

## **Managing Trust in the Implementation of Corporate Social and Environmental Responsibility Programs in North Kalimantan Province**

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### **KEYWORDS**

Managing Trust, TJSLP Program, North Kalimantan

### **ABSTRACT**

**Aims:** This study is intended to determine the implementation of managing trust in the implementation of the Corporate Social and Environmental Responsibility Program in North Kalimantan Province. The following that contained in the Regulation of the Governor of North Kalimantan Province Number 11 of 2023. **Methods:** The data are then compiled in a qualitative study. **Results:** The results of this study indicate that the implementation of Managing Trust in the Implementation of the Corporate Social and Environmental Responsibility Program in North Kalimantan Province has not been implemented optimally, many things need to be improved, closely related to the differences in power possessed by each stakeholder, which is very vulnerable to causing social conflict on each party.

## **1. Introduction**

Corporate social and environmental responsibility (CSR) or often called Corporate Social Responsibility (TJSLP) is one of the current topics and is closely related to the issue of Law and business ethics of companies as an activity that aims to gain a large profit, but should also consider the interests of the surrounding community, because the company is also part of society. The existence of a company in society is as a center of activity and as an organ of society to meet the needs of daily life. Its existence provides an important meaning for the life of society, therefore the government is obliged to maintain the existence and growth of the company by creating a conducive business climate.

One of the human activities that has a lot of impact on the environment and the surrounding community is business activities, namely a business activity in the form of business actors carrying out production and distributing it to members of the community. The idea underlying CSR which is often considered the core of Business Ethics is that companies not only have economic and legal obligations but also obligations to stakeholders, because companies cannot survive, operate and make a profit without the help of other parties.

CSR is a company's decision-making that is linked to ethical values, can meet legal rules and decisions, and uphold human dignity, society and the environment. Corporate social responsibility includes social, economic, and environmental fields. Corporate social responsibility is a responsibility towards the company's activities internally and externally. The business performance of a company must begin with a measure of the extent to which it has helped the agreed progress towards the people's goals.

In North Kalimantan itself, this CSR program is called the Corporate Social and Environmental Responsibility (TJSLP) program which aims to create a conducive business environment and uphold environmental development. In implementing social and environmental responsibility in North Kalimantan Province, the regional government has issued regulations related to this issue through the Regulation of the Governor of North Kalimantan Province Number 11 of 2023 concerning the Social and Environmental Responsibility of Business Entities. The establishment of this Governor's

Regulation is intended as a guideline for Business Entities and stakeholders in implementing the Social and Environmental Responsibility of Business Entities in the Region as a form of participation in sustainable social development. Article 3 The establishment of this Governor's Regulation aims to; (a) handling social problems and providing social welfare services; and (2) improving the image and profits and maintaining the survival of the Business Entity.

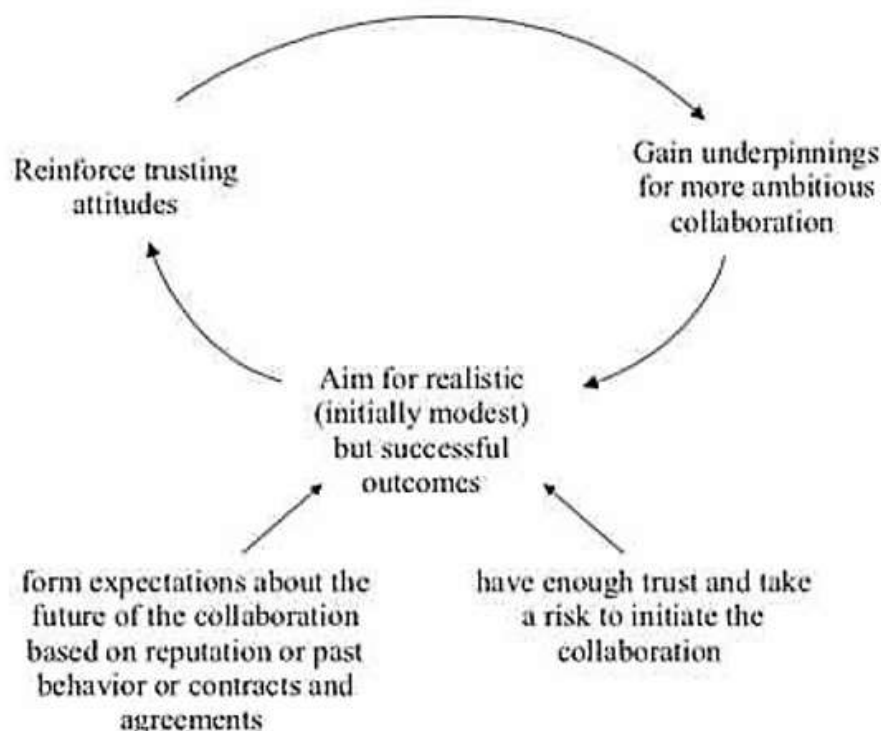
In this TJSLP program, various stakeholders are united to create a program that is right on target in the context of social and environmental development in the province of North Kalimantan. The stakeholders involved are such as business entities, government, and of course the community as the target beneficiaries of the program.

Therefore, it is necessary to build trust as a foundation strong in collaboration which shows the need for trust built and maintained by each member who are member of the Corporate Social Responsibility forum in North Kalimantan Province. In addition, The How for stakeholders' interest ensures commitment is implemented in accordance objective beginning with the formation of the Corporate Social Responsibility Forum or Corporate Social and Environmental Responsibility Forum.

Same as it is with Goals, Trust is Also very important and required for successful collaboration (Lane, 1998). In reality yes Lots collaboration shows that trust is often weak. Trust as foundation strong in collaboration show the need trust built and maintained by each member organization collaboration.

Trust can built in a way gradually based on initiative for actors who interact with each other Work The same and existence willingness For take a risk together too. Some a comprehensive way for manage trust in organization collaboration namely; (1) Building trust between actors. This can be done by starting to form hope together with for actors involved and, manage possible risk There is in organization collaborative (Gulati, 1995); (2) Maintaining trust which has there is. This matter Can done with manage existing dynamics, managing existing imbalance between actors, and repairing connection collaboration (Gambetta, 1998), to more to explain can seen in the bar image following This.

### The Trust Building Loop



Trust in collaboration can be built in a way gradually through determination of simple goals. However, realistic and can be realized, things that will strengthen attitudes of each other and give a strong base in collaboration. Another concept too explained by Bryson, 1988 who explains that trust can be built through existence of experience of each other and the benefits obtained in a way together with the minimum will risk; (1) Forming expectations: actors involved in the process of collaboration must understand and know about who only those involved in collaboration as well as know capacity of actor others who collaborate. When actor know who and how capacity of actor in collaboration so with by itself will form hope new for achievement objective; (2) Manage risk: in development trust in collaboration, trust become wrong one means to face risk in collaboration, so that risk in collaboration must be managed as an integral part of use and usage of trust. For example for avoid risk from action claim on ownership in the process of collaboration so need there is set sanctions in agreement contract as well as in management risk need set profit collaborative that will be obtained by each actors in the future come; (3) Manage dynamics : maintaining trust between actor and require for actor for work the same as well as sensitive to transformation environment organization; (4) Manage imbalance : strength imbalance strength source power actor in collaboration often happened, so that manager must be capable manage strength source power so that capable prevent decrease the belief that is owned by every actor; (4) Look after connection cooperation : For build and maintain trust, then connection interaction and coordination actor must be managed in a way effective, the problem must be managed in a way simultaneously because collaboration that nature dynamic and in a way sustainable.

## **2. Methodology**

The sources in this study are all stakeholders related to Managing Trust in the Implementation of Corporate Social and Environmental Responsibility Programs in North Kalimantan Province. Especially stakeholders involved in the TJSLP program in North Kalimantan Province. In this study, the researcher used a qualitative research method in collecting data related to the Managing Trust in the Implementation of Corporate Social and Environmental Responsibility Programs in North Kalimantan Province.

## **3. Result and Discussion**

In the context of collaborative advantage, Huxham and Vangen (2013) emphasize the importance of Managing Trust as one of the key dimensions in creating effective collaboration. Managing Trust relates to how actors involved in a collaboration, be it companies, governments, or communities, build and maintain relationships of mutual trust. Trust is essential in reducing uncertainty, increasing commitment, and ensuring that common goals can be achieved smoothly. Based on research findings conducted in North Kalimantan Province, this dimension of managing trust is manifested in several main aspects, namely managing risk, managing dynamics, managing power imbalances, and maintaining cooperative relationships.

Managing risk is the first element in managing trust as described by Huxham and Vangen. In the context of Corporate Social and Environmental Responsibility (CSR) programs, the risks in question may relate to non-compliance with regulations, failure to fulfill promises, or inability to meet the expectations of the parties involved.

The North Kalimantan Provincial Government acts as a sanctioner who enforces the rules and ensures that business entities implement CSR programs by applicable provisions. Governor Regulation 11 of 2023 and Minister of Social Affairs Regulation Number 9 of 2020 are the legal basis that regulates the obligations of companies in implementing the TJSLP program. The government acts as a regulator that can provide administrative sanctions such as verbal warnings, written warnings, temporary or permanent suspension of activities, and even revocation of permits if the company fails to carry out its obligations.

Companies involved in the TJSLP program also understand that if they do not implement the program properly, they will face the risk of administrative sanctions that can harm the company's reputation and

operations. As explained by the company representative, failure to implement the CSR program can result in the revocation of operational permits or fines.

Meanwhile, the community as beneficiaries of the TJSLP program is not faced with the same risks. They do not have direct sanctions against the company if the program does not go according to plan, but they depend on the company's decisions and commitments to carry out their obligations.

Collaboration involving various actors such as government, companies, and communities will certainly face relationship dynamics that require careful management. In the TJSLP collaboration, the dynamics of the relationship between actors can be seen from their involvement in various stages of the program, from planning to implementation and evaluation. The North Kalimantan Provincial Government plays an active role in managing these dynamics by ensuring that all actors involved have the same understanding of the objectives and procedures that must be carried out. The government not only acts as a facilitator connecting companies and communities but also as a supervisor who ensures that each party complies with the regulations and runs the program according to the agreement.

As the main implementer, the company is also involved in this dynamic by providing significant contributions to the planning and implementation of the TJSLP program. As expressed by the representative of PT. Ikani, they are active in forum discussions to determine the priority of programs to be implemented and is responsible for the implementation of the program in the field. The community, although in the position of beneficiary, also contributes to this dynamic by providing input and proposals for the necessary programs. The community participates in the planning process and provides suggestions related to what their needs are. However, they tend to be more passive in the implementation, depending on the decisions taken by the company and the government.

In collaboration between different actors, especially in collaboration involving large companies, governments, and communities, there is often an imbalance of power. Governments, companies, and communities have different powers in influencing decisions and the course of programs.

The government has the power in terms of policies and regulations governing the CSR program. Although they act as facilitators and liaisons between companies and communities, the government still has the capacity to regulate the implementation of the program and impose sanctions if companies do not fulfill their obligations.

Companies have strength in terms of financial and operational resources. As program implementers, they have great control in determining the type and form of programs to be implemented. However, companies are also bound by regulations and rules set by the government, which limit the extent to which they can act.

Communities are in the most vulnerable position in terms of power imbalance. They do not have the power to influence major decisions in CSR programs. However, communities can provide input and propose desired programs, although the final decision remains in the hands of companies and the government. The key to managing this power imbalance is to ensure mutual understanding and open communication between parties. The government needs to ensure that companies and communities have equal opportunities to voice their opinions and needs in CSR forums so that existing power can be managed fairly.

Maintaining good cooperative relationships between all actors involved is one of the important aspects of managing trust. In the TJSLP collaboration in North Kalimantan, interaction between actors is essential to ensure that the collaboration continues to run smoothly and common goals can be achieved. Huxham and Vangen (2013) emphasize that strong relationships can influence the success of collaboration, which can only be achieved with trust and open communication. The government, as a facilitator, strives to build and maintain good relationships with all parties, especially with companies that must run the TJSLP program, as well as with the community who are the beneficiaries. The government also encourages dialogue and cooperation between actors at every stage, from planning to evaluation.

The company acts as the main implementer of the program and tries to maintain good relations with the government and the community by carrying out its social obligations. As part of the TJSPLP forum, the company often communicates both formally in official forums and informally outside the forum to maintain better relations. The community, although more passive, plays a role in maintaining cooperative relations by providing feedback regarding the implementation of the TJSPLP program. Although their role tends to be as beneficiaries, their communication and involvement in conveying aspirations are very important to create mutually beneficial relations.

Managing Trust in TJSPLP collaboration in North Kalimantan Province, as explained by Huxham and Vangen (2013), involves managing risk, dynamics of relationships between actors, power imbalances, and maintaining collaborative relationships. This trust is formed through transparent communication, understanding of the roles of each actor, and the existence of mechanisms that regulate how risks and power imbalances can be managed fairly. Effective collaboration, ultimately, depends on how trust is built and maintained throughout the course of the collaboration.

#### **4. Conclusion**

Government, companies, and communities have different powers in influencing decisions and the course of the program. The government has power in terms of policies and regulations that govern the CSR program. Companies have power in terms of financial and operational resources. As program implementers, they have great control in determining the type and form of the program to be implemented. However, companies are also bound by regulations and rules set by the government, which limit the extent to which they can act. Communities are in the most vulnerable position in terms of power imbalances. They do not have the power to influence major decisions in the CSR program. Managing Trust in CSR collaboration in North Kalimantan Province, as explained by Huxham and Vangen (2013), involves risk management, dynamics of relationships between actors, power imbalances, and maintaining cooperative relationships. This trust is formed through transparent communication, understanding of the roles of each actor, and the existence of mechanisms that regulate how risks and power imbalances can be managed fairly. In collaborations between different actors, especially in collaborations involving large companies, the government, and communities, there is often a power imbalance. The government, companies, and communities have different powers in influencing decisions and the course of the program. Effective collaboration, ultimately, depends on how trust is built and maintained throughout the course of the collaboration.

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