad scope. This includes social and institutional aspects. Corporate Governance encourages a trustworthy, moral and ethical environment.

In order to implement this principle, collaboration between the government, society and the private sector is needed. The government has a duty to make regulations and laws in force in the country, and this is the basis of all applicable GCG principles. The role of the community is to participate and oversee the running of the system, and oversee the actors of good governance with social control, not only that the community can also provide input and advice if the perpetrators of the system are not in accordance with what they do and not in accordance with the objectives his. Another concept that has developed simultaneously and correlates with one another is Corporate Social Responsibility (CSR).

As stated in Law No. 40 of 2007 concerning Limited Liability Companies (PT.) Article 74 paragraph (1) reads, "Companies that carry out their business activities in or related to natural resources are required to carry out Social and Environmental Responsibilities." Therefore according to the applicable laws private or company not only need to help and support government activities but also must contribute to activities aimed at society that are social and economic and environmental (triple bottom line concept). In implementing the triple bottom line concept, companies need to carry out Corporate Social Responsibility (CSR).

CSR is a concept that is applied as a form of responsibility to all stakeholders, including shareholders, board of directors, management, employees, consumers, and the environment in all aspects of the company's operations. according to Dewi (2013), CSR is an accounting concept that can bring companies to carry out their responsibilities to the environment and society. Social responsibility or CSR according to Suhandari in Untung (2015) defines CSR is the

company's commitment to contribute to sustainable economic development by paying attention to corporate social responsibility and focuses on the balance between attention to economic, social, and environmental aspects. Sen and Bhattacharya (2001) also have assumptions about CSR, Sen said CSR refers to the concept that a business has a responsibility for the interests of the wider community, not only about the financial interests of the organization alone.

So with the Limited Liability Company Law No. 40 of 2007 it can be said that the company's obligations are budgeted and calculated as company costs whose implementation is carried out with due regard to propriety and fairness. The article also states that if a company does not carry out social responsibility, it will be sanctioned in accordance with statutory provisions.

In carrying out the system or principles of GCG there also mentioned a lot about how a stakeholder implements a CSR system that is implemented through several programs made by a company aimed at the community. In the process CSR has an important role in business practitioners and is tangent to and in line with the principles of GCG or so-called responsibility. This principle is also a form of orientation towards social responsibility for stakeholders, it is needed because in order to maintain the image and reputation of the company itself that can be useful so that the company's name is known by the public or has good value.

CSR is also an activity that is sometimes charity or assistance from an agency to the community. Therefore, a business company also contributes and contributes to the awareness that we all need to also support sustainable development, environmental, social responsibility and economic development and

development activities. A company is not just looking for profit even though it has been mentioned in the concept of Developing the concept of triple Bottom Lines (profit, planet, and people) stated by Wahyudi and Azheri (2008). This explains that a good company is a company that is not only concerned with profit but also other supporting aspects, which are Environment sustainability (planet) and Society welfare (people).

Companies that have quality CSR activities that are able to be managed and managed properly by the company can later become activities that have an impact on investment in the future or the long term of the company itself. A company must be able to maintain and create a good image and figure (Majid, 2012). Untung (2015) also believes that there are several benefits and advantages for companies that carry out quality CSR activities, one of which can maintain and create a good corporate image.

One company that carries out and has a program of CSR activities in Indonesia is PT Telekomunikasi Selular (Telkomsel), this company is a company engaged in the field of cellular telecommunications services since May 26, 1995.

Telkomsel itself is a subsidiary of PT Telkom Indonesia and became a telecommunications company cellular number one in Indonesia since 2014.

According to CNBC Indonesia in the year of 2020, Telkomsel has also been named the number one telecommunications company in Indonesia thanks to what they have done in terms of the development and innovation of the company itself.

PT Telekomunikasi Selular (Telkomsel) has several activities and programs that they make with a commitment to help overcome some social and economic

problems that occur, especially in Indonesia through CSR programs they have and focus on the foundation of the four pillars of the CSR principles themselves . As stated by Denny Abidin as Vice President of Telkomsel Corporate Communication, "Telkomsel also cares for the community, therefore we have made various CSR activities based on four pillars, including the pillars of Education, digital society, community empowerment, and philanthropy " Because Telkomsel itself is a company that wants to transform into a digital telco company, therefore they accelerate by developing a digital ecosystem in Indonesia.

In the Education pillar, Telkomsel's CSR program is aimed at increasing the capacity of knowledge and preparing for the expertise of the young Indonesian profession in various fields. CSR programs in this education pillar include IndonesiaNEXT and T-Perpus (Telkomsel Digital Library).

Furthermore Telkomsel's CSR pillar is Digital Society. The aim of the CSR program in this pillar is that Telkomsel contributes to encouraging the use of technology positively which impacts on the development of character and quality of human resources in order to utilize the internet for productive activities that support the digital lifestyle of the Indonesian people. CSR programs on this pillar include The NextDev and GOOD Internet.

Telkomsel's next CSR pillar is Community Empowerment which aims to support the development of the potential of local communities and businesses through the provision of key infrastructure, strengthen skills and resources through training and community assistance, increase access to markets and capital and increase the value of business sustainability. CSR programs on this pillar include,

among others, "Baktiku Negeriku, Patriot Digital Village, and Creative Millennials." These various community empowerment programs are carried out in collaboration with various relevant stakeholders who invite active participation from various parties to provide positive benefits for their environment.

While on the Philanthropy pillar, it focuses on accelerating the improvement of Telkomsel's network that was affected by the disaster. Including a variety of social activities such as the provision of assistance for basic needs and infrastructure improvements in the affected areas to the recovery phase. The CSR program on this pillar is TERRA (Telkomsel Emergency Response & Recovery Activity). Of the various types of pillars owned by Telkomsel CSR, they have a mainstay program and the main objective to be given to the community and skills, namely the pillars of the digital society through the digital society of Indonesia, Telkomsel already has a program for that matter which is named "The NextDev" and "Internet BAIK".

Indonesia itself has a community that is famous for actively using social media and the internet that is used on a daily basis, but this phenomenon or the so-called globalization era is very fast making many Indonesian people left behind, because generally people who understand and are easy to follow developments, especially in technology or internet is people who live in big cities and regions that have access to it that is capable and easily accessed. Another thing is happening in small towns and villages, many of the people in the area are left behind or do not understand this rapid development.

Figure 1.1 Annual Digital Growth



(Source: www.wearesocial.com, 2019)

Apart from that, Indonesia is one of the countries that is developing very fast in terms of technological developments and digital understanding which includes the internet, social media, and websites. Therefore there is research conducted by the British social media company, Named Hootsuite, said that, "In the 2019 Digital Around The World report, Indonesia has a total population of 268.2 million people, 150 million of whom have used social media." Thus, Indonesia already has approximately 56 percent who understand social media and are regular users of the digital media.

Figure 1.2 Indonesian Digital Growth



(Source: www.wearesocial.com, 2019)

With this phenomenon occurring in Indonesian society, from a number of activities launched by Telkomsel, the program that is its mainstay is "Baktiku Negeriku" is a CSR program in the form of contributions and collaboration of the Telkomsel Workers Union which focuses on improving the quality of people's lives in various remote areas in Indonesia through technology, community empowerment, and education. In this program, Telkomsel also provides an Android-based digital platform / application called "Baktiku Negeriku" that can be used by villagers who have communication services between users, exchange information about managing village potentials, weather information, prices for agricultural products, and buying and selling services . "Baktiku Negeriku" is held with various activities, such as employee volunteering, where selected Telkomsel employees will disseminate the use of the internet responsibly, safely, inspiratively, and creatively "internet BAIK" for the local community, and the environmental care

movement (green movement) through planting mangrove or rice trees in the context of preserving nature and its ecosystem.

The program also includes training for local young people on the use of information technology by involving Youth Organization and the school community (local youth empowerment). After getting training, they are expected to become "agents of change" who will lead the local community towards a better life by utilizing technology. The program that targets sustainable growth also includes the construction and renovation of public facilities, such as reading houses, media centers and citizen education, sanitation and clean water facilities, as well as places of worship. This was done through collaboration with the local regional government, the TNI, and other stakeholders.

Telkomsel's Corporate Social Responsibility (CSR) program "Baktiku Negeriku" won the "Champion" in the Information and Communication Technology (ICT) competition The 2018 World Summit on the Information Society (WSIS) Prizes organized by the United Nations (UN) March 19-23 2018 in Geneva, Switzerland. "Baktiku Negeriku" succeeded in bringing Indonesia to this international level after competing with a total of 685 entries from all over the world and were strictly selected by the International Telecommunication Union (ITU).

Based on the basic principles of GCG explained by the Komite Nasional Kebijakan Governance / KNKG (2006: 5-7), PT Telekomunikasi Selular (Telkomsel) has implemented and applied the principles of GCG, namely, the responsibility that has been carried through the CSR activities they have, because

The authors chose the principle to be discussed because the principle is a basic form

of social responsibility oriented to stakeholders and is closely related to CSR. The author also chooses the principles of accountability and fairness that are very appropriate to support the application of CSR itself. Therefore, as an actor in the private sector, PT Telekomunikasi Selular (Telkomsel) needs to help, support and contribute to the process of serving the public in terms of social and public affairs and as a form of being part of the concept of government. Companies need to help the government in terms of serving the community, because it is a form of Public Services.

Therefore it is very important to examine the application process of CSR, in order to support the government to create community welfare and trust and a good image of the community for the government and the company itself. Therefore, the authors intend to conduct research with the theme "The Application of Good Corporate Governance (GCG) Principles through the Program of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel)" by using descriptive research type method with qualitative approach.

1.2 Research Problems

Based on the description of the background above, the author take the following research problem formulation, such as:

- a. Is the application of the Corporate Social Responsibility (CSR) program of PT Telekomunikasi Selular (Telkomsel) in accordance with the principles of Good Corporate Governance through the Baktiku Negeriku program?

- b. What is the impact of the Baktiku Negeriku Corporate Social Responsibility (CSR) program of PT Telekomunikasi Selular (Telkomsel) on the village of Bojongloa, Sumedang?
- c. What are the supporting and inhibiting factors for the implementation of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel) in the Baktiku Negeriku program at Bojongloa Village?

1.3 Research Purpose

Based on the problem formulation that has been described above, the objectives taken by the researchers are follow:

- a. To analyze and describe the application of the Corporate Social Responsibility (CSR) program of PT Telekomunikasi Selular (Telkomsel) in accordance with the principles of Good Corporate Governance through the Baktiku Negeriku program?
- b. To analyze and describe What is the impact of the Baktiku Negeriku Corporate Social Responsibility (CSR) program of PT Telekomunikasi Selular (Telkomsel) on the village of Bojongloa, Sumedang?
- c. To analyze and describe What are the supporting and inhibiting factors for the implementation of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel) in the Baktiku Negeriku program at Bojongloa Village?

1.4 Research Contribution

This research is expected to be able to contribute both academically and practically to related parties. The contributions to be achieved through this research are:

1. Academic contribution

a. For Student

This research is expected to improve the understanding about the Good Corporate Governance, so it can contribute to the academic study about the GCG principles through the program of CSR by Telkomsel.

b. For University

The results of this study are expected to increase understanding of the concepts, theories and benefits of the GCG principle itself in scientific studies.

2. Practice Contribution

a. For Governments

The results of this study are expected to provide input and information as well as aspirations addressed to the government in terms of making policies and programs that will be issued by the government.

b. For the Companies

The results of this study are expected to provide input and input so that companies can develop and update systems and programs that

will be made in the future so that the results of collaborative performance between the government and the company can continue to improve the welfare of the community through this CSR program.

c. For the Public

The results of this study are expected to provide information and explain the conditions of the process of implementing GCG principles through this community empowerment program, because the community itself is an actor and object of the purpose of this program, it is hoped that the community will be more sensitive and support the existence of this program.

1.5 Systematics Discussion

With the intention that this study is identified and described in this undergraduate thesis writing, and can be seen with a systematic discussion which is the context of this research, therefore the research will be based on systematic as follows:

CHAPTER I : INTRODUCTION

This chapter discusses what the background is in the title chosen from the principles of implementing Good Corporate Governance (GCG) through the Corporate Social Responsibility (CSR) program.

CHAPTER II : LITERATURE REVIEW

This chapter explaining the research methods used by researchers as the foundation and the exact study of the theory with the object of research, which is the application of GCG principles through the Baktiku Negeriku program of CSR.

theories and concepts explained are also used as supporting media to analyze data by the author in the research process.

CHAPTER III : RESEARCH METHODS

This chapter explains that the method used by researchers in conducting research and its processes. The research method itself consists of several types of research, the focus of the research, the location, and the research site, the types and sources of data obtained, how to retrieve the data, and data analysis.

CHAPTER IV : FINDINGS AND DISCUSSION

This chapter describes the results and discussions about the research obtained at the research location and interviews conducted by researchers using descriptive types and using qualitative methods. The author has obtained results about whether in applying the principles of GCG, the CSR program has been implemented properly or not. Furthermore, the researcher also determines and explains what is the supporting factors and inhibit the application of the principles of GCG through a company's CSR program.

CHAPTER V: CONCLUSION AND SUGGESTION

This last chapter contains the conclusions from the research results and discussions that have been carried out by the author after the research was

conducted and what suggestions can be used as recommendations for future studies and policies to be made.



CHAPTER II

LITERATURE REVIEW

2.1 Previous Research

Previous studies in this chapter discuss about how the research that has been done before, such as methods, ways, and mindset that become references and supporters that have similarities with the titles and topics that have been taken by the author in conducting this research. This study uses several Previous studies, such as the following:

1. **Puspa and Ambar (2018).**

In the first study, the writer has some similarities and differences in the process of making research. Previous researchers explained how the process of implementing CSR and examine how the constraints found in a company and its resolution. This research is an empirical legal research that is descriptive in nature, with a qualitative approach. The type of data used is primary data obtained directly from the research location and secondary data obtained from library materials. This study also explains how a company carries out CSR activities in accordance with the provisions of the Law No. 40 of 2007 concerning limited liability companies in practice in the form of activities that are guided by state regulations.

2. Adhianti and Frizki (2018).

In the second study, the writer has several similarities and differences in the process of making research. Previous researchers explained what the goals of a company are or the motives for implementing CSR in it by comparing the same company but in two different countries. This research uses the case study method and belongs to the type of descriptive qualitative research. This research is also how the application of CSR programs in realizing understanding (Socially Responsibility Business Practices), as a manifestation of the company's contribution and support the welfare of society.

3. Rieke (2019).

In the third study, the writer has several similarities and differences in the research making process. The purpose of this study was to determine the effect of the elements of Good Corporate Governance on the extent of disclosure of Corporate Social Responsibility. The principles of good corporate governance are measured using five variables, namely Shareholder Rights, Board of Directors, Outside Directors, Audit Committee and Internal Auditors, and Disclosure to Investors. The type of research used is causal research which is explanatory research. The dependent variable of this study is CSR Disclosure. In this study using 91 indicators based on GRI-G4. a

score of '1' on items in the SRG for information disclosed and a score of '0' for undisclosed information.

4. Erna, Riska, and Nur (2018).

In the fourth study, the writer has some similarities and differences in the process of making research. The previous research results show various disclosures of the effects of Good Corporate Governance on Corporate Social Responsibility. The objective of this study was to examine the effects of Good Corporate Governance on the Corporate Social Responsibility disclosure to incorporated companies. Proxies of Good Corporate Governance in this research include managerial ownership, institutional ownership, foreign ownership, size of the independent commissioner board, size of the audit committee, and concentrated share ownership. Multiple linear regression tests were conducted to analyze whether Good Corporate Governance in the disclosure of Corporate Social Responsibility. The results of this study show that the variables that affect the disclosure of Corporate Social Responsibility are managerial ownership, institutional ownership, and foreign ownership. The type of data used in this study was secondary data that is the annual report of companies listed on the Indonesia Stock Exchange (IDX) incorporated in the JII in a row since 2013–2016. In this research, the sampling technique used was purposive sampling method, which

determined the sample technique with certain considerations (Sugiyono, 2013).

5. Chow, Yeow, Audrey, Cheak, Wong, and Yeo (2012).

In the fifth study, the authors have several similarities and differences in the research making process. Previous researchers examined how CSR can affect the image and response of the community to the program. the objective of this study is to examine the effect of CSR in affecting consumer buying behavior. Data collection was based on voluntary and anonymity bases. The regression results indicated that ethical responsibility and philanthropic responsibility are associated with consumer buying behavior. The use of a questionnaire as a research tool in behavioral science is widely acknowledged (Mihail & Elefterie, 2006). It has been used in the past research and has proven to have high reliability and consistency. The main instrument used in this study was a structured questionnaire which was developed and adapted based on previous studies. This survey instrument allows the researcher to examine the relationship of the variables and to analyze the results.

6. Abdul, Lu'liyatul, Joko, dan Ibnu (2017).

In the fifth study, the writer has several similarities and differences in the research making process. The purpose of this study was to analyze the effect of corporate governance elements (GCG) and company size on the disclosure of Corporate Social Responsibility

(CSR) using the Islamic Social Reporting (ISR) index. This research method uses content analysis to evaluate CSR disclosure using the ISR index. While the panel regression is used to determine the effect of GCG elements (board of commissioners, independent commissioners, sharia supervisory board, and board of directors) and company size on CSR disclosure.

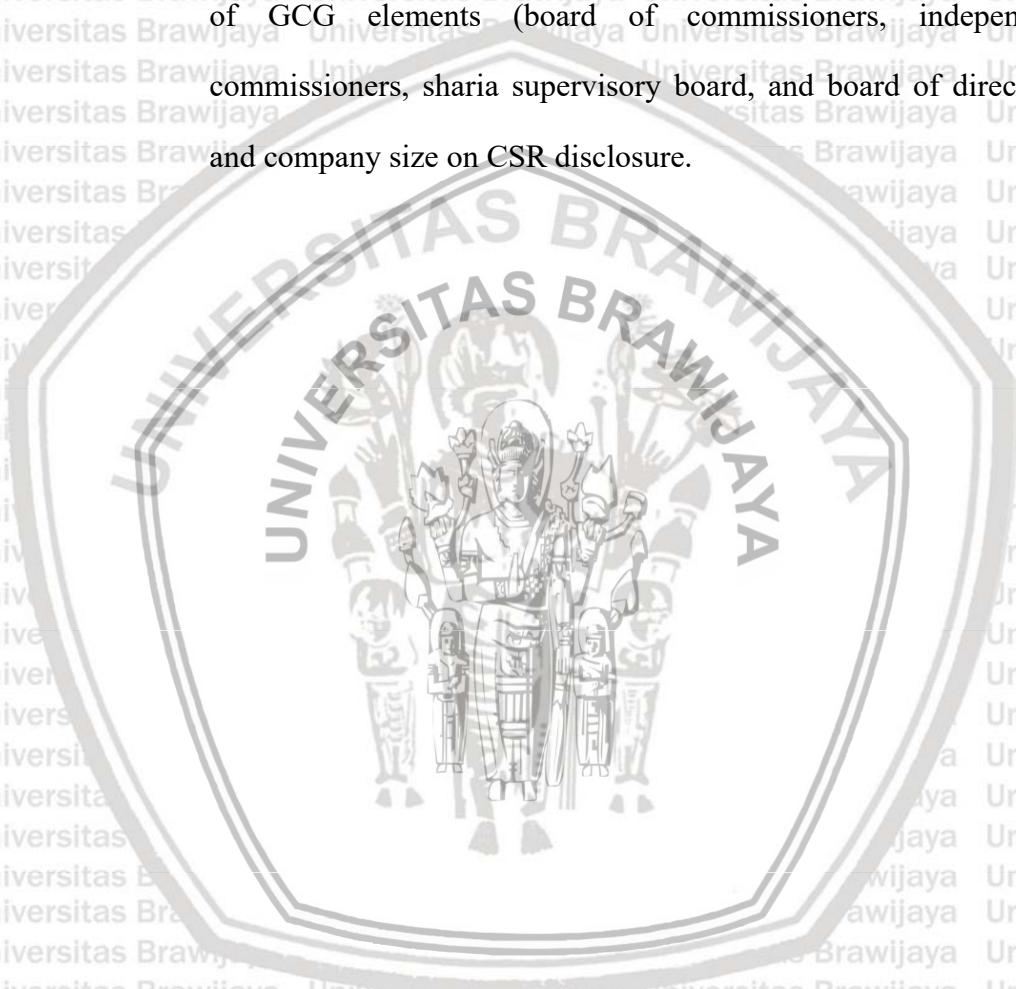


Table 2.1 Previous Research

| NO | AUTHOR AND TITLE | RESEARCH METHODOLOGY | SIMILARITY | DIFFERENCE | THE RESULT OF STUDY |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <p>Author: Puspa and Ambar (2018)</p> <p>Title: <i>Studi Tentang CSR (Corporate Social Responsibility) di PT Madubaru Yogyakarta Berdasarkan UU No. 40 Tahun 2007 Tentang Perseroan Terbatas</i></p> | <p>Using method of empirical law research with descriptive and qualitative approach</p> | <p>1. The implementation of CSR in each company must be based on government regulations contained in Law number 40 of 2007 concerning the implementation of Corporate Social Responsibility</p> | <p>1. The focus of research is only to study the implementation of CSR in a company, not to study the implementation of Good Governance and Good Corporate Governance</p> <p>2. The data collection technique uses document study and library materials</p> | <p>1. There are Obstacles in the Implementation of CSR at PT Madubaru.</p> <p>2. PT Madubaru implements CSR in accordance with the provisions of Law no. 40 of 2007 concerning limited liability companies.</p> <p>3. In the process of CSR activities, PT Madubaru is guided by PMBUMN Per-03/MBU/12/2016</p> |

| NO | AUTHOR AND TITLE | RESEARCH METHODOLOGY | SIMILARITY | DIFFERENCE | THE RESULT OF STUDY |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | <p>Author: Adhianty and Frizki (2018)</p> <p>Title: <i>Motif Pelaksanaan Corporate Scioal Responsibility Perusahaan (Study kasus: CSR PT. Holcim Indonesia Tbk. Cilacap Plant dan CSR Delegation European Union to Malaysia)</i></p> | <p>Using a qualitative approach with a study case method of research and primary (in-depth interview) while Secondary (literature review) of collection data technique</p> | <ol style="list-style-type: none"> 1. CSR program created by PT Holcim Indonesia Tbk. Because of the awareness of the responsibility for cooperation between stakeholders, government and society. 2. This study analyzes the application of the created CSR program. aims as a form of commitment and contribution to improve the welfare of the community. 3. The data obtained in this study were analyzed using the analytical model from Creswell. | <ol style="list-style-type: none"> 1. There are two research objects at PT Holcim Indonesia Tbk. Which is divided into two focuses, Cilacap Plant and CSR Delegation European Union in Malaysia. 2. There is a clarity of collaborative system on CSR activity agendas in the community that is sustainable. 3. The research is intended only to see the reasons for holding the program without examining the results of the implementation of the program in the community. | <ol style="list-style-type: none"> 1. The motive of PT Holcim Indonesia Tbk. Implementing CSR programs as a form of embodiment of socially responsible business practices. 2. There is cooperation with various parties for the process of communicating CSR programs with various media. 3. PT Holcim Indonesia Tbk. Holding a CSR program not only fulfills obligations, it also aims to increase profits by establishing relationships with the community. |

| NO | AUTHOR AND TITLE | RESEARCH METHODOLOGY | SIMILARITY | DIFFERENCE | THE RESULT OF STUDY |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | <p>Author: Rieke (2019)</p> <p>Title: <i>The Effect of Elements Good Corporate Governance on Disclosure of Corporate Social Responsibility: Study of the Indonesian Kompas 100 Indexed Companies.</i></p> | <p>Using explanatory research with quantitative methodology.</p> | <p>1. Knowing the influence of the elements of Good Corporate Governance on the extent of the disclosure of Corporate Social Responsibility.</p> | <p>1. There are 5 measurement variables that has been used for this research.</p> <p>2. This research using a qualitative data based on several variables from Kompas 100 indexed from 2016 to 2017.</p> <p>3. This study described what is the effect and correlation between 5 variables and CSR that has been conducted by the researcher.</p> | <p>1. The GCG elements of the Audit Committee and Internal Auditor have significant negative effects on the extent of disclosure of corporate social responsibility</p> |

| NO | AUTHOR AND TITLE | RESEARCH METHODOLOGY | SIMILARITY | DIFFERENCE | THE RESULT OF STUDY |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4 | <p>Author: Erna, Rizka, and Nur (2018)</p> <p>Title: <i>The Effect of Good Corporate Governance on Corporate Social Responsibility Disclosure on Jakarta Islamic Index</i></p> | <p>Using Quantitative approach and using annual report as a secondary data</p> | <ol style="list-style-type: none"> 1. There is an assessment of the influence of Good Corporate Governance on CSR. 2. CSR policies that provide a perspective between government, private sectors and Society stakeholders. 3. There is an awareness that the importance of implementing the GCG system in every CSR program | <ol style="list-style-type: none"> 1. There is more than one sample of companies that are the subject of the study, totaling 23 companies. 2. Data analysis using multiple linear regression test. 3. There is a certain period of time that has been used as a benchmark for research results. | <ol style="list-style-type: none"> 1. Managerial ownership, institutional ownership, and foreign ownership have positive effects on CSR disclosure in JII period of 2013–2016 while the size of the independent commissioner board, size of audit committee and concentrated share ownership do not have effects on CSR disclosure. |

| NO | AUTHOR AND TITLE | RESEARCH METHODOLOGY | SIMILARITY | DIFFERENCE | THE RESULT OF STUDY |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 | <p>Author: Chow, Yeow, Audrey, Cheak, Wong, and Yeo (2012)</p> <p>Title: <i>A Study Of The Effect of Corporate Social Responsibility (CSR) towards Consumer Buying Behaviour</i></p> | <p>Using a Quantitative approach with questionnaire as a research tool and the main instrument in this research is structured questionnaire based on adaptation and development of previous studies.</p> | <p>1. From this study shows that the company already implemented the CSR system because the realization of the importance of CSR on every company.</p> | <p>1. The focus of this research is the effect of CSR from customers perspective to the company, not the effect of the CSR program that made by the company.</p> <p>2. Implemented the CSR in order to gain some advantages.</p> <p>3. The data that conducted based on questionnaire with several subjects</p> | <p>1. The regression results indicated that ethical responsibility and philanthropic responsibility are associated with consumer buying behavior.</p> <p>2. By understanding the role of CSR and the current market trend, management can manage the company more effectively, such as creating the right marketing strategy in order to stay competitively always in this highly competitive market</p> |

| NO | AUTHOR AND TITLE | RESEARCH METHODOLOGY | SIMILARITY | DIFFERENCE | THE RESULT OF STUDY |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 | <p>Author: Abdul, Lu'liyatul, Joko, and Ibnu (2017).</p> <p>Title: <i>The Impact of Good Corporate Governance, Company Size Nn Corporate Social Responsibility Disclosure: Case Study of Islamic Banking in Indonesia.</i></p> | <p>Using a Quantitative approach with The data used in this research is secondary data and using content analysis to analyze and evaluate CSR's index.</p> | <ol style="list-style-type: none"> 1. The data analysis that used is the method of collection research data through observation and analysis of the documents. 2. Analyze the importance and influence of Good Corporate Governance and its application to the company's CSR. | <ol style="list-style-type: none"> 1. Divided up to 10 places for research samples. 2. Annual routine report is used as one of the sampling sources. 3. There is a content analysis research method. | <ol style="list-style-type: none"> 1. The findings of this study indicate that independent commissioners are not able to provide maximum supervision of the company. 2. Lack of quality, and multiple positions held by independent commissioners in other companies. |

2.2 Theoretical Study

2.2.1 Public Administration

The word administration comes from two words, *ad* and *ministrare*, which has the meaning of management or services. Public Administration is a process whereby public resources and personnel are organized and coordinated to formulate, implement and manage public policies and decisions. Public administration is the art and science (art and science) aimed at regulating public policy to solve public problems that occur within an organization or the other (Chandler and Plano, 1988).

Meanwhile, according to Felix A. Nigro, Public Administration is:

- a. Cooperative group businesses within the government.
- b. Includes all three branches of government, executive, judiciary, and legislative branches and links between the three.
- c. Has an important role in the formulation of public policy and is part of the political process.
- d. Very different from private administration.
- e. Closely connected with various groups. Private and individual groups in providing public services.

So according to the explanation above, public administration can be interpreted into a process or an activity from various groups which are divided into three namely, the community, government, and private sector or companies. all three must synergize because each has a different role and task, the government as a policy maker, the community as an actor and input provider, and the private sector as a supporting and supporting media for the creation of public welfare. Administration is a business and activity related to implementation of policies to achieve goals. Administration in the sense

of Narrow is an activity that includes taking notes, correspondence,

bookkeeping light, type typing, agenda, and so on that are administrative technical in nature. Administration in the broadest sense is the whole process of cooperation between two people or more in achieving certain goals in an efficient and effective manner.

2.2.2 Government

Government is a term used in organizations or institutions that exercise government power in a country. The concept of government can be said to be an old concept in the administration of government because it only emphasizes the government (government institutions / institutions) as the sole regulator and executor of government administration. Therefore, the concept of governance emerged which replaced the concept of government in aspects and studies of governance. Furthermore, governance comes from the word "govern" with the definition of taking a bigger role, which consists of all the processes, rules and institutions that allow the management and control of the collective problems of society. Thus broadly, governance includes the totality of all institutions and elements of society, both government and non-government.

Based on the explanation from Leach and Percy Smith in Hetifah (2003):

“that government contains the meaning of politicians and governments who regulate, do something, provide services and meanwhile the rest of the elements of a country are passive. Meanwhile governance dissolves this meaning, by loosening the rigidity between the government and the governed (the passive part of the state), so that the passive part has a role and shares from the government part. ”

Based on the distinction between the concepts of government and governance above, it can be stated that the concept of government in a meaning or in the sense refers to or leads to politicians or government

agencies. Government refers to government agencies or the bureaucracy

itself that is tasked with providing services to the community. In addition, in government, the community is only passive or merely as the party who accepts services just like that. In contrast to government, governance is said to be more lenient, in the sense that it is not only government agencies /

bureaucracy that have a role in the administration of government, but also provides space and shares from the community and other non-governmental parties.

2.2.3 Governance and Good Governance

a. Governance

Governance refers to changes in governance that are more broadly meaningful including a new process of governing, a change condition ordered (rule changed rule), or a new method by which society is governed (new method by which society is governed) (Rhodes, 1996: 652-653). In general, Governance presupposes a diversion in the new process of regulation, conditions, methods and application of public policies that are not only centered on the government as the only implementing actor, but there are power relations with actors other than the participating government, namely from the public and private sectors involved. take part in managing public affairs. In the context of his research on British government in the 1990s, Rhodes (1996) defines governance as self-organizing and inter-organizational networks. This definition combines the use of the term governance, especially related to the minimal state (the role of the government is reduced to be more effective and efficient with a reduction in the budget and privatization), socio-cybernetics system (the relationship between the government and other actors in carrying out joint policy accountability) and self organizing network (the relationship between actors who are equally

strong and need each other in exchanging resources). "Institutions, regulations, state systems (executive, legislative, judiciary and military) operate at national and local levels and how the state relates to individual citizens, civil society and the private sector" (in Grindle, 2017: 556).

b. Good Governance

Governance is the adjective of govern, which is defined as the action of manner of governing or the act (implementing) control procedures. As a word, governance is actually not new. In 1590 this word was understood as a state of being governed, developed into a mode of living (1600), then became the office, function, or power of governing (1643), developed into a method of management, a system of regulation (1660) and later standardized as the action or manner governing. Meanwhile, it means to rule with authority or regulate on behalf of authority. Its application is usually referred to as government which in addition has a narrow meaning as an action of ruling and directing the affairs of a state, or the application of regulation and direction of state affairs. Thus the government is identical with the management or management with specific meaning or state management. (Nugroho, 2004: 207). Based on

PP No. 101 of 2000 the notion of good governance is a government that develops and establishes the principles of professionalism, accountability, transparency, excellent service, democracy, efficiency, effectiveness, rule of law and can be accepted by the whole community.

The principles of good governance are:

1. Community participation, i.e. all members of the community have a voice in decision making, both directly and indirectly.
2. information. All institutional governance processes and information can be accessed by interested parties, and the information available must be sufficient to be understood.

3. Concerned with stakeholders, namely institutions and the whole government process must try to serve all stakeholders.
4. Consensus-oriented, that is, good governance can bridge different interests for the sake of building a comprehensive and best consensus for community groups.
5. Fairness or Equality, all colors of society have the opportunity to improve or maintain their welfare.
6. Effectiveness and efficiency, namely the process of government and institutions produce results according to the needs of citizens and by using available resources as optimal as possible.
7. Accountability, namely decision makers in government, the private sector and community organizations responsible both to the community and to the institutions concerned.
8. The strategic vision, that is, leaders and the public have a broad and far-reaching perspective on good governance and human development, as well as sensitivity to make it happen, must have an understanding of the complexity of the socio-cultural history that is the basis for that perspective.

According to Bintoro Tjokroamidjojo, views good governance as a form of development management, also called development administration, which places the role of the central government as an agent of change of a developing society in developing countries. Agent of change and because of the change he wants, becomes planned change (planned change), it is also called an agent of development. Agent of development is defined as driving the development process and the change of the nation's people.

The government encourages through policies and programs, projects, even industries, and the important role of planning and budgeting. Planning and budgeting also stimulates private sector investment.

2.3 Good Corporate Governance

2.3.1 The Definition of Good Corporate Governance (GCG)

According to the Cadbury Committee of the United Kingdom (1922): "A set of regulations governing the relationship between shareholders, management (managers) of the company, creditors, government, employees, and other internal and external stakeholders relating to their rights and obligations or in other words a system that directs and controls the company". Muh. Effendi (2009) in his book *The Power of Good Corporate Governance*, the understanding of GCG is a system of internal control of the company that has the main goal of managing significant risks to meet its business objectives through securing company assets and increasing the value of shareholders' investments in the long term. the definition of good corporate governance is the structure and mechanism that governs company management in accordance with applicable regulations, laws and business ethics. The application of GCG principles / good corporate governance can improve company performance and long-term economic value for investors and stakeholders. Examples of

implementing GCG are internal control and supervision systems, reporting mechanisms for alleged misconduct, information technology governance, ethical behavior guidelines. The Center for European Policy Studies (CEPS), has another formula. GCG, said the center of this study, is an entire system that is formed starting from the right (right), process, and control, both inside and outside the company's management. For the record, rights here are the rights of all stakeholders, not limited to shareholders. Rights are the various strengths that individual stakeholders have to influence management. Process, the intention is the mechanism of these rights. The control is a mechanism that allows stakeholders to receive information needed about various company activities.

“GCG contains four main values, namely: accountability, transparency, predictability and participation.” (Asian Development Bank, 1995: 7-12). Another notion comes from the Malaysian Finance Committee on Corporate Governance. According to the institution, GCG is a process and structure used to direct and manage business and corporate affairs towards increasing business growth and corporate accountability. The final goal is to increase the value of shares in the long term but still pay attention to the various interests of other stakeholders.

a. The Principles of *Good Corporate Governance* (GCG)

- 1) According to Organization for Economic Cooperation and Development (OECD), there are five principles of Corporate Governance in the OECD principles, namely:

1. Principle I: Ensuring an effective corporate governance

In general, principle I states that "Corporate Governance must be able to encourage the creation of a transparent and efficient market, in line with applicable laws and regulations, and can clearly separate functions and responsibilities of authorities who have regulation, supervision and law enforcement".

2. Principle II: Rights of shareholders and the key role of

share ownership This principle states that the governance framework must protect and facilitate the exercise of shareholder rights. This is especially so considering that the holder of a public company has special rights such as shares can be bought, sold or transferred without obstacles. The shareholders are also entitled to the company's profit for the portion of their ownership. In addition shareholders have the right to obtain relevant information and have the right to influence the course of the company through the General Meeting of Shareholders (RUPS).

3. Principle III: Fair Treatment of Shareholders This

principle emphasizes the need for equal treatment of all shareholders including minority shareholders (non-controlling shareholders)) and foreign shareholders. This

principle emphasizes the importance of investor confidence in the capital market. The third principle is needed to overcome agency conflicts between controlling shareholders and non-controlling shareholders so that the possibility of expropriating the wealth of controlling shareholders can be avoided.

4. Principle IV: The role of stakeholders in Corporate

Governance general, this principle states that: "the corporate governance framework recognizes the rights of stakeholders covered by legislation or agreements (mutual agreements) and supports active cooperation between the company and stakeholders in managing create prosperity, employment, and sustainable growth (sustainability) from the company's financial condition that can be relied upon".

5. Principle V: Openness and Transparency In principle 5 it

is emphasized that the Corporate Governance framework must ensure that timely and accurate disclosure of information is carried out on all material matters relating to the company, including financial condition, performance, ownership and corporate governance. This principle is treated to reduce information asymmetry which is the trigger of a conflict of interest between the

principal and agent. With more public disclosure, public shareholders and stakeholders will be able to monitor and assess company performance more easily. Controlling and management shareholders will find it more difficult to expropriate public shareholders and stakeholders because their actions will be more easily detected.

2) According to Komite Nasional Kebijakan Governance (KNKG), there are five GCG principles that can be used as a guideline for business people, namely Transparency, Accountability, Responsibility, Independence and Fairness which are usually synchronized into TARIF. The explanation is as follows:

1. Transparency

It can simply be interpreted as information disclosure. In realizing this principle, the company is required to provide sufficient, accurate, timely information to all its stakeholders.

2. Accountability

What is meant by accountability is clarity of function, structure, system and accountability of company elements. If this principle is applied effectively, there will be clarity about the functions, rights, obligations and authority as well as responsibilities between the shareholders, the board of commissioners and the board of directors.

3. Responsibility

The form of corporate responsibility is the company's compliance with applicable regulations, including; tax issues, industrial relations, occupational health and safety, environmental protection, maintaining a conducive business environment with the community and so on. By applying this principle, it is hoped that the company will realize that in its operational activities, the company also has a role to be accountable to shareholders as well as to other stakeholders.

4. Independency (independence)

In essence, this principle requires that the company is managed professionally without any conflict of interest and without pressure or intervention from any party that is not in accordance with applicable regulations.

5. Fairness (equality and fairness)

This principle requires fair treatment in fulfilling stakeholder rights in accordance with applicable laws and regulations. It is expected that fairness can be a motivating factor that can monitor and guarantee fair treatment among various interests in the company.

3) According to Daniri (2005)

The benefits of implementing Good Corporate Governance principles can be:

1. Reducing agency costs

which are costs that must be borne by shareholders as a result of delegating authority to management. These costs may include losses suffered by the company as a result of abuse of authority (wrong-doing), or in the form of supervision costs incurred to prevent it.

2. Reducing the cost of capital (cost of capital)

As a result of good company management, it causes the interest rate on the funds or resources borrowed by the company to decrease as a decrease in the level of risk of the company

3. Increase the value of company

shares while enhancing the company's image in society for the long term.

4. Creating support for stakeholders

in the company environment about the existence of the company and various strategies and policies adopted by the company, because generally they get a guarantee that they can also get the maximum benefit from all company actions and operations in creating wealth and prosperity.

b. The Advantages of *Good Corporate Governance* (GCG)

Good corporate governance (GCG) itself has 5 important aspects that must be met, to be able to apply this concept appropriately and well. The five important aspects are:

- a. Professionalism
- b. Responsibility (responsibility)
- c. Fairness
- d. Transparency
- e. Accountability

These five aspects must be fulfilled so that the concept of good corporate governance can run and be applied well/ The full and proper application of good corporate governance provides many benefits, both for its employees and also for the company itself.

At present there are many companies that have optimized the concept of good corporate governance. What are the benefits?

The following are some of the benefits of good corporate governance:

1. Improve the quality of work of employees

With good corporate governance, the working environment will be better. Increasing the good environment and atmosphere of the work environment, the employee will feel more valued in his work. This will be beneficial to the better and improve the quality of work performed by

employees. Employees can feel comfortable and happy working in companies that implement good corporate governance.

2. Increasing employee engagement

The quality of work of its employees increases and also the conditions of the work environment that makes it comfortable, then employees will have a good working relationship with the company. This will have an impact on companies that do not need to bother in evaluating the work of their employees. Because with the increasing work engagement of the employees, the work results will be better and also more focused.

3. Improve company performance

The benefits of GCG that have an impact on the quality of work for employees, then this will have a direct impact on the overall performance of the company. Good corporate governance can affect the quality of work of employees, and will also affect the overall performance of the company itself.

4. A better company balance

With the increase in the quality of work conditions of employees and also the overall performance of the company, this will also have an impact on the condition of the

company's balance sheet which will be better and lead to a positive direction. That means, the possibility of companies losing risk will be smaller, compared to companies that do not implement good corporate governance.

5. More effective use of resources

In addition, the benefits of GCG for companies that are applied, management and use of resources will be more effective. The company will only put employees in accordance with their abilities. This did not overlap with the tasks which caused chaos to the body of the company.

6. Can prevent the emergence of KKN

KKN or what we often know with the term corruption, collusion and nepotism is one of the inhibiting factors of the progress of a company. With the existence of KKN in a company can cause:

- a) The company becomes a loss
- b) Placement of resources that are not right and not effective
- c) Bankrupt
- d) Entangled in a legal case

By applying the principles and concepts of good corporate governance, KKN that often occurs in companies can be reduced and reduced in number.

7. Better working environment

Benefits of Good corporate governance are also useful for improving the working environment for the better. Every employee will feel valued and make them feel at home. That way, the application of good corporate governance will lead to a better working environment for employees.

8. Prevent employee turnover

Turnover is another term for moving employees to work. Very often we hear there are terms that employees do not feel at home, only 1-2 years of work have wanted to quit and move out of their jobs. Of course this can be detrimental to the company. However, with the application of the concept of good corporate governance, employee intentions in conducting this turnover can be suppressed and minimized. This is because good corporate governance can improve the quality of work and make employees more comfortable in the company.

9. Protect the rights of shareholders

The benefits of GCG for companies in this concept can protect the rights and interests of the company's shareholders. With good corporate governance, the interests and rights of shareholders to carry out their duties are more optimal, so that

shareholders can create policies - policies that will benefit the company and its employees.

10. Increase the value of the company and attract investors

A company that applies good and optimal corporate governance will have a good atmosphere and quality of work.

Besides that good corporate governance can also affect the condition of the company's balance sheet. This will be the added value of a company in the eyes of investors. Investors will be more interested in investing in companies that have good quality and work atmosphere and a positive balance sheet.

11. Better relationships between company devices

Usually some employees, especially subordinates often feel afraid when dealing with their superiors. However, with the proper application of good corporate governance, this will not happen. The relationship between company equipment, both horizontal and vertical will become more harmonious.

c. Factors that Affect to the Application of *Good Corporate Governance* (GCG)

The National Committee on Corporate Governance Policy (KNKCG) believes that companies in Indonesia have a responsibility to implement GCG standards that have been applied at the international level. However, despite being aware

of the importance of GCG, many parties reported that there were still very few companies implementing these principles. There are still many companies applying GCG principles because of regulatory encouragement and avoiding existing sanctions compared to those who consider these principles as part of the company's culture. Companies in Indonesia have not been able to carry out corporate governance seriously so that the company is able to realize the principles of good corporate governance well. This is caused by the presence of a number of obstacles faced by these companies when companies try to implement corporate governance in order to realize the principles of good corporate governance well. These constraints can be divided into three, namely internal constraints, external constraints, and constraints originating from the ownership structure. Internal constraints include the lack of commitment from the leadership and employees of the company, the low level of understanding of the leadership and employees of the company about the principles of good corporate governance, the lack of role models or examples provided by the leadership, the absence of a corporate culture that supports the realization of the principles of good corporate governance, and ineffective internal control systems (Djatkiko, 2004). External constraints in

implementing corporate governance are related to legal instruments, rules and law enforcement.

2.4 Corporate Social Responsibility

2.4.1 The Definition of Corporate Social Responsibility (CSR)

According to Suharto (2007:16) Through his book titled "Pekerjaan Sosial di Dunia Industri: Memperkuat Tanggung jawab Sosial Perusahaan (Corporate Social Responsibility)", Suharto stated that CSR is a business operation that is committed not only to increasing corporate profits financially, but also to the socio-economic development of the region holistically, institutionalized and sustainable. In the context of empowerment, CSR is part of company policy that is carried out in a professional and institutionalized manner. CSR is then synonymous with CSP (corporate social policy), which is a roadmap and corporate strategy that integrates corporate economic responsibilities with social, legal and ethical responsibilities.

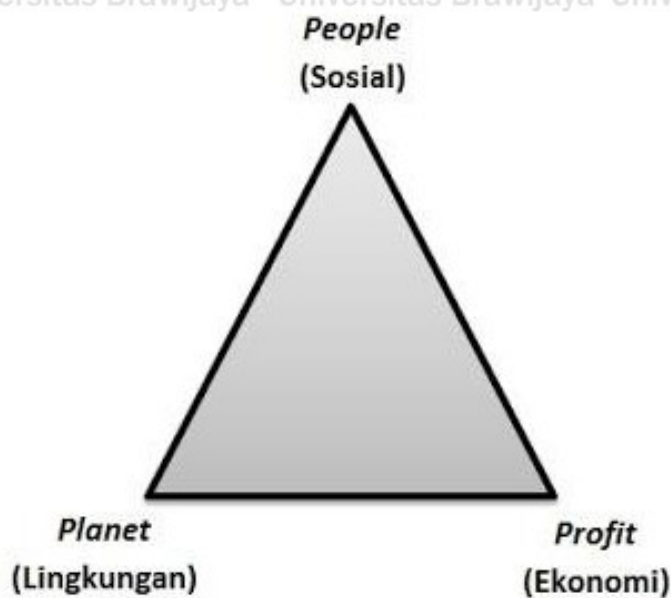
According to the Commission of the European Communities, corporate social responsibility is basically a concept whereby a company decides voluntarily to make a contribution to create a cleaner environment and a better society. Meanwhile, according to The World Business Council for Sustainable Development in Rahman (2009: 10) outlines the notion of CSR as a business commitment to contribute to sustainable economic development, working with company employees, the employee's family, along with local (local) communities and society as a whole. in order to improve the quality of life.

From the various expert understandings above, simply Corporate Social Responsibility (CSR) is a concept and action taken by a company as a sense of responsibility towards the social and the environment in which the company operates / stands. Such as carrying out an activity that can improve the welfare of the surrounding community, build public facilities, protect the surrounding environment, provide scholarships to underprivileged children, and provide financial assistance for the welfare of the community in general and the community around the company in particular. Therefore, The triple bottom line (TBL) is a framework or theory that recommends that companies commit to focus on social and environmental concerns just as they do on profits. The TBL posits that instead of one bottom line, there should be three: profit, people, and the planet. A TBL seeks to gauge a corporation's level of commitment to corporate social responsibility and its impact on the environment over time. According to TBL theory, companies should be working simultaneously on these three bottom lines:

1. Profit: The traditional measure of corporate profit, the profit and loss (P&L) account.
2. People: Measures how socially responsible an organization has been throughout its operations.
3. The Planet: Measures how environmentally responsible a firm has been.

By focusing on these three interrelated elements, triple-bottom-line reporting can be an important tool to support a firm's sustainability goals.

Figure 2.1 CSR Triple Bottom Line Theory



(Source: Yusuf Wibisono, 2007:32-33)

2.4.2 The Scope of Corporate Social Responsibility (CSR) Scope of Corporate Social Responsibility

Ernst and Ernst (1978) identified six areas in which corporate social objectives may be found:

1. Environment

This area involves the environmental aspects of production, covering pollution control in the conduct of business operations, prevention or repair of damage to the environment resulting from processing of natural resources and the conservation of natural resources. Corporate social objectives are to be found in the

abatement of the negative external social effects of industrial production, and adopting more efficient technologies to minimize the use of irreplaceable resources and the production of waste.

2. Energy

This area covers conservation of energy in the conduct of business operations and increasing the energy efficiency of the company's products.

3. Fair Business Practices

This area concerns the relationship of the company to special interest groups. In particular it deals with:

- a. Employment of minorities
- b. Advancement of minorities
- c. Employment of women
- d. Employment of other special interest groups
- e. Support for minority businesses
- f. Socially responsible practices abroad.

4. Human Resources

This area concerns the impact of organizational activities on the people who constitute the human resources of the organization.

These activities include:

- a. Recruiting practices
- b. Training programs
- c. Experience building job rotation

- d. Job enrichment
- e. Wage and salary levels
- f. Fringe benefit plans
- g. Congruence of employee and organizational goals
- h. Mutual trust and confidence
- i. Job security, stability of workforce, layoff and recall practices
- j. Transfer and promotion policies
- k. Occupational health

5. Community Development

This area involves community activities, health-related activities, education and the arts and other community activity disclosures.

6. Products

This area concerns the qualitative aspects of the product, for example their utility, life-durability, safety and serviceability, as well as their effects on pollution. Moreover, it includes customer satisfaction, truthfulness in advertising, completeness and clarity of labeling and packaging. Many of these considerations are important already from a marketing point of view. It is clear, however, that the social responsibility aspect of the product contribution extends beyond what is advantageous from a marketing angle.

2.4.3 Factors that Affected the Application of Corporate Social Responsibility (CSR)

1. Internal factors

Basically, the company realizes that it belongs to a social group that is working in a certain place and is related to other social groups.

The company realizes that the intention to help fellow social groups (humans) and preserve the environment (the Earth) is a noble act and is recommended in every religion.

The company realizes that with this CSR program it will have a positive impact, one of which is the impact on the smooth and sustainable operations of the company. The company has an intention to encourage employees to live more disciplined, develop the ability to progress the company and foster a caring attitude towards the surrounding environment.

2. External Factors

The company wants to establish good relations with the environment around the company, in this case the people who live close to the location of the company and the community at large, in this case the community is far from the company. Participate in management and preserve the environment. The company wants to play a role in encouraging community income through popular economic programs

Government Factors Prompts are submitted by the government to companies to participate in maintaining and maintaining / preserving a

harmonious life with good and environmentally friendly waste management.

As an income-oriented institution, the government encourages companies to participate in supporting government programs specifically in poverty alleviation and living conditions. The emergence of a Limited Liability Company Law and a Decree of the State Minister governing Social Responsibility.

a. The Benefits of CSR in Public and Private Sector

The CSR program has made a very significant contribution to social development in Indonesia. A number of industries have channeled CSR funds for infrastructure development, social development and rural community development. The Government of Indonesia has developed legal initiatives in the field of Corporate Social Responsibility (CSR) by creating a legal umbrella for the application of CSR. For state companies, it is regulated in Law No. 19/2003 and Regulation No. Per-05 / MBU / 2007 concerning the Partnership and Community Development Program (PKBL). Whereas private companies are regulated in Law No. 40/2007 aimed at companies whose business involves natural resources, has an obligation to carry out social and environmental responsibilities.

This responsibility can be done by giving more attention to the parties involved. Meanwhile, if you want to know the

description, there are at least 9 benefits or functions of CSR, including the following:

1. Social License to Operate (Social Permit to Operate)
2. Widen access to resources
3. Widen access to markets
4. Reducing business risk of the company
5. Reducing costs
6. Improve relations with regulators
7. Improve relations with stakeholders
8. Increase employee morale and productivity
9. Opportunity to get an award

The benefits of CSR for the Government are that the presence of CSR provides quite a number of benefits that are beneficial to the government. The types of benefits are:

1. Expert support, through the involvement of company personnel primarily in community capacity building activities.
2. Financial support, mainly due to government budget constraints to finance development related to poverty reduction.
3. There is support for facilities and infrastructure (economic, health, education / training, places of worship, sports facilities, arts, etc.), both those that are already owned or built through CSR activities.

4. The involvement of NGO activists in CSR activities is a source of learning, primarily in growing, mobilizing, and maintaining community participation in development.

Benefits of CSR for the Company According to Untung (2008), states that CSR has benefits for companies are:

1. Increase opportunities to get awards.
2. Improve relations with stakeholders.
3. Improve relations with regulators.
4. Widen access to resources for social operations.
5. Opening wider market opportunities.
6. Maintain and boost the reputation and brand image of the company.
7. Get a license to operate socially.
8. Increase employee morale and productivity.
9. Reducing the company's business risk.
10. Reducing costs, for example costs related to the impact of waste disposal.

2.5 Comparison and Difference

With the explanation above, it shows that these theories are interconnected with each other, but these theories form an organization that is regulating and can be divided into 3 types including public, private and community. All three must work together to support mutual prosperity.

With the division of 3 groups, it is very necessary for an actor to govern, or a person or association of various people (institutions) which aims to regulate and have the power to give orders so that everything is in order, not divided into power

or division due to the emergence of many voices to make things happen. decision,

the actor is called Government.

With the emergence of government as an actor to regulate and lead, there needs to be a system to be the basis in the process of leading and regulating society, and this is called governance which includes a series of processes, policies, rules, culture, and organizations in managing things to achieve goals.

The procedure for leading needs to be supported by the existence of standards or benchmarks so that the implementation process does not deviate and become a futile job. The form of government will change along with changing community needs and challenges that exist apart from the ever-changing environment. Social mechanisms will continue to develop, therefore a belief is needed in ensuring efficient delivery of goods and services in the public, alleviating poverty, and increasing people's welfare. This refers to a government that is considered good or Good Governance.

The government system can not only be applied to government agencies, because basically the procedures for leading can be used in every small group to a large group such as a company, in a company must have a leader. Departing from the increasingly dynamic business world, a company is required to have good governance or what is commonly called good corporate governance (GCG).

This is important to implement to ensure the health of the company or business that is running. However, a company or corporation is said to have good governance if every disclosure and transparency process is complied with.

One of the efforts of a company to improve performance and sustainable performance in order to support compliance with government regulations and create activities to establish relationships with the community because of the 3 collaborating actors as described above, therefore a company makes a Corporate Social Responsibility program that aims to provide and comply with the obligation to serve the community and collaborate with the government to carry out its programs based on compliance with laws and the central government.

CHAPTER III

RESEARCH METHOD

3.1 The Type of Research

This type of research using this type of descriptive research using qualitative methods. This type of research was chosen because of the relevancy of the research topic that the author has conducted. Qualitative research was chosen to present a detailed view of the intended topic, according to Creswell qualitative research is a type of research in which the researcher is very dependent on information from objects or participation in: a broad distribution space, general questions, collecting data consisting mostly of words or texts from participants, explaining and analyzing the words words or texts from participants, explain and analyze words and conduct research subjectively (Creswell, 2012: 46). Meanwhile, according to Sugiono Qualitative research is research used to examine the condition of natural objects, where researchers are key instruments (Sugiyono, 2005). The difference with quantitative research is that this study departs from data, utilizes existing theories as explanatory material and ends with a theory.

The method used by the writer is descriptive method, a writing that describes the actual state of the object under study, according to the actual situation at the time of direct research. Understanding descriptive methods according to Sugiyono (2009: 21) are as follows:

"Descriptive method is a method used to describe or analyze a research result but is not used to make broader conclusions." Meanwhile according to Moh. Nazir (2003: 4) notions of descriptive methods are: "Descriptive method is a method in examining the status of a human group, an object, a set of conditions, a system of thought, or a class of events in the present".

The paradigm used in this study is the constructivist paradigm. The constructivist paradigm is a paradigm that is almost the antithesis of understanding which places observations and objectivity in discovering a reality or science. This paradigm views social science as a systematic analysis of socially meaningful action through direct and detailed observation of the relevant social actors creating and maintaining or managing their social world. The theory of constructivism states that individuals interpret and act according to various conceptual categories that exist in their minds. According to this theory, reality does not show itself in a rough form, but must be filtered first through how someone sees something (Morissan, 2009: 107)

3.2 Research Focus

The focus of research in qualitative research according to Burhan Bungin (2005) is the focus of the study or the origin of the subject to be examined, containing an explanation of what dimensions are central to the research and what will later be discussed in depth and thoroughly. The focus of research is concentration of the research objectives being carried out. Qualitative researchers not only determine their research based on research variables but the overall social

situation under study which includes aspects of places, actors, and activities that interact synergistically.

As explained in the background, what has been said by Denny Abidin as Vice President of Telkomsel Corporate Communication, emphasized that Telkomsel will contribute and support the government's plan in terms of Community Empowerment which aims to support the development of community potential and help create activities for skills and resources human resources through training made by PT. Telekomunikasi Selular (Telkomsel), therefore it is the mission of what the company will do and for example that the application of the program being held is "Baktiku Negeriku". In order to take part in the concept of good governance. The company helped the government in developing and developing public services programs aimed at the public. Therefore it is very important to examine and observe the application of CSR, as a form of supporting government activities to create community welfare. Based on this statement, the authors chose one of the four pillars, namely the pillar of community empowerment as the main focus in PT. Cellular Telecommunications (Telkomsel).

In this study there is also a discussion of the principles of GCG, namely transparency, accountability, responsibility, independence, fairness and equity for all stakeholders. Therefore, due to the application of CSR programs, the discussion related to this matter is also important in its application. The theory that the author use is from Syukur in Surmayadi (2005: 79) and it states that there are three important elements in the application process, namely: (1) the existence of a program or policy that is implemented (2) the target group is the target group of

people and is determined to receive benefits from the program, changes or improvements (3) implementing elements (Implementers) both organizations or individuals to be responsible for obtaining application and supervision of the application process. So based on the explanation above, the focus of this research is:

1. The author is using the definition and theory of application based on Komite Nasional Kebijakan Governance (KNKG) and as what stated in the definition of GCG Application of Good Corporate Governance (GCG) through the community empowerment pillar of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel) divided into five stages, which includes:

- a. Transparency

To maintain objectivity in running a business, the company must provide material information and relevant in an accessible and accessible way understood by stakeholders. The company must take the initiative to reveal not only problems that are implied by laws and regulations, but also things that are important for uptake decisions by shareholders, creditors, and stakeholders other interests.

- b. Accountability

According to KNKG is clarity of function, structure, system and accountability of company elements. If this principle is applied effectively, there will be clarity about the functions, rights,

obligations and authority as well as responsibilities between the shareholders, the board of commissioners and the board of directors.

c. Responsibility

The form of corporate responsibility is the company's compliance with applicable regulations, including; tax issues, industrial relations, occupational health and safety, environmental protection, maintaining a conducive business environment with the community and so on. By applying this principle, it is hoped that the company will realize that in its operational activities, the company also has a role to be accountable to shareholders as well as to other stakeholders.

d. Independency

To facilitate the application of GCG principles, the company must be managed independently so that each one corporate organs do not dominate each other and do not can be intervened by other parties.

e. Fairness and equity

This principle requires fair treatment in fulfilling stakeholder rights in accordance with applicable laws and regulations. It is expected that fairness can be a motivating factor that can monitor and guarantee fair treatment among various interests in the company.

2. The impact of Baktiku Negeriku program of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel) on the

village of Bojongloa, Sumedang. Is the program right on target to the village community, how can the CSR program help the development of the village, and how the village community responds to the program.

3. Supporting and inhibiting factors in the application of the principles of Good Corporate Governance (GCG) through the Corporate Social Responsibility (CSR) program of PT Telekomunikasi Selular (Telkomsel).

a. Supporting factors

The supporting factors are things that influence something to develop, advance, add and become more than before, therefore the supporting factors intended in this study are all media, obstacle, parties involved and help in the process of applying the GCG Principle through the program of CSR Telkomsel.

b. Inhibiting factors

The word barrier or inhibiting is in the Big Indonesian Dictionary translated as things, conditions or other causes that hinder (hinder, hold, block). While the understanding of obstacles is something that can hinder the progress or achievement of a thing. In this research, the inhibiting factors of the research regarding the application process are defined as things, circumstances that can hinder, detain and impede the the application process carried out by Telkomsel's CSR in the application of GCG principles.

c. How to overcome those problems

This section explains how a problem that occurs or is faced during the process and after the application of the principle from GCG through the CSR program process has been completed and resolved, how a problem can be solved by Telkomsel's CSR.

3.3 Location and Place of Research

The research location is a place where research will be carried out in which there are substantive and theoretical problems. In this research, the research location that will be chosen by the researcher is The house of Telkomsel CSR General Manager Mr. Andry Priyo Santoso in Bandung and the second place is desa Bojongloa, Sumedang. Meanwhile, the research location is a place where the researcher can capture the actual condition of the object to be studied in order to obtain accurate data. The location of the research taken in this study is about the parties involved in cooperation on the program held by Telkomsel "Baktiku Negeriku" with the reason why the author chose this location, because when the research was carried out there was a pandemic and required all companies to do work activities virtually. and carried out at home or all employees should work from home, while for Bojongloa village, Sumedang was one of the areas selected to be the location for the "Baktiku Negeriku" program and why chose that location because in holding the program the village of Bojongloa, Sumedang was the newest and the last was held before the pandemic from Covid 19, and from these locations and places researchers want to carry out and know the application of the principles

of Good Corporate Governance (GCG) through the Corporate Social Responsibility (CSR) program implemented. by Telkomsel which is more focused on Telkomsel's head office, Gambir, Central Jakarta. Where is the Telkomsel head office located.

3.4 The Type of Data

According to Lofland in Moleong (2004:157) sources of data in qualitative research are words and actions, the rest are additional data such as documents and others. Based on this understanding, the data sources in this study are classified into two types, namely:

1. Primary Data

Primary data in this study were obtained from actors who deal directly with the object of research through the process of interviews and observations. The primary data sources in this study are:

- a. Telkomsel CSR General Manager.
- b. Head of Community of 8 Village.
- c. Baktiku Negeriku's Agent of Change.
- d. Head of the village from Desa Bojongloa, Sumedang.

2. Secondary Data

Secondary data is data obtained indirectly by the researcher in order to strengthen or support the primary data obtained by the researcher.

Secondary data sources can be in the form of documents in the form of archived data, reports, and certain regulations that are needed. Secondary data in this study are:

- a. Laws and regulations on Corporate Social Responsibility (CSR).
- b. Data regarding cooperation agreements or collaborations between local governance and local society.
- c. Data regarding procedures for CSR activities.
- d. Data on research locations including Desa Bojongloa, Sumedang and Telkom Head office.
- e. Other supporting data in the form of journals, books, news related to the research topic.

3.5 Data Collection Technique

There are 3 (three) ways in the data collection process used in this study, namely:

1. Interview

An interview is a conversation with a specific purpose. The conversation was carried out by two parties, namely the interviewer (interviewer) who asked the question and the interviewee (interviewee) who provided the answer to that question (Lexy J. Meleong, 2010: 186). The main characteristic of interviews is direct contact with face to face between information seekers and information sources. In the interviews various questions have been prepared but other questions arise when researching.

Through this interview the researcher explores data, information, and framework information from research subjects. The interview

technique used is guided free interview, meaning that the question posed is not fixed in the interview guidelines and can be deepened or developed in accordance with the situation and field conditions. Interviews were conducted with community leaders, village heads, actors, Telkomsel employees, and several other actors involved in the CSR activity process.

2. Observation

Observation is a research activity in the context of collecting data related to research problems through the process of direct observation in the field. Researchers are in place, to obtain valid evidence in the report to be submitted. Observation is a method of collecting data where researchers record information as they witnessed during the study (W. Gulo, 2002: 116).

In this observation the researcher uses the type of non-participant observation, is the researcher only observes directly the state of the object, but the researcher is not active and participates directly (Husain Usman, 1995: 56). This data collection technique is done by observing a phenomenon that exists and occurs. Observations are expected to obtain data that is relevant or relevant to the research topic. What will be observed is the process of how Telkomsel's CSR runs the program and how the activity process takes place in the village of Bojongloa, Sumedang. Observations made, the study was at the location and brought the observation sheet that was made.

3. Documentation

The use of documents has long been used in research as a source of data because in many cases documents as data sources are used to test, interpret, even to predict (Lexy J. Moleong, 2010: 217). There is documentation to support data. The things that will be documented in this research are several activities and actors regarding this program that conducted by Telkomsel.

3.6 Research instrument

Research Instruments are tools that used by researchers to collect data and information needed in this research. The instruments in this study are:

1. Researchers themselves

Researchers are instruments that are directly involved and implemented with translated objects. The function of researchers is to collect the focus of what will be taken in research, choose information such as what the source of data, collect data, combine data quality, analyze the results of data obtained, interpret data, and make research results that have been taken and seen by the researchers themselves.

2. Interview guidelines

Interview guide is an instrument that contains a list of questions for interviews that have been made and will be asked to resource persons.

Interview guidelines are needed so that the questions raised are questions

that focus on the object of research aimed at obtaining concrete data. In addition, with interview guidelines, data can be obtained maximally and structured.

3. Supporting devices

Supporting devices are all tools that can support the research process carried out by researchers in the field where the research takes place. Supporting devices used in this study are research notes or books in the field and electronic devices. Field notebooks are made by researchers when the interview process will take place, observation, and when witnessing certain events. Researchers use electronic devices as documentation media such as recorders and cameras or mobile cameras for documentation and support in the process of retrieving data intended for a research.

3.7 Data Analysis Technique

Analysis of data that seeks or ways to process data into information that is typical of this data can help and be useful for challenging solutions, especially problems related to research. Qualitative research will obtain a variety of data both from observation, interviews, and documentation. Creswell raised several important points that need to be considered in conducting qualitative data analysis, including:

1. Qualitative data analysis can be done simultaneously with the process of data collection, data interpretation, and other narrative writing. The process

of qualitative data analysis goes hand in hand with other processes even at the beginning of the study.

2. Ensure that the qualitative data analysis process that has been carried out is based on the process of data reduction and interpretation. The data that has been obtained is reduced to certain patterns, then categorizes themes, then interprets these categories based on the schemes obtained.
3. Change the reduction data into a matrix. From the matrix we will see the relationship between categories of data by subject, categories of data according to informants, based on the location of the study, based on demographics, based on time, and based on different categories.
4. Identification of the coding procedure (coding) is used in reducing information into existing themes or categories.
5. The results of data analysis that have passed the reduction procedure that has been converted into a matrix form that has been coded, then adjusted to the selected qualitative model. Like, phenomenology, ethnography, or case studies, each of which has a specific and purpose.

3.8 Data Validity Test

Data validity test is the degree of accuracy between the data that occurs in the object of research with the power that can be done by researcher. Researchers used the triangulation data validity test technique. According to Moloeng (2007: 330), triangulation is a data validity checking technique that utilizes something else.

Outside the data for checking purposes or as a comparison of the data. The most widely used triangulation technique is checking through other sources. by utilizing the use of sources, methods, investigators and theories there are several kinds, namely:

1. Triangulation of Sources (data)

This triangulation compares and checks the degree of trust in information obtained through different sources in qualitative methods.

2. Triangulation of investigation

This triangulation by utilizing researchers or other observers for the purposes of checking the degree of confidence of the data. Example compare the results of the work of an analysis with other analyzes.

3. Theory Triangulation

This triangulation is based on the assumption that certain facts cannot be examined by the degree of trust with one or more theories but that it can be done, in this case called an explanatory explanation.

Based on the theories above, thus the researcher uses a triangulation technique that will be carried out during the research and after the research process to analyze related problems and the findings contained in the object and research subject in accordance with the research theme, here are some steps that the researcher went through to get the results of the method:

1. Conduct a preliminary study on the theme to be raised, which place

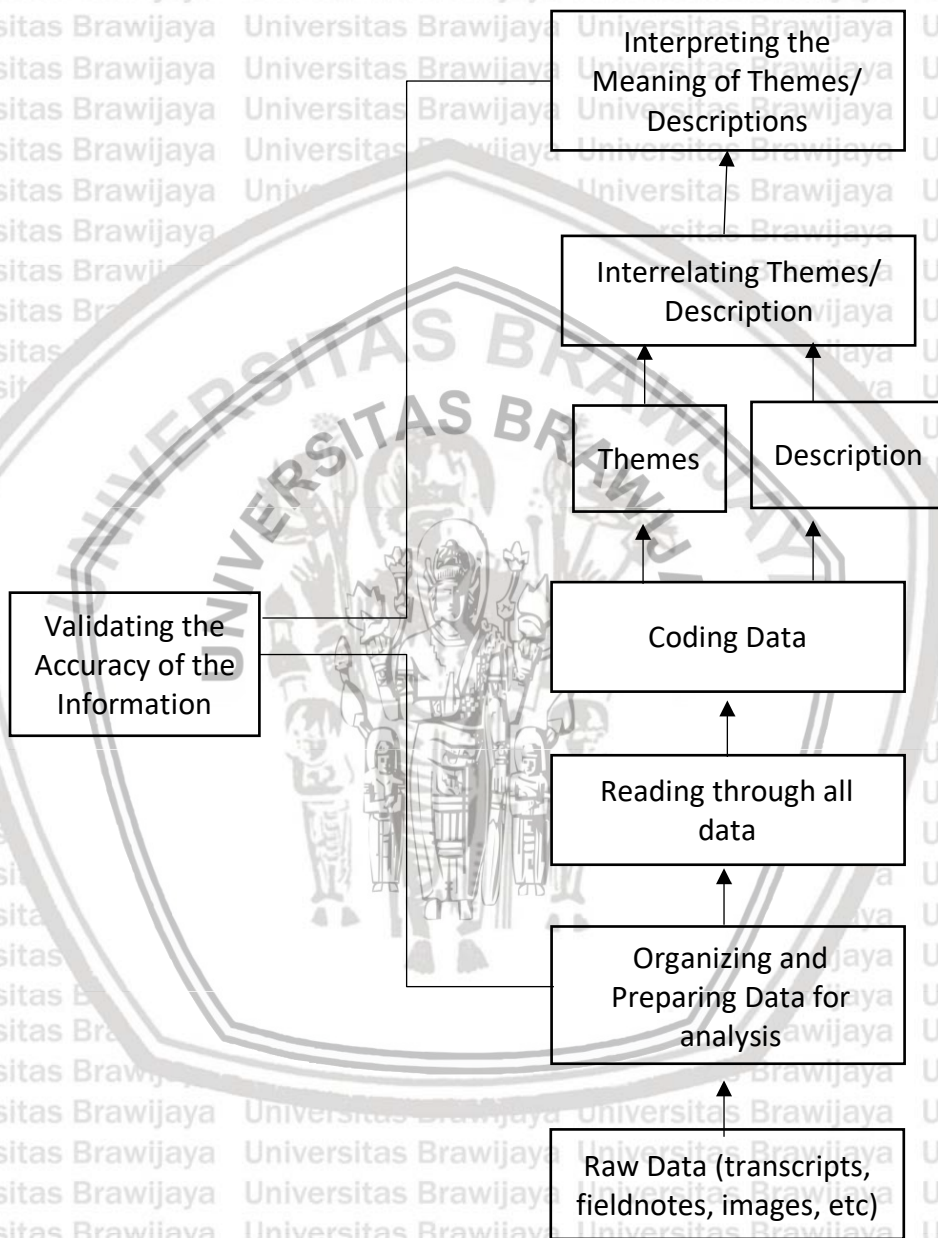
will be the location of the research and who will be the subject of the research and take some references and information from theories that can be obtained through journals, books, expert opinions and the results of previous research.

2. Take some important points and determine what can be used as

benchmarks for determining whether a problem can arise at the location and researcher at the time of research.

3. Conducting research in a place that has been used as a destination to take samples and research processions.
4. Conducting observations and interviews with informants found at the research site.
5. Comparing observational data with interview data. Comparing what people say in public with what they do in private.
6. Recapture the results of interviews and observations as well as supporting evidence such as documentation and others as a result of research.
7. The last is to compare and analyze the results of observations, interviews, and theories from previous studies or expert statements.

Figure 3.1 Data Analysis based on Creswell



Source : Creswell, 2016.

CHAPTER IV

FINDINGS AND DISCUSSION

4.1 The General Description of the Research Location

4.1.1 The General Description of the Institution or Organization

4.1.1.1 The History of the Institution or Organization

In 1993, PT Telkom started to explore GSM wireless technology, in the following year, in 1994 PT Satelit Palapa Indonesia, the first GSM network operator in Indonesia to issue SIM cards appeared. PT Telkomsel was then founded with Indosat in 1995 and launched the Halo card on May 26, 1995 as postpaid. In 2015 Telkomsel's shares were 65% owned by Telkom Indonesia and the remaining 35% by Singtel.

Telkomsel is the largest cellular telecommunications operator in Indonesia with 139.3 million subscribers as of 31 December 2014 and a market reserve of 51% as of 1 January 2007. Telkomsel's network has covered 288 international roaming networks in 155 countries at the end of 2007. Telkomsel has become the seventh cellular operator in the world to have more than 100 million subscribers in one country as of May 2011. Telkomsel is officially the first 4G LTE cellular commercial service in Indonesia. Telkomsel 4G LTE service has data access speeds of up to 36 Mbps.

Currently Telkomsel has more than 100,000 BTS that cover around 98% of the population in Indonesia. As the 6th largest cellular operator in the world in terms

of number of subscribers, Telkomsel is the market leader in the telecommunications industry in Indonesia who cannot be trusted to serve more than 143 million subscribers in 2015-2016. In an effort to guide the development of the cellular telecommunications industry in Indonesia into a new era of mobile broadband, Telkomsel consistently implements the road map for 3G, HSDPA, HSPA + technology, as well as the development of the Long Term Evolution (LTE) network. Now Telkomsel is developing broadband networks in 100 major cities in Indonesia. To help service customer needs, Telkomsel is now supported by 24-hour call center access and 430 service centers that are well-known throughout Indonesia.

4.1.1.2. The Description of the Institution or Organization

Telkomsel is the second GSM cellular telecommunication operator in Indonesia, with its postpaid service launched on 26 May 1995. At that time, Telkomsel's share ownership was PT Telkom (51%) and PT Indosat (49%). Then in November 1997 Telkomsel became the operator Asia's first cellular to offer GSM prepaid services. Telkomsel claims to be the largest cellular telecommunications operator in Indonesia, with 26.9 million subscribers and had a market share of 55% (March 2006). Telkomsel has three GSM products, namely SimPATI (prepaid), KartuAS (prepaid), as well as KartuHALO (postpaid). Currently the shares are owned by Telkomsel by TELKOM (65%) and Singapore telecommunications company SingTel (35%).

TELKOM is an Indonesian BUMN whose shares are owned by The Government of the Republic of Indonesia, while SingTel is a company its shares

are owned by the Singapore Government. Since being established on May 26, 1995, Telkomsel has consistently served Indonesia, opening telecommunications access across the country, from Sabang to Merauke.

With more than 170 million customers, Telkomsel is currently the largest cellular operator in Indonesia. To serve customers all over Indonesia, even in remote areas, outer islands, and border areas, Telkomsel has built more than 233,000 BTS.

Telkomsel has also consistently implemented the latest mobile technology and was the first to commercially launch 4G LTE mobile services in Indonesia. Entering the digital era, Telkomsel continues to expand its digital business, including Digital Advertising, Digital Lifestyle, Mobile Financial Services, and the Internet of Things. To serve the needs of customers, Telkomsel has MyTelkomsel app, Telkomsel Virtual Assistant, also Telkomsel operates a 24-hour call center and GraPARI services spread across Indonesia.

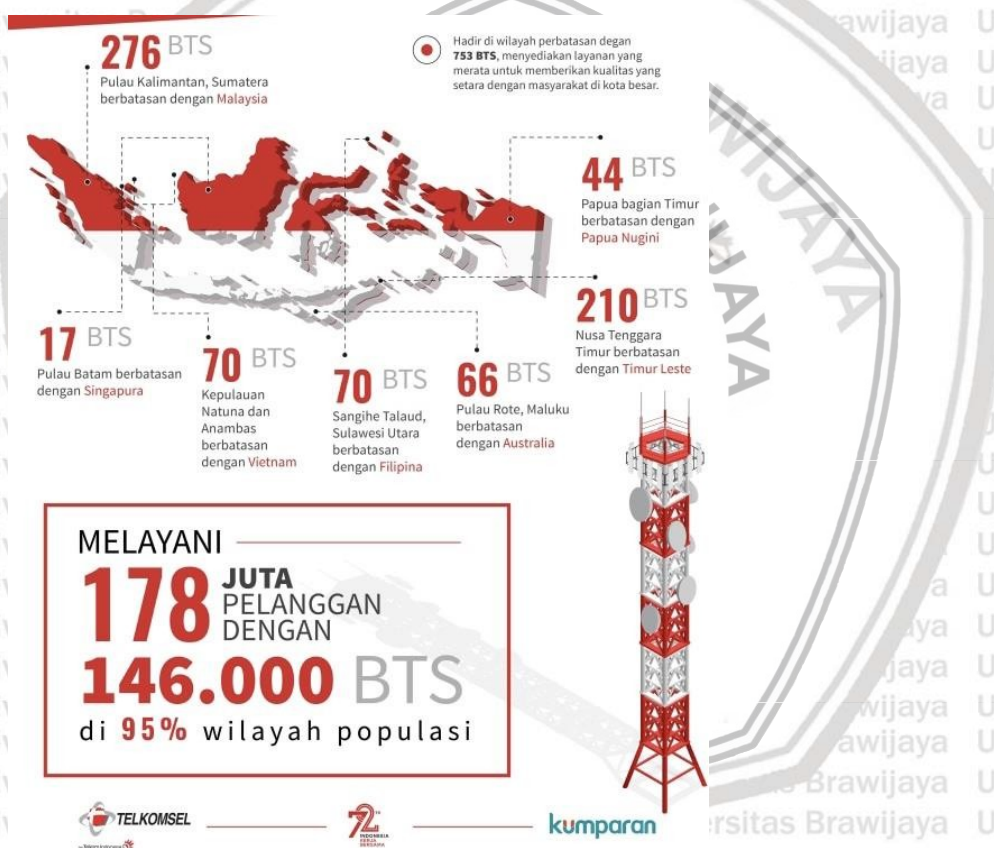
To provide excellent service for society and help them enjoy the digital lifestyle, Telkomsel helped build the digital ecosystem in the country. Using various DNA development efforts (Device, Network, and Applications), these are expected to accelerate the formation of the Indonesian digital society. In addition, Telkomsel is also actively encouraging the positive use of technology in the younger generation.

The Vision of PT Telekomunikasi Selular (Telkomsel) is “To be a trusted world-class provider of digital mobile lifestyle services and solutions.” The Mission of PT Telekomunikasi Selular (Telkomsel) is “Providing digital mobile services

and solutions that exceed user expectations, creating added value for shareholders and supporting the nation's economic growth.”

4.1.1.3. The Operational Area

Figure 4.1 The Operational Area of Telkomsel



Source: PT Telekomunikasi Selular, 2019.

The image above is a map of the distribution and coverage area of PT Telekomunikasi Selular (Telkomsel) which states that there are BTS in each area with the aim of allocating signals that can be accessed by every customer to remote areas.

4.1.1.4 The Development Telkomsel CSR

The development of Telkomsel's CSR began in 2015, the program is The NextDev developing technology startups in Indonesia, especially early stage startups, to strengthen the social impact they generate. More than 5,000 applications have been produced by The NextDev program which is expected to be able to accelerate the digital ecosystem in Indonesia to be equitable and sustainable.

In addition, along with the incessant network development to support a more efficient and productive digital lifestyle, Telkomsel is also paying attention to the development of the digital startup ecosystem in Indonesia, through The NextDev which is expected to be able to complement the digital startup ecosystem. The digital application developed provides solutions to various problems in urban and rural areas, so that it can have a positive social impact on society.

in 2016, more than 40,000 students from thousands of campuses and higher education institutions throughout Indonesia have registered. A total of 4,876 students of whom have received certification in this IndonesiaNEXT program. IndonesiaNEXT also provides national and international training and certification by including a certificate of expertise that can be used by students as a Certificate Companion Diploma (SKPI). By providing access to quality education and provision of certificates, IndonesiaNEXT is committed to creating young Indonesians who are increasingly capable and competent to compete globally in the digital era.

In 2016, #InternetBAIK education was conducted in 27 cities, involving more than 80 schools, 6,795 students, 5,897 parents, teachers and communities, as well as 1,613 #InternetBAIK ambassadors. Equip people in various regions of Indonesia regarding the use of the BAIK internet to build a positive and constructive digital ecosystem, and can provide added value to support digital citizenship.

#InternetBAIK is a cyber wellness socialization and education regarding the use of the internet in a responsible, safe, creative, and inspirational (GOOD) way to avoid negative impacts from the internet such as the spread of pornography, racial violence, terrorism, child exploitation, addiction to online games, gambling, hate speech, and cyberbullying. The #InternetBAIK initiative includes a series of workshop activities aimed at the segment of children and adolescents as digital native internet users, as well as parents and teachers who act as supervisors and assistants.

To build good character and quality of human resources in order to utilize the internet positively and productively along with the deployment of broadband networks to remote parts of the country in order to support the digital lifestyle of people across the country, we are holding a #InternetBAIK campaign in various parts of Indonesia.

One of them is the Baktiku Negeri initiative which aims to develop four main aspects, namely stakeholder relationships, community development, employee involvement, and industrial relationships through the involvement of the Telkomsel Workers Union. The main activity of the program, which has been running since 2017, is providing education to village communities which is carried

out by Telkomsel employees on a voluntary basis. The educational material provided includes entrepreneurship, financial literacy, and digital marketing through the use of the Baktiku Negeriku application platform.

Figure 4.2 Telkomsel CSR's Awards



(Source: PT Telekomunikasi Seluler, 2019)

In addition, there is a Digital Village Patriot program that initiates the formation of digital literary communities with the aim of improving the community's economy and the quality of rural or small-town residents with the businesses they have. This program began to be held in 2019 by involving non-bank financial institutions, Micro Finance Institutions (LKM) or Islamic Microfinance Institutions (LKMS). Some of the activities in this program include seminars, workshops, as well as assistance and monitoring in 250 villages throughout Indonesia. The NextDev program has also received various awards on a national and international scale. Some of them are the 2018 People Choice Award Asia Pacific Investment Summit, Best of The Best Future Makers 2018, and Best 5 Social Good Categories: Outstanding Mobile Contribution to UN SDGs in the 2019 Mobile World Congress event held in Barcelona. Telkomsel successfully won an

award at the Iconomics CSR Award 2020, the telecommunications category with the criteria for the Covid-19 emergency response initiative - medical health support and online education. The awarding was accompanied by an online seminar entitled "Strengthening Social Responsibility in the Pandemic Era", on December 4, 2020. The award was given to Telkomsel for the provider's efforts to assist the community in facing difficult times amid the COVID-19 pandemic through real contributions.

4.2 The Research Focus Data Presentation

4.2.1 The Application of GCG Principle Through the Program of Corporate Social Responsibility (CSR) by PT TELKOMSEL

As one of the largest companies in Indonesia, Telkomsel is certain to obey and carry out various kinds of regulations set by the government. Various bases have also been established to be able to grant licenses in the process of conducting business which is carried out by all companies in the country of Indonesia. Because Telkomsel prioritizes these values, they also place importance on the view of various principles contained in Good Corporate Governance (GCG), all behavior and actions in policy making and business habits also use the basic principles of Corporate Social Responsibility (CSR). Then in implementing these principles are:

4.2.1.1 Transparency

The principle of transparency in the Application of the Baktiku Negeriku program by Telkomsel has been implemented, this can be seen in the presence of some good communication between the company and its

employees. In accordance with the guidelines stated in the GCG principles of the KNKG (2006) which explains that, transparency emphasizes companies that must provide material and relevant information in a way that is easily accessible and understood by stakeholders. As the results of interviews conducted by researchers to Mr. Andry Priyo Santoso as the General Manager on Telkomsel Corporate Social Responsibility, he stated that:

“Transparency sangat penting di dalam perusahaan kami, karena tanpa adanya transparency semua penyampaian program dan informasi tak akan tercapai. Dengan adanya penyampaian visi dan misi, disitu sudah dapat terlihat bahwa Telkomsel telah menerapkan salah satu langkah dari proses penyampaian informasi yang bersifat transparent, lalu adanya penyampaian informasi secara internal dari atasan hingga bawahan, adanya penyampaian informasi yang bersifat eksternal dengan adanya website yang dapat dilihat oleh masyarakat maupun customers dari Telkomsel. Di dalam cara untuk menerapkan system yang transparent pada internal, kami sangat sering untuk melakukan rapat kordinasi bulanan, mingguan, bahkan tahunan, biasanya pada rapat tahunan kita turut mengundang beberapa stakeholders dan shareholders yang terlibat. Untuk CSR Telkomsel sendiri, bentuk transparansi eksternalnya dapat dilihat dengan adanya sharing informasi melalui Website Baktiku Negeriku, di website itu kami jadikan Baktiku Negeriku sarana sharing dan penyampaian pendapat.” (Interviewed on 13 December, 2020 on 3:25 PM at Mr. Andry Priyo Santoso’s house).

(Transparency is very important in our company, because without transparency all program and information delivery will not be achieved. With the delivery of the vision and mission, it can be seen that Telkomsel has implemented one of the steps in the transparent information delivery process, then there is the delivery of information internally from superiors to subordinates, there is delivery of information that is external in nature with a website that can be seen by community and customers from Telkomsel. In terms of implementing a transparent system internally, we very often hold coordination meetings monthly, weekly, even annually, usually at the annual meeting we also invite several involved stakeholders and shareholders. For Telkomsel CSR itself, the form of external transparency can be seen by sharing information through the Baktiku

Negeriku website, on that website we have made Baktiku Negeriku a means of sharing and conveying opinions).

From the results of the interview, it can be seen that one of the principles of GCG based on the KNKG (2006) has been applied by Telkomsel, from the delivery of information that is internal and external, and in the Baktiku Negeriku CSR program, Telkomsel has also been implemented through the delivery of information through the Website, and community involvement in the expression of opinions that are open and transparent by Telkomsel and the village community.

4.2.1.2 Accountability

The principle of accountability is an act of clear responsibility. Accountability is basically a control system within a company that enables all elements to carry out their functions properly. Therefore, PT. Telekomunikasi Selular (Telkomsel) in implementing its work program refers to these principles, especially in the CSR field that they carry, everything they have done and what mistakes and successes they have achieved must be reported in a transparent and clear manner. with the explanation previously discussed regarding accountability, the following are the results of the interview conducted with Mr. Andry Priyo Santoso as the General Manager on Telkomsel Corporate Social Responsibility about the application of accountability in Telkomsel's CSR, namely:

“Untuk pertanggungjawaban Telkomsel di bidang CSR mengacu pada peraturan pemerintah yang mewajibkan perusahaan untuk menyisihkan 2%

dari laba bersih dan ada laporan di ujungnya bahwa dana tersebut disalurkan, kalau di CSR kita mengacu pada 4 misi pilar, dimana program "Baktiku Negeriku" berada dalam pilar Pemberdayaan Masyarakat dan dalam program ini kami tidak bekerja sendiri, kami memiliki mitra dan pada akhir performanya mitra juga wajib melaporkan apa yang telah mereka lakukan kepada kami " (Interviewed on 13 Desember 2020 15:32 at Mr. Andry Priyo Santoso's house as General Manager on Telkomsel Corporate Social Responsibility)

(For the accountability in Telkomsel in the field of CSR, it refers to government regulations that require companies to set aside 2% of net income and there is a report at the end that the funds are channeled, if in CSR we refer to our 4 pillar mission, where the program "Baktiku Negeriku" is in the pillar of Community Empowerment and in this program we do not work alone, we have partners and at the end of their performance the partners are also obliged to report what they have done to us.)

From the results of the interview above about how accountability has been carried out and applied in the process of implementing the CSR program.

The following is an explanation of the application of the accountability principles in Telkomsel's CSR, such as:

1. Accountability in cooperation with third parties

In the process of implementing Telkomsel's CSR program, namely "Baktiku Negeriku" in Bojongloa village, Sumedang, Telkomsel invites other parties as partners to carry out the program, their duties are as executors and as people in charge during application which is usually carried out in approximately 3 days in the village. The party is called 8Village, they are here selected based on the results of the selection and selection taken from the submission process of their programs which in the future they will implement through villages that have been determined by Telkomsel. 8Village is not only the

implementer, but after the program is carried out they still have to report on what has been implemented and there will be evaluations which can be developed in the future or what is reduced, according to the statement said by Rani Mutiarawati as a Head of Community on 8village, state that:

“Kita dari 8village sendiri sebagai pihak ketiga atau partner dari Telkomsel dalam Program CSR nya yaitu Baktiku Negeriku merupakan conceptor jadi biasanya kami akan membuat berbagai macam proposal dan ide-ide tentang apa yang mau kita berikan pada hari pelaksanaannya dan biasanya sebelum diadakan kami akan mengadakan beberapa meeting untuk membahas perihal ini, jika sudah disetujui akan kami laksanakan dan setelah selesai pun kami tak berhenti disitu saja, Kami juga tetap akan mengadakan meeting lagi untuk review dan membahas evaluasi acara pada program terakhir yang telah terlaksana, biasanya kami lakukan report itu langsung kepada General Manager dari CSR Telkomsel beserta jajarannya”
(Interviewed on 22 December, 2020 at 11:34 AM Via Zoom Call)

(We from 8village as a third party or partner of Telkomsel in its CSR program, namely Baktiku Negeriku is a conceptor so usually we will make various kinds of proposals and ideas about what we want to give on the day of implementation and usually before we hold it we will hold several meetings to discuss this matter, if it has been approved we will carry it out and after we finish we don't stop there, we will also hold another meeting to review and discuss the evaluation of the event on the last program that was implemented, usually we do the report directly to the General Manager from CSR Telkomsel and its staff)

So from the results of interviews and explanations that have been carried out with several questions about accountability in the collaboration of 8Village and Telkomsel as partners in the application of the Baktiku Negeriku program, it can be said that in its application the principle of accountability that has been applied existed before and after it was implemented, the first process was in The time before it was

implemented was when it was still in the conceptual stage where 8Village explained to Telkomsel what they wanted to do on the day of application, and accountability was also there after the program was implemented, the two parties will hold a meeting to discuss evaluation and what needs to be fixed in the future.

2. Accountability in funds 2% of Net income

The accountability that exists in Telkomsel's CSR in the Baktiku Negeriku program is the obligation of the government for funds issued by each company to be given to the community as a form of their support for developments that will be carried out in a sustainable manner or in the form of donations, whatever form is usually given every company have their own ways and types. Telkomsel has a CSR program that is funded by 2% of net income in accordance with government regulations, as said by Andry Priyo Santoso as the General Manager at Telkomsel Corporate Social Responsibility:

“Kita Telkomsel sebagai perusahaan swasta memiliki kewajiban dari pemerintah bahwa setiap tahunnya harus ada yang namanya dana CSR atau dana yang sebesar 2% seperti yang sudah dijelaskan dan terpampang pada Undang-Undang tentang CSR di Indonesia harus diberikan dan ditujukan kepada masyarakat, biaya 2% tersebut benar-benar harus habis karena nanti pada saat akhir term tahunan, data tersebut harus bisa dijadikan patokan bahwa dana yang 2% didapat dari net income perusahaan harus habis dan tepat sasaran, biasanya kami akan melakukan evaluasi besar-besaran yang disebut dengan rapat tahunan akhir tahun, pada rapat itu juga akan dijabarkan telah tersalurkan kemana saja dana tersebut dan sejauh apa program terlaksana pada tahun ini, evaluasi juga membahas kegagalan dan keberhasilan pada setiap program-program CSR yang Telkomsel

miliki” (Interviewed on 13 December, 2020 on 3:33 PM at Mr. Andry Priyo Santoso’s house)

(We Telkomsel as a private company have an obligation from the government that every year there must be a CSR fund or a 2% fund as explained and emblazoned in the Law on CSR in Indonesia, must be given and addressed to the public, the 2% fee. really have to run out because later at the end of the annual term, the data must be used as a benchmark that the 2% funds obtained from the company's net income must be exhausted and right on target, usually we will do a large-scale evaluation called the year-end annual meeting. , the meeting will also explain where the funds have been distributed and to what extent the program has been implemented this year, the evaluation will also discuss the failures and successes of each of Telkomsel's CSR programs.)

From the results of the interview explained above that accountability also exists in the funding section, the obligation of each company to be able to provide 2% of its net income is a form of support from the private sector to the public. With this, in practice each of these funds must be spent before the year-end meeting where there will be an evaluation of all the expenditure of funds and the achievement process of the CSR program owned by Telkomsel, whether the program is actually conveyed to the public or not.

4.2.1.3 Responsibility

1. Responsibility based on regulations and laws

Figure 4.3 Agreements from PT Telkomsel with the Local Government



(Source: PT Telkomsel, 2019).

There is an obligation for each company to create a CSR program for the community made by the Indonesian government and listed in Law Number 40 of 2007 concerning Limited Liability Companies. The CSR concept contained in the Limited Liability Company Law also includes the environment which consists of giving to the community. So, officially, this Law uses the term Social and Environmental Responsibility. This law regulates the obligations for companies related to natural resources to carry out social and environmental responsibility. Article 74 paragraph (1) of the PT Law reads, "Companies that carry out their business activities in the field of or related to natural resources are required to carry out Social and Environmental Responsibility."

If this provision is not implemented, then there will be sanctions in accordance with statutory regulations. However, in its application, the government also made further laws, namely Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies. The government issued PP No. 47 of 2012 as an implementing regulation of Article 74 of the PT Law above. PP No. 47 of 2012 One of which is regulated in this law is the mechanism for implementing corporate social and environmental responsibility. Article 4 paragraph (1) PP No. 47 of 2012 states:

“Tanggung jawab sosial dan lingkungan dilaksanakan oleh Direksi berdasarkan rencana kerja tahunan Perseroan setelah mendapat persetujuan Dewan Komisaris atau RUPS sesuai dengan anggaran dasar Perseroan, kecuali ditentukan lain dalam peraturan perundang-undangan”

(Social and environmental responsibility is carried out by the Board of Directors based on the Company's annual work plan after obtaining approval from the Board of Commissioners or the GMS in accordance with the Company's articles of association, unless otherwise stipulated in the laws and regulations.)

With the explanation above, in the application process Telkomsel is very much based on legislation as said by Mr. Andry Priyo Santoso General Manager at Telkomsel Corporate Social Responsibility that:

“Semua kegiatan Telkomsel selalu mengacu pada peraturan pemerintah maka dari itu, hal yang paling diutamakan adalah kita tetap bertanggung jawab untuk selalu patuh akan aturan yang berlaku di Indonesia dan yang telah ditetapkan oleh pemerintah. CSR Telkomsel sendiri mengacu pada undang-undang tahun 2012 yang dimana seperti tadi kita sudah bahas juga, bahwa setiap perusahaan harus menyisihkan sejumlah dana untuk diberikan kepada masyarakat untuk membantu mereka dalam perkembangan dan hal itu bersifat wajib, jadi semacam timbal balik untuk mereka.”

(All Telkomsel activities always refer to government regulations. Therefore, the most important thing is that we are still responsible for always obeying the rules that apply in Indonesia and those that have been set by the government. Telkomsel CSR itself refers to the 2012 law which, as we have previously discussed, that each company must set aside a certain amount of funds to be given to the community to help them in their development and that is mandatory, so it is a kind of reciprocation for them.)

It can be said that in implementing its CSR, Telkomsel is based on the applicable regulations in this country. Telkomsel can also be said to be a company that supports the obligation to always be able to give a share of its profits to the community because Telkomsel CSR has provided 2% of the funds with various programs that have been implemented almost every year.

2. Responsibility in the “Baktiku Negeriku” Program

Figure 4.4 Baktiku Negeriku Ceremony



(Source: PT Telkomsel, 2019).

Based on this theory, Telkomsel CSR in its application is divided into 4 pillars, namely, Education, Digital Citizenship, Philanthropy, and the last is Community Empowerment & Well Being.

The "Baktiku Negeriku" program is under the pillar of Community Empowerment, where Telkomsel is one of the companies that take part in this program and must carry out its activities and programs under that pillar and participate as what said by Mr. Andry Priyo Santoso General Manager at Telkomsel CSR that:

"Kalau untuk Kewajiban yang ada di Telkomsel di bidang CSR mengacu pada peraturan pemerintah yang mewajibkan perusahaan menyisihkan 2% dari pendapatan bersih tahunannya untuk diberikan kepada masyarakat melalui program CSR tersebut sehingga dana harus seluruhnya .dulu untuk disalurkan dan tepat sasaran kepada masyarakat, jika dalam CSR kita mengacu pada misi kita yaitu 4 pilar, dimana program "Baktiku Negeriku" ada di Pilar Pemberdayaan Masyarakat."

(for the responsibility that exists in Telkomsel in the field of CSR, it refers to government regulations that require companies to set aside 2% of their annual net income to be given to the community through these

distributed and on target to community, if in CSR we refer to our mission which is 4 pillars, where the program "Baktiku Negeriku" is in the pillar of Community Empowerment.)

As explained above, in its application of CSR Baktiku Negeriku has a foundation that is in the community empowerment pillar where Telkomsel requires being able to assist the community in assistance in the form of applications and training in a village so that those who usually work as farmers or traders can easily distribute goods or the results of their farms to buyers through an application made by Telkomsel to connect parties outside the village and farmers so that they can easily make transactions without having to come all the way to the farmer's village.

Figure 4.5 Opening the Digital Center



(Source: PT Telkomsel, 2019).

4.2.1.4 Independency

In independency to carry out the application of the principles of GCG, the company must be managed independently so that each company organ does not dominate each other and cannot be intervened by other parties. There is also no company organization that does the same work because they already have their respective jobdesk, as said by Mr. Andry Priyo Santoso General Manager at Telkomsel Corporate Social Responsibility stated that:

“Kalau untuk hal independency Telkomsel, sebenarnya masih sering bekerjasama dengan pihak ketiga dalam proses implementasi programnya terutama di CSR Telkomsel. Pada program CSR Baktiku Negeriku sendiri, Telkomsel bekerjasama dengan 8village sebagai pihak ketiga dan partner untuk membantu kita dalam proses perencanaan dan pelaksanaan namun, untuk proses pertanggungjawaban hasil kerja, laporan internal dan dalam penentuan pengambilan keputusan itu merupakan hak masing-masing organisasi, tidak ada intervensi dari pihak Telkomsel kepada 8village dan begitu juga sebaliknya”

(As for the independency of Telkomsel, actually we still often collaborates with third parties in the process of implementing their programs, especially in Telkomsel's CSR. In the Baktiku Negeriku CSR program itself, Telkomsel collaborates with 8village as a third party and partner to help us in the planning and application process, however, for the process of accountability for work results, internal reports and in determining decision-making are the rights of each organization, there is no intervention from Telkomsel to 8village and vice versa)

With the results of the interview, it can also be supported by a

statement from Rani Mutiarawati as a Head of Community on 8village,

stated that:

“Memang kami sebagai pihak ketiga dari Telkomsel dalam proses pelaksanaan program Baktiku Negeriku bersifat partnership, maka hubungan kerja kami hanya sampai disitu saja, tidak mungkin untuk kami melakukan intervensi ke pihak Telkomsel, dan Telkomsel kepada kami. Bentuk dari kolaborasi kami hanya sebatas pembuatan perencanaan, dan pelaksanaan namun untuk perihal masalah internal, itu adalah urusan masing-masing sampai laporan pun bersifat sangat rahasia, hanya kami dan perusahaan kami yang tau.” (Interviewed on 22 December, 2020 at 11:40 AM Via Zoom Call)

(Indeed, we as a third party from Telkomsel in the process of implementing the Baktiku Negeriku program are partnership, so our working relationship only ends there, it is impossible for us to intervene with Telkomsel and Telkomsel to us. The form of our collaboration is only limited to planning, and implementing, but for internal matters, it is a matter for each of us, even the report is very confidential, only we and our company know)

So it can be concluded that Telkomsel in implementing the Baktiku Negeriku program has implemented the GCG principles, even though they still collaborate with third parties, but in the internal affairs of the company they still maintain the confidentiality of each, because their collaboration only reaches before, during, and after the application of the program.

4.2.1.5 Fairness and Equity

Justice which is fairness and equality in the process of fulfilling stakeholder obligations that arise due to agreements and regulations.

Through the principles of Good Governance, every employee or stakeholder has the same opportunity to gain welfare. In the collaboration,

CSR needs to play a role so that welfare and justice can work in synergy.

In the process of implementing GCG through their CSR program, there is one principle that oversees the job performance and employee relations, namely fairness. This aspect aims to provide equal opportunities to all related parties or partners of PT Telekomunikasi Selular (Telkomsel)

regarding its application. Andry Priyo Santoso General Manager at

Telkomsel CSR stated that:

“Pada bagian kordinasi dan penyampaian program kami biasa melakukan meeting secara internal dan eksternal, program yang kami buat dan laksanakan pastinya banyak bantuan dari pihak lain selain pegawai CSR Telkomsel itu sendiri. Banyaknya dukungan dan respon yang positif membuat kami juga didukung oleh banyak pihak, seperti 8village selaku pihak ketiga dalam proses pelaksanaan program Baktiku Negeriku, Kepala desa yang dituju, masyarakat desa yang nantinya juga akan kami tunjuk 10 orang sebagai “Agent of Change” dengan kata lain sebagai penghubung antara masyarakat dan kami, dan yang terakhir adalah adanya dukungan dari rekan-rekan Telkomsel di divisi lain yang turut ikut andil secara sukarela demi mendukung dan membantu pelaksanaan agar semua berjalan lancar dan sukses”

(In the coordination and delivery of programs we usually hold meetings internally and externally, the programs that we create and carry out are of course a lot of assistance from other parties besides the Telkomsel CSR employees themselves. The amount of support and positive responses have made us also supported by many parties, such as 8village as a third party in the process of implementing the Baktiku Negeriku program, the head of the targeted village, the village community which we will also appoint 10 people as “Agents of Change” in other words as a liaison between the community and us, and the last one is the support from fellow Telkomsel members in other divisions who took part voluntarily in order to support and assist the application so that everything runs smoothly and successfully)

Furthermore, Rani Mutiarawati as a Head of Community on 8village also added that:

“Sistem kordinasi yang dilakukan oleh pihak Telkomsel dan kami selaku pihak ketiga dalam proses pelaksanaannya sangat rutin dan bersifat intens, karena dalam langkah-langkah menuju pelaksanaannya kami sudah sangat transparan dan komunikatif seperti apa yang akan dibuat dan masalah apa yang akan terjadi, semua sudah dibicarakan di rapat kordinasi jauh sebelum program dilaksankan dan setelah selesai pun kami akan melaporkan semuanya kepada Telkomsel tentang apa saja hasil setelah program terlaksana.”

(The coordination system carried out by Telkomsel and us as a third party in the application process is very routine and intense, because in the steps towards application we have been very transparent and communicative as to what will be made and what problems will occur, all have been discussed.

At the coordination meeting long before the program is implemented and after completion, we will report everything to Telkomsel about the results after the program is implemented Based on an interview with one of the "Agent of change", namely Mr. Ajat Sudrajat as the party connecting the community of Bojongloa village, Sukabumi with Telkomsel added in a statement that:

"Pada pelaksanaannya program Baktiku Negeriku, kami sangat diajak untuk terlibat dari saat sebelum mulai sampai selesai. Saat Program dilaksanakan biasanya kami sebagai "Agent of Change" diminta untuk mengikuti pelatihan yang telah disediakan oleh pihak Telkomsel agar kami paham akan teknologi yang mau digunakan dan apa saja tugas kami sebagai agent tersebut, biasanya proses pelaksanaan pelatihan memakan waktu hingga 3 hari dan pada saat itu pula seluruh warga diundang untuk perkenalan akan Digital Center yang diletakan pada kantor kepala desa"

(In the application of the Baktiku Negeriku program, we are strongly invited to be involved from the moment before it starts to finish. When the Program is implemented, usually we as "Agents of Change" are asked to take part in the training provided by Telkomsel so that we understand the technology you want to use and what our duties are as agents, usually the training process takes up to 3 days and during that is also all residents are invited to introduce the Digital Center which is located in the village head office)

Some of the statements above support the evidence that in the process coordination and support from various parties have been carried out for the application of GCG in Telkomsel's CSR. The parties involved are not only Telkomsel CSR employees but many other parties who become actors in the process of implementing the program.

4.2.2 The Impact of the CSR Program

In addition to supporting government programs that have been made, that every company is obliged to implement and carry out CSR programs that must be provided to the community, the programs made by each company must provide

benefits and what is needed by an area or the community itself. From these programs, there is also a need for benefits not only to be given to the state or society, but also to be able to benefit the company itself. PT Telekomunikasi Selular (Telkomsel) has implemented in the process of making its program that the needs of the community are the priority of the community, Telkomsel also sees which areas really need assistance, so the program is right on target, as explained by Andry Priyo Santoso General Manager at Telkomsel CSR stated that:

“di dalam proses pembuatan program CSR Baktiku Negeriku yang dapat dikatakan sebagai perencanaan, Telkomsel telah menjadikan kebutuhan masyarakat sebagai prioritas kita, jadi diharapkan dengan adanya program CSR yang telah kita buat masyarakat dapat terbantu dengan adanya Internet dan bantuan-bantuan berupa alat-alat digital, serta diharapkan setelah dilakukannya pelatihan kepada 10 Agent of Change mereka juga dapat mengajak masyarakat desa Bojongloa, Sumedang untuk ikut berpartisipasi dan terbantu dengan adanya fasilitas-fasilitas tersebut. Yang menjadi target utama kami sebenarnya adalah masyarakat desa Bojongloa dapat dengan mudah memasarkan hasil tani mereka kepada masyarakat luas melalui aplikasi Baktiku Negeriku”

(In the process of making the Baktiku Negeriku CSR program which can be said to be a planning, Telkomsel has made the needs of the community as a priority, so it is hoped that with the CSR program that we have created the community can be helped by the existence of the Internet and assistance in the form of digital tools, as well as It is hoped that after training the 10 Agents of Change they can also invite the people of Bojongloa Village, Sumedang to participate and be helped by these facilities. Our main target is that Bojongloa communities can easily market their crops to the wider community through the Baktiku Negeriku application.)

The above statement further explains that Telkomsel in making plans prioritizing the needs of the community, this is supported by a statement from Mr. Sunardi as the head of Bojongloa, Sumedang Village he stated that:

“kami sangat terbantu dengan adanya program Baktiku Negeriku, dengan adanya program tersebut masyarakat jadi memiliki akses untuk dapat menggunakan internet, dan juga adanya beberapa perangkat elektronik seperti TV dan computer yang diberikan oleh Telkomsel kepada kami sangat bermanfaat untuk

berbagai macam kebutuhan masyarakat desa. Dengan adanya pelatihan kepada 10 Agent of Change ini juga membantu masyarakat untuk dibimbing bagaimana cara menggunakan internet dan juga dapat dengan mudah menggunakan fasilitas-fasilitas tersebut untuk menjual hasil sayur-sayuran maupun hasil-hasil lainnya dengan aplikasi Baktiku Negeriku”

(We are greatly helped by the Baktiku Negeriku program, with this program the community has access to be able to use the internet, and also the existence of several electronic devices such as TV and computers that Telkomsel provides to us is very useful for various needs of rural communities. The training for 10 Agents of Change also helps the community to be guided on how to use the internet and can also easily use these facilities to sell vegetables and other products with the Baktiku Negeriku application.)

With the statements from the sources above, it can be said that the impact of the Telkomsel CSR program is the existence of Telkomsel values that prioritize community needs, there is careful preparation of program making while the implementation process gets support and participation from the village community to use the internet and market their agricultural products as well. shows that the impact caused by Telkomsel's CSR program has greatly affected Bojongloa village, Sumedang.

4.2.3 The Supporting and Constraining Factors

4.2.3.1 Supporting Factor

Supporting factors play a very important role in facilitating all application processes, the process is included in the planning section, and the application of some of these things can determine the successes and failures that will occur in the process of implementing Good Corporate Governance (GCG) Principles through the Corporate Social program. Responsibility (CSR). based on the results of research at the research

location following the findings of several supporting factors in the application of GCG on Telkomsel's CSR:

1. Good Human Resource

Figure 4.6 10 Members of “Agent of Change” from Desa Bojongloa



Source: PT Telkomsel (2019).

In implementing the Baktiku Negeriku CSR program, support from various parties is very important because external assistance can greatly assist the process of implementing the program, not only Telkomsel as the implementer of community involvement is also influential, as explained by Andry Priyo Santoso General Manager at Telkomsel CSR stated that:

“Demi mendukung terlaksananya program CSR kami melakukan banyaknya pelatihan karena kami masih membutuhkan bantuan dari masyarakat, pemahaman dasar masyarakat sekitar akan internet merupakan hal yang sangat penting, pelatihan digunakan sebagai

tambahan ilmu dan pemahaman. Durasi pelaksanaan program yang hanya 3 hari, membuat butuhnya dukungan dan kemauan dari masyarakat untuk terlibat dan terbuka akan ilmu baru karena program Baktiku Negeriku ini adalah kegiatan yang terbilang cukup modern maka diharapkan program ini dengan dapat mudah dan berkelanjutan diterima oleh masyarakat demi membantu mereka untuk memiliki masyarakat desa yang paham akan digital dan membantu mereka menyalurkan hasil pertanian mereka untuk dapat mudah dibeli oleh orang-orang di luar daerah sekitar mereka”

(In order to support the application of the CSR program, we have conducted a lot of training because we still need help from the community. Basic understanding of the local community about the internet is very important, training is used as additional knowledge and understanding. The duration of the program, which is only 3 days, makes the need for support and willingness from the community to be involved and open to new knowledge because the Baktiku Negeriku program is a fairly modern activity so it is hoped that this program can be easily and sustainably accepted by the community to help them have villagers who understand digital and help them channel their agricultural products so that people outside their area can easily buy them)

An additional statement regarding existing human resources was stated by Ms. Rani Mutiarawati as a Head of Community on 8village, adding that:

“Setiap desa kami memilih 10 orang untuk bisa kami bina dan berikan arahan karena kedepannya setelah pelatihan selesai, mereka akan diharapkan bisa mengarahkan dan menjadi pendamping masyarakat desa untuk bisa menyalurkan hasil pertanian mereka kepada masyarakat luas, tak hanya itu mereka juga akan diminta menjadi perwakilan untuk memperkenalkan tentang Digital Center yang dapat digunakan oleh masyarakat desa untuk berbagai macam keperluan”.

(Each village we choose 10 people to guide us and provide direction because in the future, after the training is complete, they will be expected to be able to direct and assist the village community to be able to distribute their agricultural products to the wider community, not only that they will also be asked to become representatives for introducing the Digital Center which can be used by rural communities for various purposes.)

The importance of support and understanding of the community and representatives to become actors in the application of a digital village is very important from the above statement in implementing the principles of GCG in this program and has been properly channeled into its CSR.

2. Proper Device and Internet

The next supporting factor is the existence of tools that can help the process of implementing the program, Telkomsel's CSR application which is more directed towards Digital, of course, has several supporting tools that must be owned or understood by the targeted village community as said by Andry Priyo Santoso General Manager at Telkomsel CSR stated that:

“Alat pendukung sangat dibutuhkan dalam proses pelaksanaannya karena memang Telkomsel sendiri merupakan perusahaan yang ada di bidang internet dan digital maka dalam proses implementasi CSR nya pun tentu harus ada unsur dari media tersebut. Media yang dibutuhkan oleh kami dan biasanya kami salurkan adalah alat-alat yang mendukung yaitu seperti Computer, Handphone, laptop, maupun gadget lainnya. Semua itu pasti membutuhkan yang namanya internet, dengan internet kami selaku CSR akan sangat mudah membantu masyarakat dan menjangkau berbagai Kawasan bahkan di pelosok sekali pun, tapi kalau internet saja sudah susah biasanya kami akan kembangkan daerah itu dulu baru kami akan bantu dalam proses pembimbingan dan latihannya.”

(Supporting tools are needed in the application process because Telkomsel itself is a company in the internet and digital fields, so in the process of implementing its CSR, of course there must be elements from the media. The media needed by us and usually distributed by us are supporting tools, such as computers, cellphones, laptops, and other

gadgets. All of that definitely requires the name of the internet, with the internet we as CSR will be very easy to help the community and reach various areas even in remote areas, but if the internet is already difficult we usually develop that area first, then we will help in the process of mentoring and training.)

4.2.3.2 Inhibiting factors

From the results of research on Telkomsel's Corporate social Responsibility (CSR) program, Baktiku Negeriku, which has been carried out, it is not only a supporting factor, but there must be an inhibiting factor, namely:

a) Lack of Public Understanding of the Internet

There are several shortcomings faced by Telkomsel's CSR in the application process as stated by Ms. Rani Mutiarawati as a Head of Community on 8village, she stated that:

“Pada saat sebelum program ini terlaksana sebenarnya internet sudah sejak lama masuk ke desa ini, namun masih banyaknya masyarakat yang tidak peduli akan hal tersebut yang menyebabkan mereka lebih tertinggal dengan desa lain, karena mereka berpikiran bahwa hal tersebut tidaklah penting karena di keseharian mereka yang mayoritasnya bekerja sebagai petani hal tersebut tidak akan mereka jumpai, hal yang menjadi penyebab akan masalah tersebut juga masih belum banyaknya fasilitas pendukung untuk penggunaan internet yang menyebabkan mereka kurang mengenal hal itu. Dengan tidak pahamnya masyarakat desa akan internet akan membuat program ini terlihat asing bagi mereka justru dengan seperti itu, kita sebagai perantara untuk bisa berperan memperkenalkan hal tersebut dan mengenalkan mereka akan pentingnya internet.”

(At the time before this program was implemented, actually the internet had been in this village for a long time, but there are still many people who don't care about this which causes them to be left behind with other villages, because they think that this is not important because in their daily lives the majority of them. working as a farmer they will not find this, the thing that is the cause of this problem is that there are still not many supporting facilities for using the internet which causes them to be

less familiar with it. By not understanding the village community about the internet, it will make this program look foreign to them. In that way, we as intermediaries can play a role in introducing this and introducing them to the importance of the internet.)

b) Lack of Continuous Control From Telkomsel

The application of the Baktiku Negeriku program only lasted 3 days but in its application after the training was held, there were still many parties, especially the community and Agent of Change from the village, were confused about what the next step they could take and how it would proceed, as said by Mr. Sunardi as the head of Bojongloa, Sumedang Village:

“Memang kami sangat terbantu dengan adanya program pelatihan dan fasilitas ini dari Telkomsel, namun pada saat penerapannya setelah 3 hari acara yang dilakukan kami masih kebingungan karena seperti fasilitas WIFI yang disediakan, itu hanya berdurasi 1 tahun dan setelah itu tidak ada kelanjutannya lagi. Di desa kami yang memiliki 10 anggota dari Agent of Change juga sering kebingungan akan apa tahap selanjutnya dari pihak Telkomsel karena tidak ada pelatihan lanjutan maupun cara-cara lainnya yang membuat proses pelaksanaannya bersifat berkelanjutan.”

(Indeed, we were greatly helped by this training program and facilities from Telkomsel, but when it was implemented, after 3 days of the event, we were still confused because like the WIFI facilities provided, it only lasted 1 year and after that there was no continuation. In our village, which has 10 members of the Agent of Change, they are often confused about the next stage from Telkomsel because there is no further training or other ways to make the application process sustainable.)

With this statement can be supported by additional statements from Mr. Ajat Sudrajat as Agent of Change stated that:

“Kami selaku Agent of Change tidak diberi fasilitas lanjutan, karena setelah 3 hari tersebut kami hanya bertugas sebagai pengawas dan

perantara untuk masyarakat, kami tak digaji dan kami pun tak diberi target seperti apa kelanjutan dari program Baktiku Negeriku ini. Hal yang kami sayangkan adalah jika kami diberi target atau pengawasan secara terus menerus kami yakin kami akan bisa terus berkembang dan program ini bisa maju dan masyarakat akan bisa dengan antusias menggunakannya, kami dibiarkan jalan sendiri tanpa ada target yang pasti dan arah yang tepat karena semua dikembalikan ke Desa apakah program ini mau terus berjalan atau tidak.”

(We, as Agents of Change, were not given any further facilities, because after those 3 days we only served as supervisors and intermediaries for the community, we were not paid and we were not given any targets as to what the Baktiku Negeriku program would look like. What we regret is that if we are given a target or continuous supervision we are sure we will be able to continue to develop and this program can progress and the community will be able to enthusiastically use it, we are left alone without a definite target and the right direction because everything is returned. to the village whether this program wants to continue or not.)

c) Farmers choose to Direct Selling to the Seller

With the creation of the Telkomsel Baktiku Negeriku CSR program, the goal is actually to make it easier for farmers to sell their crops and to be distributed to the wider community easily through the application but the application has many obstacles as explained by Mr.

Ajat Sudrajat as Agent of Change he stated that:

“Masyarakat desa disini lebih memilih jual langsung ke penjual atau ke pasar, karena menurut mereka hal itu adalah cara termudah dan tercepat untuk mendapatkan uang. Dengan adanya aplikasi Baktiku Negeriku memang lingkup penjualan bisa lebih luas dan jauh, namun dengan cara yang banyak dan pengguna yang belum sebanyak itu membuat para petani lebih memilih menjualnya langsung tanpa harus menunggu sesuatu yang tak pasti seperti pembeli di aplikasi tersebut.”

(The villagers here prefer to sell directly to sellers or to markets, because they think this is the easiest and fastest way to get money. With the Baktiku Negeriku application, the scope of sales can be wider and farther, but in many ways and there are not many users, farmers prefer to sell it directly without having to wait for something uncertain like buyers in the Baktiku Negeriku's Website.)

As in the explanation above, farmers will still prefer to sell their vegetables to traders or markets directly, even though Telkom's CSR program has provided a platform to be able to sell and distribute them throughout the region.

4.2.3.3 How to Overcome those Problems

In implementing Good Corporate Governance (GCG) through Corporate Social Responsibility (CSR), it can be seen that many problems arise after this program is implemented. After the program is implemented, the problem can be found and a solution is sought to eliminate the problem, here is a statement from Ms. Rani Mutiarawati as a Head of Community on 8village, she stated that:

“Dengan adanya masalah yang terjadi perlu diadakan evaluasi mendalam tentang bagaimana masalah tersebut bisa ada, perlu adanya komunikasi dua arah antara pihak CSR dan masyarakat tentang seperti apa solusi yang dapat diambil dan menampung semua keluhan agar kedepannya program ini bisa terus berjalan tanpa ada hambatan. Karena sebenarnya jika program ini tepat sasaran, mereka akan sangat terbantu dengan semua pelatihan, aplikasi, dan berbagai macam pelayanan lainnya.”

(With the problems that occur, it is necessary to conduct an in-depth evaluation of how these problems exist, there needs to be two-way communication between the CSR and the community about what solutions can be taken and accommodating all complaints so that in the future this program can continue without any obstacles. Because in fact, if this program is right on target, they will be greatly helped by all the training, applications, and various other services.)

Communication is very necessary, because sometimes what is in the field is different from what is in preparation. The above statement can also be supported

by what was conveyed by Andry Priyo Santoso General Manager at Telkomsel CSR

stated that:

“Hal yang dibutuhkan dalam cara untuk menghilangkan masalah tersebut tak hanya evaluasi dan komunikasi, namun dalam persiapannya kita selaku penyelenggara seharusnya lebih dari hanya sekedar pelatihan pada tokoh-tokoh masyarakat namun merata pada setiap masyarakat di desa yang dipilih. Bantuan dan dukungan dari pemerintah juga dibutuhkan karena walaupun ini kewajiban kami sebagai perusahaan swasta dengan program CSR nya, pemerintah juga harus berkolaborasi dengan kami agar dalam penerapannya tepat sasaran dan merata. Hal selanjutnya adalah jika kami dapat dukungan lebih dari pemerintah kami bisa juga melaksanakan program ini secara berkelanjutan.”

(What is needed in a way to eliminate these problems is not only evaluation and communication, but in preparation we as organizers should be more than just training for community leaders but evenly distributed to every community in the selected village. Assistance and support from the government is also needed because although this is our obligation as a private company with its CSR program, the government must also collaborate with us so that its application is right on target and equitable. The next thing is if we get more support from the government we can also implement this program in a sustainable manner.)

The purpose of this statement is that with the support of the community and government in collaborating with existing CSR programs, companies will easily carry out this. With this support, it is hoped that in the future it will be able to support and make existing programs sustainable for existing villages or those that will be assisted in the process of implementing the CSR program.

4.3 Data Analysis

4.3.1 The Application of Good Corporate Governance (GCG) Principles through the Program of Corporate Social Responsibility (CSR) by PT Telekomunikasi Selular (Telkomsel)

As a form of supporting and implementing the regulations that have been made by the government on how CSR should be run, PT Telekomunikasi Selular (Telkomsel) takes part in implementing the programs they make, this form is the form of Telkomsel assistance for public affairs. Based on the implementation of the GCG theory in PT Telekomunikasi Selular (Telkomsel) through 5 principles made by KNKG (2006) consisting of transparency, accountability, responsibility, independency, and fairness & equity. The embodiment of the application of GCG principles through the Baktiku Negeriku CSR program is transparency, accountability, responsibility, independency, and fairness & equity very precisely with the application of CSR, the following is an explanation of its application:

A. Transparency

Transparency according to Organization for Economic Cooperation and Development (OECD) means that the Corporate Governance framework must ensure that information disclosure is timely and accurate on all material matters relating to the company, including its financial condition, performance, ownership and corporate governance. This principle is treated for overlapping information that

triggers a conflict of interest between stakeholders and employees. With more public information disclosure, public shareholders and stakeholders will be able to monitor and assess the company's performance more easily. Controlling shareholders and management will find it more difficult to take over public shareholders and stakeholders because their actions will be easier to detect. Based on the application guidelines from KNKG (2006) the principles of transparency are as follows:

- 1) Companies must provide information in a timely, adequate, clear, accurate and comparable and easily accessible to stakeholders interests according to their rights.
- 2) The information that must be disclosed includes, but is not limited to, the vision, mission, business objectives and company strategy, financial condition, composition and compensation management, controlling shareholder, share ownership by members of the Board of Directors and members of the Board of Commissioners and their family members in the company and other companies, risk management systems, supervision and control systems internal, system and implementation of GCG as well as the level of compliance, and events important that can affect the condition of the company.
- 3) The principle of openness adopted by the company does not reduce obligations to comply with company confidentiality

requirements in accordance with regulations legislation, job secrets, and personal rights.

- 4) Company policies must be in writing and proportionately communicated to stakeholders.

Based on findings in the field, researchers found that in the Baktiku Negeriku CSR program, Telkomsel has implemented transparency well because from the start they have conveyed their vision and mission and not only internal parties can see it, but the wider community can see it. because Telkomsel is very transparent about this, the delivery of information about its vision and mission is in accordance with the principles of the GCG guidelines from the KNKG (2006) which state that, one of the information that must be disclosed is the vision and mission of a company.

In accordance with the explanation from the OECD above which states that every company and organization must be able to convey information that is transparent and must be accurate at all times, the next thing is the delivery of information internally with superiors and subordinates, then for the delivery of information externally, Telkomsel also describe various kinds of information on the website that can be accessed by the wider community or customers.

In planning and running its programs, Telkomsel also holds regular meetings that are held every week, month, and yearly. At the routine meeting, Telkomsel also invited stakeholders and shareholders involved in the company, this is in accordance with the Principal Guidelines for Implementing GCG principles from the KNKG (2006) in point 2 which states that a company must disclose

information on the composition and compensation of the management, controlling shareholder, share ownership by members of the Board of Directors and members of the Board of Commissioners. However, Telkomsel still has some shortcomings that researchers found at the research location based on the results of interviews and observations, such as there is still a lack of information regarding the clarity of the implementation of the "Baktiku Negeriku" program after the 3-day training program was implemented. The people of Bojongloa village, agents of change, and village heads are still quite confused about whether this is sustainable or not because there is no information obtained after the implementation is complete. Therefore, the researcher suggests that Telkomsel be open and informative, even though the implementation is only 3 days for training, the community and agents of change as activity participants should be given clarity on whether this program is sustainable or only until the day of the implementation.

B. Accountability

Accountability is a principle that must be applied within a company or organization, based on PP No. 101 of 2000 in the concept of good governance is a government that implements, develops and implements these principles, because accountability is contained in the policy-making process in a government program, private sector or organization that is responsible for society or community and institutional issues. The company must be able to account for its performance in a transparent and fair manner. For this reason, the company must be managed properly, measured and in accordance with the interests of the company while taking into account the interests of shareholders and other stakeholders. Accountability is a prerequisite for achieving sustainable performance. However, Based on the application guidelines from KNKG (2006) the principles of accountability are as follows:

- 1) The company must define the details of the duties and responsibilities of each company organs and all employees clearly and in line with the vision, mission, corporate values (corporate values), and corporate strategy.
- 2) The company must believe that all company organs and all employees have the ability according to their duties, responsibilities and roles in the implementation of GCG.
- 3) Companies must ensure an effective internal control system in the management of the company.
- 4) The company must have a performance measure for all its corporate lines consistent with the company's business goals, and has a reward system and sanctions (reward and punishment system).
- 5) In carrying out its duties and responsibilities, every organ of the company and all employees must adhere to business ethics and code of conduct (code of conduct) that has been agreed.

In line with what is in the field, the researchers found that there are accountability principles that exist in the awareness of Telkomsel to always leave 2% of net income each year which they use to create CSR programs that will be given to the community, this process is a form of from Telkomsel's support for government programs on CSR for each company or private sector, this is in accordance with the guidelines on GCG principles from the KNKG (2006) which states that a company must carry out every responsibility clearly that correlates with its vision and mission. Telkomsel has been responsible for setting aside a portion of its profits to be given to the community in the form of a CSR program which is a recommendation from the government for the private sector.

In the process of Telkomsel, the funds that have been set aside by Telkomsel for the CSR program must be spent and are right on target at the community or village that has been predetermined, the meeting is held at the end of each year

aimed at seeing whether the program is successful or not. Evaluation will also be carried out at the annual meeting because it is intended so that Telkomsel knows about its CSR program what things have become failures or successes that occur in the implementation process, this is related to the GCG principles of the KNKG (2006) point number 4 which states that the company must have benchmarks and evaluation of a performance for all levels of the company that are consistent with the goals of a company.

For the implementation of further accountability in the Telkomsel CSR program, the researchers found that this was in the clarity of the division of tasks and the boundaries that had been determined by both parties between Telkomsel and 8Village as the third party of the same Baktiku Negeriku program in the planning, implementation and planning process. evaluation, such as in the Principal Guidelines for Implementing GCG principles by the KNKG (2006) at point 1 and point 2 which states that the company must clearly define the details of the duties and responsibilities of each company organ and all employees as referred to here.

Each company is obliged to divide the boundaries between the responsibilities and duties of each employee so that there is no overlap. In Telkomsel's CSR program, this applies not only to internally but in its application they also use this principle to their third party, namely 8Village to be able to divide the duties and scope of each company. The next thing is in accordance with point 2 of the GCG principles guideline from the KNKG (2006) that every company is obliged for all employees to have the ability according to their duties, responsibilities and roles. In this case Telkomsel and 8Village have divided their

duties based on the capabilities of each company, Telkomsel as the organizer while 8Village is the implementer and conceptualizer of the Baktiku Negeriku program. In its implementation at the research location, it can be seen that Telkomsel and 8village as partners have implemented good Accountability theory with the results of the implementation of training for the community and Agents of change who until now still use their abilities and understanding since training and are useful for teaching and introducing the internet and website "Baktiku my country" to help people sell their wares online. Researchers see the results directly and it can be said that in accountability Telkomsel has implemented very well in its CSR program.

C. Responsibility

Companies must comply with laws and regulations and carry out responsibility for the community and the environment so that long-term business continuity can be maintained and gain recognition as a good corporate citizen. The form of corporate responsibility is the company's compliance with applicable regulations, among others; tax issues, industrial relations, occupational health and safety, environmental protection, maintaining a conducive business environment with the community and so on. By applying these principles, it is hoped that the company will realize that in its operational activities, the company also has a role to be accountable to shareholders and other stakeholders. With the existence of guidelines from the KNKG (2006) regarding the principles of GCG regarding responsibility:

- 1) Company organs must adhere to the principle of prudence and ensure compliance with statutory regulations, statutes and company regulations (by-laws).
- 2) Companies must carry out social responsibility by, among other things,

caring for the community and environmental sustainability, especially around the company by making adequate planning and implementation.

In the implementation process, as has been seen directly by researchers with observations and interviews that Telkomsel has carried out responsibility, it can be seen in the statement on pages 78-80, for the CSR program itself Telkomsel refers to government regulation Number 47 of 2012 that Corporate Social Responsibility must exist in a company to provide assistance or various kinds of activities aimed at the community by using a portion of the funds from the profits as discussed in the previous discussion. With the existence of the CSR program, Telkomsel has shown that a company must take part and refer to all government decisions, so from there it can also be said that there is collaboration between the government and the private sector.

On the principle of GCG from the KNKG (2006) point 2, there are basic guidelines which state that companies are obliged to carry out their obligations, namely social responsibility to care for the community and the environment, as researchers have observed by coming to the location, namely in the village of Bojongloa, Sumedang. to see directly and ask some questions to sources about the Baktiku Negeriku program which is a CSR program from Telkomsel that actually Telkomsel has 4 pillars and one of them is Community Empowerment where Baktiku Negeriku is located which puts forward assistance to the community in the form of applications to help market the agricultural products of rural communities and assistance for internet literacy training and the program has been held where one of the cities is Sumedang where the village of Bojongloa is located.

D. Independency

To facilitate the implementation of GCG principles, the company must be managed independently so that each company organ does not dominate each other and cannot be intervened by other parties. Based on KNKG (2006) stated that this principle requires that the company is managed professionally without any conflict of interest and without pressure or intervention from any party that is not in accordance with applicable regulations. From the guidelines of the KNKG (2006) regarding the principles of GCG regarding independency:

- 1) Each organ of the company must avoid domination by any party, not be affected by certain interests, free from conflict of interest and from any influence or pressure, so that decisions can be made objectively.
- 2) Each organ of the company must carry out its functions and duties in accordance with the articles of association and laws and regulations, not dominating each other and or shifting responsibility from one another.

Based on field research and observations, even though Telkomsel cooperates with third parties, the two companies still maintain confidentiality and do not intervene with each other. Cooperation is limited to planning and implementing the Baktiku Negeriku CSR program, the collaboration between 8Village and Telkomsel is a partnership and there is no interference in the affairs of each company, as according to the GCG principle guidelines of the KNKG (2006) at point 1, namely that there should be no intervention in each company with other companies, there is no domination and conflict in each company, especially in a partnership relationship

E. Fairness and Equity

In carrying out its activities, the company must always pay attention to the interests of shareholders and other stakeholders based on the principles of fairness and equality. Fairness or fairness and equality in fulfilling the rights of stakeholders that arise based on statutory agreements, Company policies, Company regulations and other provisions as well as sound corporate principles. This principle requires fair treatment in fulfilling the rights of stakeholders in accordance with the prevailing laws and regulations. Fairness is expected to be a driving factor that can monitor and ensure fair treatment among various interests in the company, As stated in the guidelines:

- 1) Companies must provide opportunities for stakeholders to provide input and convey opinions for the benefit of the company and open access to information in accordance with the principle of transparency within the scope of their respective positions.
- 2) Companies must provide equal and fair treatment to stakeholders in accordance with the benefits and contributions given to the company.
- 3) Companies must provide equal opportunities in recruiting employees, having careers and carrying out their duties in a professional manner regardless of ethnicity, religion, race, class, gender, and physical condition.

As the results of the research that has been done, Telkomsel has implemented part of the principles of fairness and equity as a guide for them to make decisions,

this can be seen from the coordination and delivery of programs for internal and external. As well as the support and assistance from various parties to support the running of the program, this has supported the guidelines from the KNKG (2006) regarding the principles of CSR at point 1, namely the delivery of transparent information and creating opportunities to express opinions or suggestions.

The next thing that becomes supporting evidence that in implementing CSR, Telkomsel has used the principles of GCG is the opportunity provided by Telkomsel to allow the involvement of parties outside of CSR employees, especially in the Baktiku Negeriku program to be able to contribute and assist in the implementation of the program, as stated in the GCG guidelines from the KNKG (2006) point 2 and 3 that there must be fair treatment for all members of the company to be able to contribute but still adhere to the values and norms that apply to the company itself.

4.3.2 The impact of the Baktiku Negeriku Corporate Social Responsibility (CSR) program of PT Telekomunikasi Selular (Telkomsel)

Village independence is a condition that reflects the strong will of the village community to progress, the production of village products or works that are proud of and the village's ability to meet their needs. According to Kiki Endah (2018) village independence is the ability of the village government and the community to improve welfare through the potential of natural and human resources.

From this statement it can be said that the village community is given the authority to be able to develop their village and their community both from

resources and economics, the researchers found that in the process of developing the village of Bojongloa, Sumedang they received assistance from the Telkomsel company which was assisted by the Baktiku Negeriku CSR program. The assistance is in the form of digital and internet training as well as an application in the form of a website along with tools to support the community to market their products from their farms so that they sell not limited to distance and communication with areas other than their surroundings.

With the CSR assistance from Telkomsel to Bojongloa village, it shows that Telkomsel has implemented a CSR program like what is in the explanation according to Suharto (2007: 16) which states that CSR is a business operation that is not only committed to developing the company's financial benefits but also supports socio-economic development, this can be seen from the existence of the Baktiku Negeriku program which also helps the people of Bojongloa village, who mostly work as farmers, to be able to market their agricultural products and sell them on the internet.

Based on a statement from Ernst and Ernst (1978) they identified six objective areas of CSR, one of which is community development and Human Resources which are divided into several activities, one of which is training programs which are also an element of the Baktiku Negeriku program where Telkomsel provides training to 10 a chosen person called the Agent of Change to be able to help people market their merchandise on the Internet and as a mentor to be able to train people to understand digital and the internet.

4.3.3 Supporting and Inhibiting Factors of the Application on the Application of GCG principles through the Programs of CSR

One of the goals of PT Telekomunikasi Selular (Telkomsel) in the process of applying the principles of GCG is the basic value of the process so that the company can achieve predetermined targets and in accordance with the existing vision and mission, in order to support the process Telkomsel has implemented the principles of GCG such as which has been described on the previous pages. However, in the implementation process, not everything that has been planned can be achieved, there must be some obstacles and the convenience that is found is called the supporting factors and inhibiting factors.

A. Supporting Factors

Supporting factors are things that have role to help to the Application of GCG Principles through CSR program at PT Telekomunikasi Selular (Telkomsel) so the following is the explanation:

1) Good Human Resource

Based on the general guidelines for Indonesian Good Corporate Governance made by the National Committee for Governance Policy / KNKG (2006), it is stated that every company must ensure that the internal control system is effective, it states that what is meant by internal is that there are members or people who can become support for the implementation process of the Baktiku Negeriku CSR program, here can be seen with the training of 10 agents of change as media and actors to assist the implementation process and they must be pro-active because this program is sustainable, support and willingness to be able to help the community are needed.

stay interested and understand the internet in accordance with the mission at the beginning.

2) Proper Device and Internet

Supporting tools are needed in a CSR activity, in this program it can be a support because in its application, especially in the Baktiku Negeriku program, the internet and devices such as cellphones, computers, or laptops are needed. As a village that will be developed and given training in internet and digital, the main thing should be the availability of proper devices and internet that already exist in the village so that in its application, the community will be able to easily access the website and digital tools provided by CSR Telkomsel.

B. Inhibiting Factors

Based on the research and observations that have been made, it can be seen that there are inhibiting factors in the Application of GCG Principles through CSR program at PT Telekomunikasi Selular (Telkomsel) as follows:

1) Lack of Public Understanding of the Internet

One of the inhibiting factors in the Telkomsel Baktiku Negeriku CSR program is that there are still many people who do not understand the internet, but it is undeniable that the aim of holding the Baktiku Negeriku program is a form of Telkomsel CSR action to be able to introduce and provide training on the internet to the public, because with the all-digital era Telkomsel has created the right program for the village of Bojongloa, Sumedang. In accordance with the explanation from Ernst and Ernts (1978) which states that one of the objectives of CSR programs is Human Resources which is further divided into a number of

activities and one of them is training programs. Baktiku Negeriku also conducts training so that people are interested and enthusiastic about the internet.

2) Lack of Continous Control from Telkomsel

With the results of research and interviews as well as observations, researchers found a second obstacle that could be a problem for the running of the Baktiku Negeriku program which is sustainable, based on data obtained through interviews, Telkomsel did not continue the Baktiku Negeriku program after the training process took place, the lack of control from Telkomsel had an impact clarity of duties of 10 Agents of Change for the future, because they feel like they are left without any follow-up for the 2-5 year plans in the future, whereas according to the GCG principles guidelines from the KNKG (2006) state that on accountability: "Companies must determine the details of their duties and responsibilities. answer each organ of the company and all employees clearly and in harmony "so that the implementation of this process has not been said to be a success.

3) Farmers Choose to Direct Selling to the Seller

The next obstacle that becomes an obstacle to the success of the Telkomsel Baktiku Negeriku CSR program is that there are still many Bojongloa villagers who prefer to sell their agricultural products to direct sellers, or to the market. This is based on the willingness of the farmers to get money faster without having to wait long and require a complicated process.

The existence of the Baktiku Negeriku application is actually intended for farmers to get buyers outside the city or the surrounding area, but the community

does not support the program, and this is an obstacle to the GCG principles guideline from the KNKG (2006) which states that the company must ensure an effective internal control system in the management of the company. however, in its implementation there is a lack of supervision and it is not on target.

4.4 Implication

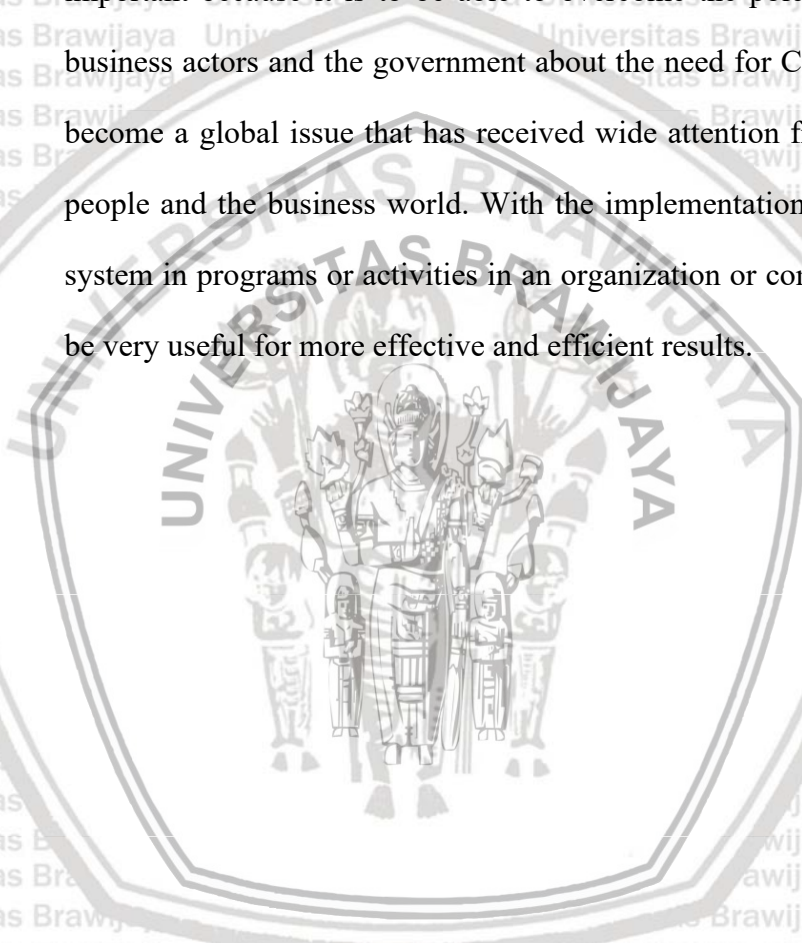
Based on this research, the theoretical and practical implications can be stated as follows:

1. 1. Theoretical Implications

- a. With the awareness in a company of the obligation to carry out CSR programs not only to abort obligations but also to contribute to a sustainable system for the community, it can foster public trust and image in the company itself.
- b. The sustainability of the CSR program based on the pillars contained in the principles of GCG can have an influence on the success of a program and which can also be applied to the entire system of the company's organization.
- c. This research also shows that by running the GCG system in a company, a company can pay close attention to matters such as finance, cooperation, image, and policies that will be made in the future.

2. Practical Implications

The results of this study are expected to contribute to policy implications for the company's management, investors and potential investors as well as the government. This implication is considered very important because it is to be able to overcome the polemic between business actors and the government about the need for CSR. CSR has become a global issue that has received wide attention from business people and the business world. With the implementation of the GCG system in programs or activities in an organization or company, it can be very useful for more effective and efficient results.



CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusion

Based on the results of the research that has been done, the researcher has concluded that in its application PT Telekomunikasi Selular (Telkomsel) has implemented the principles of Good Corporate Governance (GCG) properly with its Corporate Social Responsibility program through Baktiku Negeriku, but in the application and observation in the Telkomsel field needs some upgrading. This can be proven from the following:

1. Transparency

In its application, PT Telekomunikasi Selular (Telkomsel) has implemented the principles of GCG Transparency, namely by providing a clear vision and mission, for transparency internally, Telkomsel has also provided detailed information to employees in accordance with their limitations and rights, and in the Baktiku Negeriku CSR program, the transparency process involves the involvement of Telkomsel and the community in conveying aspirations, as well as the creation of the Baktiku Negeriku Website so that all information about the program can be seen and conveyed to the village community.

2. Accountability

In its application, PT Telekomunikasi Selular (Telkomsel) has successfully implemented the principle of accountability in its CSR, this can be seen from the existence of good communication in the planning and application of the Baktiku Negeriku program with their third party, namely 8Village. Here 8Village as the conceptor holds a meeting for concept discussion before application and there is a joint evaluation with Telkomsel to discuss the shortcomings and successes of its application. The next thing is that because Telkomsel refers to the government regulation to issue an obligation that they must carry out CSR, there is a fund of 2% of net income, at the end of the year they must ensure and evaluate that the funds are truly channeled and on target in the CSR program.

3. Responsibility

In terms of responsibility, PT Telekomunikasi Selular (Telkomsel) in their application refers to two government regulations, namely Law Number 40 of 2007 that they must be responsible for the surrounding environment and social or community. This can be proven by the existence of a program that is funded and based on the existence of funds of around 2% for CSR from net income per year and must be used optimally. The next thing from the application of responsibility is that Telkomsel refers to PP No. 47 of 2012 that every company is obliged to provide social and environmental responsibility, proof that they have

implemented this program is that the Baktiku Negeriku program has been running since 2017 and is still ongoing today to support government regulations.

4. Independency

Based on the results of interviews and observations made, PT Telekomunikasi Selular applies the GCG principle, namely independence that in its application Telkomsel's CSR still has a third party as part of the partnership, however, all collaborative processes only reach the stage of planning and implementing the Baktiku Negeriku program. All internal affairs are left to the respective companies, there is no intervention from each other which is Telkomsel and 8village as a partner on this program.

5. Fairness and Equity

In the application of the principle of fairness and equity of CSR, Telkomsel has succeeded in proving that in its application they are carrying out these principles with evidence that Telkomsel has collaborated with 8Village as a third party who helps the application and conceptual process, while with the community they are also invited to take part in delivering opinions and aspirations with what is needed in their village, not only that Telkomsel also appoints 10 “Agent of Change” as representatives and intermediaries between Telkomsel and Bojongloa Village, Sumedang. Coordination was also carried out well from Telkomsel, 8Village, the “Agent of Change”, and the village head

as community representatives for the development and training of the Digital Center at their village head office.

6. The Impact of the CSR Program

In its planning, Telkomsel designed the Baktiku Negeriku program to be a tool for the community to get to know more about the internet and understand the digital tools that have been provided by Telkomsel and are called the Digital Center, not only that the program is made so that the majority of people work as farmers. able to market their agricultural products to people outside the city and even abroad with the website and application that Telkomsel has provided and facilitated, there is support and a positive response to this program by the people of Bojongloa village, Sumedeng also makes this program run quite well and with the existence of 10 people were chosen to be Agents of Change, they felt helped and enthusiastic because they not only got knowledge for themselves but they could also teach the Bojongloa community and they also acted as intermediaries between Telkomsel and Bojongloa village.

7. Supporting factors

With the existence of supporting factors in the application process of Telkomsel's CSR program "Baktiku Negeriku", it is necessary to hold several additional elements to assist the application. What can help implement this process is the existence of good human resources as actors and representatives, this can be seen in the presence of 10 people

from Bojongloa village, Sumedang who have been chosen by Telkomsel who are called "Agents of Change", this is proof that there are qualified figures and capable human resources to support the program procession in their village.

8. Inhibiting factor

In its application, Telkomsel in its CSR program has several inhibiting factors that can be identified, namely the existence of people who do not understand the internet because the location of the village is very far from the city center and the internet is still new in the village. The next problem is with complaints from the community that Telkomsel immediately left the village without any clarity regarding the continuation of the program which caused the community to be confused about the program, and the last one was because it was considered that selling through the Website and the Digital Center assisted by "Agent of Change" took time very long time while they need money fast, they prefer to sell it directly to buyers or to the market, this is an obstacle because the program that has been held is considered useless.

9. How to overcome those problems

With the problems that occurred in the application process, CSR Telkomsel carried out a very detailed evaluation at the time after the program was implemented by inviting all parties involved and the community who were also invited to argue about the problem, then with

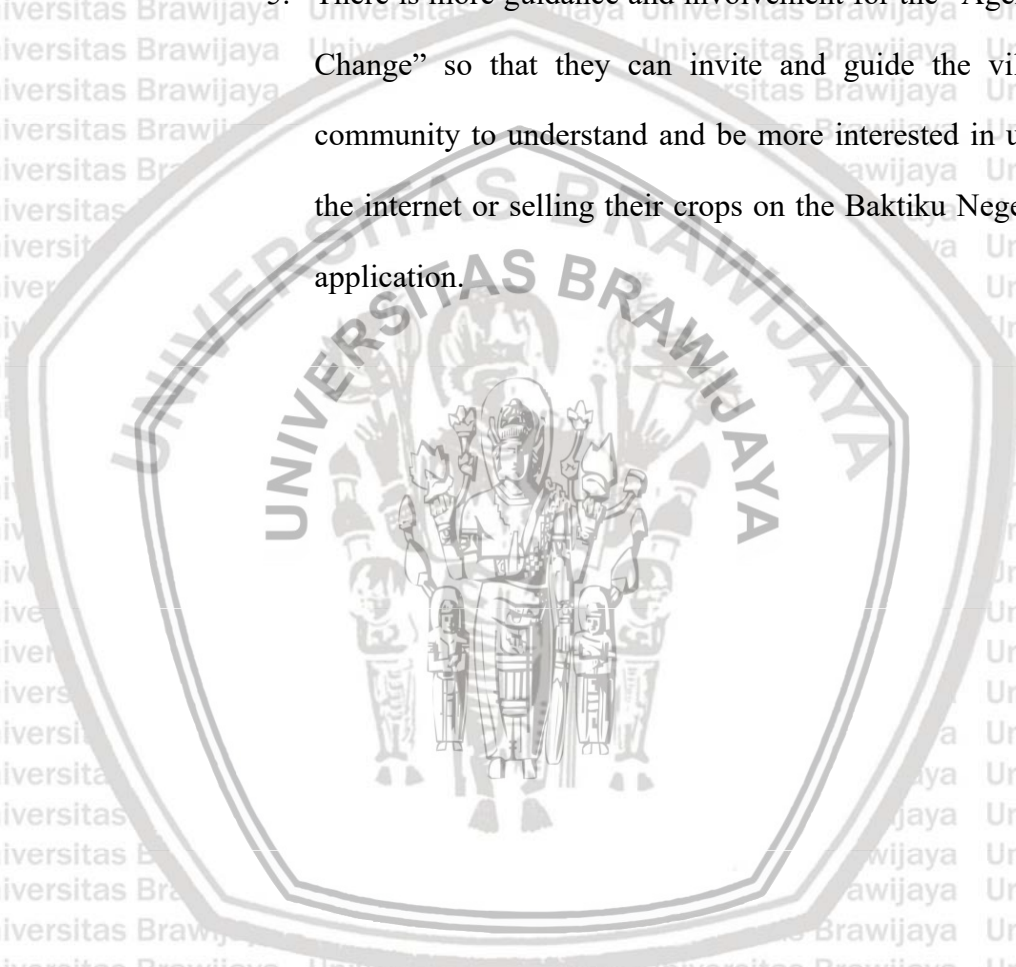
support. In the future, the government and the people of Telkomsel are expected to continue to be able to run this program and be sustainable in order to support so that the process runs smoothly in the following programs and villages.

5.2 Suggestion

Based on the results of the research and observations made, there are several suggestions that the researcher can convey as recommendations, namely:

1. There is an ongoing collaboration between PT Telekomunikasi Selular and the targeted village, in order to create a progressive and focused village development.
2. Clarity from PT Telekomunikasi Selular regarding the extent to which it will be involved and in the duration agreed by Telkomsel and the village so that in the future the village or “Agent of Change” will not be confused about the work and involvement of Telkomsel
3. Creating an application with an attractive appearance so that more users want to use the Baktiku Negeriku application, because with more and more users using the application, more people will also be interested in selling their Fruit or Veggies and people can easily get income from the results of their harvest.

4. Telkomsel provides more training to the public, not only 10 people who become “Agents of Change” so that they understand the internet and its uses.
5. There is more guidance and involvement for the “Agent of Change” so that they can invite and guide the village community to understand and be more interested in using the internet or selling their crops on the Baktiku Negeriku application.



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LIST OF ATTACHMENT

Attachment 1. Research Location

Desa Bojongloa, Sumedang Baktiku Negeriku Digital Center



**Author and Mr. Ajat Sudrajat as a “Agent of Change” and Mr. Sunardi as a
Desa Bojongloa Head of village**



Attachment 2. Interview Session

Author and Mr. Andry Priyo Santoso GM CSR PT Telekomunikasi Selular



Interview via Zoom with Ms. Rani Mutiarawati as a Head of Community PT

Telekomunikasi Selular

