

## **THE IMPLEMENTATION OF COMMUNICATION ACOMODATION THEORY IN CORPORATE SOCIAL RESPOSIBILITY: INDONESIA CASE**

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### **—Abstract —**

Corporate Social Responsibility (CSR) is compulsory in Indonesia. CSR, therefore, is one of corporate communication program, specifically in community relations. Each companies develop its strategy, implementation, and evaluation of CSR in several ways. This paper is evaluating the corporate social responsibility to explain its effectiveness. Theory used in this qualitative research is communication accommodation. The results explain that the effectiveness of CSR is depending on how the companies accommodate the community needs through communication. The CSR program will be succeeded and sustainable when it meets the community need. The understanding between community and company is uneasy to achieve because of the tendencies differences. However, both companies and community will reach their goals if there is a mutual understanding and convergences of thought which leads its attitude and behavior.

**Key Words:** *Communication, Corporate Social Responsibility (CSR), Community Relations*

**JEL Classification:** L2

### **1. INTRODUCTION**

#### **1.1. Community Relations : CSR**

In Indonesia Corporate Social Responsibility (CSR) program has become an obligation for companies to show their form of care not only towards the company progress but also towards community welfare. The government then established a written regulation regarding Limited Liability obligations related to CSR. Such condition became more popular when the House of Representatives gave its

approval on incorporating CRS clauses into Law No. 40 of 2007 regarding Limited Liability (PT Law) and Law No. 25 of 2007 regarding Capital Investment (UU PM). Article 74 of PT Law stipulates that each liability running its business in the field of and/or related to natural resources is obligated to be responsible for society and environment. In article 74 four regulations obliging certain companies to run company social responsibility or CSR program are described as follows:

- A Limited Liability running its business in the field of and/or related to natural resources shall obligated to be responsible for Society and Environment,
- Social and environmental responsibilities as intended in paragraph (1) shall be the obligation of a Limited Liability budgeted and calculated as Limited Liability fee which implementation is conducted by considering compliance and reasonableness,
- A Limited Liability which does not exercise its obligation as intended in paragraph (1) shall be imposed with sanction pursuant to the laws and regulations,
- Further provisions on Social and Environmental Responsibilities shall be regulated under a Government Regulation.

Companies in Indonesia themselves have CSR policies which improve from time to time. At the present there have been many aspects considered by companies in CRS program implementation such as education, health, natural disaster, infrastructure, economic independence etc. For certain objectives, CSR from companies can assist the achievement of *Millennium Development Goals* (MDGs) faster.

I conveyed several important points when reviewing relation between a company and the local community (community relations). For instance Jenkins and Baker (2007), conducted a research community investment program in the environment of Pfizer manufacturer in Sandwich, England. From such research it was revealed that investment on local community had significantly increased company external reputation. In addition, such action also increased cooperation and assisted the increase of employee skills. Meanwhile Close, Finney, Lacey and Sneath (2006) saw such relation from marketing perspective. They studied marketing event which involved visitors with sponsors, community and brand.

Their study showed that visitors wished for sponsor involvement in the community. If the community has positive opinions towards sponsor therefore sponsor products purchase will also increase more. Still on the subject of company relation with the community, it can be mentioned that the result of other researches, among others Barbaro (2006) which saw that the consulting provided to the community in Australia was more meaningful if initiated by talking about their issues, instead of the solution. Further, Smith (2003) who stated that proactive communication can develop company positive image. There is Molleda and Quinn (2003) who found the fact that inter country conflict involved host countries (host), the country where such company came from (home), and multinational public. They also identified the importance of such inter parties interactions. From such writer's exploration, at least it can be discovered that multinational company relation with the government is studied more politic, economic, as well as business and management points of view. Meanwhile research from communicative perspective is considered as limited. This limitedness adds the writer's confidence to do a research from communicative perspective. The writer is certain that this research output will be valuable for communication science development, particularly towards the study of multinational companies, especially their interactions with local community. Meanwhile the research conducted by Chairil (2007) and Trina (2010) contains the analysis of external factors which also affect company CSR programs such as government regulation, market orientation, humanistic orientation, occupation, health economy and environment which also have impacts on a CSR program. Based on such background, this research reviews the relation between multinational companies with the community through CSR related to how communication takes place to create a sustainable CSR.

## 1.2. **Communication Accommodation Theory**

To answer such research issue, *Communication Accommodation Theory*/ CAT is used. CAT provides working framework which objectives are to predict and describe various adjustments. Such adjustments are conducted to create, maintain or decrease distance in interactions. The strategy that is mostly researched and becomes the core of CAT historically is *convergence*. This convergence is defined as a strategy in which individuals adapt their communicative behaviours which are related to extensive language choices (for instance accent), paralinguistic (for instance pausing) and non verbal gesture (for instance smiles). Such adaptation is conducted by certain ways in order to be more similar to the addressee's behaviour. On the contrary, *divergence* strategy which is directed to

the difference of speech accent or its non verbal between one and the other (Giles and Ogay, 2007:295).

### **1.3. Method**

The research is conducted with qualitative method. Primary data is obtained through profound interview, FGD and observation on a company, PT. Unilever Indonesia Tbk. Profound interviews were conducted on management side. Meanwhile FGD was conducted on the community and observation was conducted on activists of CSR that were ongoing.

## **2. THE STRATEGIES AND IMPLEMENTATION OF CSR**

### **2.1. The Black Soybean of P.T. Unilever Indonesia, Tbk.**

The effort to plant vision and mission into the community was supported by the success of developing relations with various sides, also with the community. The relation with the community did not just happen, however it was planned in a certain strategy. One of such strategies is Corporate Social Responsibility (CSR) program under Unilever Foundation. CSR is also designed related to the development of products and their marketing.

With regard to this CSR there are standards from parent companies. The choice of CSR activities is from parent companies engaging in the fields of: nutrition, hygiene, sustainability of water, sustainability of agriculture and women empowerment. For implementation in each country it may translate itself. As to sustainability of agriculture, it is translated in black soybean farmer development. In Indonesia the implementation is very local oriented, however the direction is indeed global, therefore it has core direction.

All activities in countries are monitored through various encounters and Internal Communication Channel, which are sent through emails. In such emails there are highlights on country initiative. Therefore each latest development is highlighted. There is some sort of competition in each country in order to be highlighted.

From several interviews it can be concluded that Unilever CSR strategies are supported by four pillars, namely *relevance, modelling, partner, and replicate*. Relevance means that CSR program must be in line with company activities to maintain the commitment sustainability. Standing on this first pillar, activities related to community health education are for instance Pepsodent and Lifebuoy

products. Further, modelling refers to efforts initialled by something small then gets larger since it is assisted by a partner who serves as the third pillar. As many partners as possible are sought to develop programs. In addition program development is also conducted through replicate which serves as the fourth pillar. This replicate is the development conducted through program replication on the determined targets.

Unilever apply the sustainability principal in each of its business activity. One of its forms is sustainable sourcing, where Unilever use the raw material derived from the sustainable agriculture land and, other sustainable sources. External Relations Director and Corporate Secretary of Unilever Indonesia in a discussion of sustainable agriculture said that they are focusing on the application of sustainable sourcing for raw materials which are derived from agriculture, because we realized that half of the raw materials that we use are derived from agriculture and forestry.

The sustainable agriculture is an important part of Unilever Sustainable Living Plan, which is a business model that was developed by Unilever to respond the various challenges in the social, economy, and environment aspects. Unilever Sustainable Living Plan is run by Unilver by means to grow the business while reducing its negative impact to the environment, as well as creating a positive impact on society. Procurement Director Ingredients & Supplier Development Unilever said, "Basically sustainable agriculture can be run by various types of business. Unilver as a consumer goods company, together with our business partners in globally, includes in Indonesia, has done the sustainable agriculture policy in any line of our business." Unilever had targeting that in 2020, 100% of the raw material supply is derived from the sustainable sources. In achieving this, farmers not only cast as object but become the subject and the become the main derermainer of the Unilever agriculture activity.

In Indonesia, one effort that Unilever had done through Unilever Indonesia Foundation, is the Black Soybean Farmer Empowerment Program which was established more than 10 years ago. Unilever in its partnership with the farmers in the provision of best seed, plants cultivation guidance, and assistance. This partnership is strengthened by the support from education institution, and Non-Government Organizations and local government. The program which is running in Yogyakarta and East Java region are a real form of Unilever Indonesia to improve the living standard of the farmers through improving their productivity according to the sustainability principles.

This partnership had posted various appreciation both in and outside the country. Among them: as finalist of Stevie International Business Award in 2010

for the best CSR dan Indonesia MDGs Award 2011 for the Woman Empower Program that was a part of the Black Soybean Farmers Empowerment Program, as well as CMO Asia's Best CSR Practice Award 2012 for Black Soybean Farmer Program in the poverty alleviation category.

Looking at the positive result of the sustainable agriculture which had implemented, Unilever Indonesia facilitate an active discussion among its stakeholder, including the entrepreneur community, academics and the policy makers to glance at the sustainable agriculture as one of an approach form in answering the food security and availability of raw materials challenges.

Unilever Indonesia together with Penebar Swadaya and Gadjahmada University also publish a book *Petunjuk Praktis Kedelai Hitam* to the public to inspire more people about the sustainable agriculture issue. Using semi-comic format, this pocket book launch is a part of Unilever partnership program with the farmer which has objective to give information about the better way of cultivating black soybean, which also easy to understand by the farmer.

## **2.2. The Role of Communication Accommodation**

Unilever cares highly about program sustainability and mutual gain achievement translated in sustainable development and mutual partnership principles. As illustration, the black soybean case for *Bango* soybean sauce acquired in 2001 is used as an example. Since such acquirement *Bango* soybean sales have increased sharply therefore the manufacturer needed sufficient black soybean supply to meet production. Unilever views such matter as a business opportunity as well as sustainable CSR development. Standing on this thought a research in cooperation with University of Gadjah Mada Yogyakarta was sought. Such research was intended to discover black soybean development planting feasibility in the designated location. Farmers were invited to cooperate by providing capital, education, and accompaniment therefore supply was guaranteed. Therefore it is apparent that CSR will be sustainable since it is related to the business run by the company. These efforts in turn will provide positive reputation and image for the company. With regard to such type of cooperation, source details as follows:

To be mutual there should be take and give. If there are only take and take, there will be no sustainability. Or if it is just give and give, it will not be sustainable. Now we'll see what we can give to farmers. What can we give to farmers is first capability. We invest a lot, billions to facilitate our partners, educate farmers. Therefore we have field manpower; we fund

those students in their last years living in our villages. And each month I always go to the villages as a program manager. We provide them with working capital. Since our research output with UGM, our farmers have been simple. They may work with individual leaders, we lend them interest. Then what? Farmers have been played by loan sharks. When they have not invested the price it is said to be IDR 1,000 and when it is harvest time they say IDR 200. We guarantee that in writing. Then what else? Accompaniment.. Therefore they are not given by us, in the past maybe there were many companies that were transactional, you just make this, later we would come and buy, we are not like that. So long as they invest we will accompany.

Such efforts have become more developing with take and give concept. Unilever provides four matters to farmers and in return, farmers provide two important matters to Unilever. What can be provided by farmers to Unilever? First is quality guaranty. Soybean quality can be increased. Second, supply certainty. Unilever obtains clear market. This multinational company also obtains good image and good reputation. For Unilever company reputation and image are very important. The end objective is to maintain relations with many sides. .

To achieve such good reputation, the process indeed has to be matured. In terms of black soybean development mentioned earlier, the management prepares with full calculation. Such black soybean cultivation is packaged in Black Soybean Farmer Development, describing the process sequence. Initially 12 farmers are selected. Unilever has contracts with those farmers. From them opinions are explored, can soybean be planted there? The same opinion is asked from Experts. When such opinion states that it is feasible to plant, then a decision is made to plant the same. It succeeded, and from one place it propagates to other places. The next development is in Nganjuk, for instance, has the same principle. There is opinion probing, including to find out whether the society agrees. If they do it means they need it, and it then comes to a decision to execute.

For multinational companies, decision to either by ways of product advertising, CSR or lucky draw - depends highly on guidance issued by their parent companies. Despite companies in various countries are provided with the freedom to adjust with each country (*customized*), however this freedom still takes into account community needs. Hence choice on such communicative method is focused on its accuracy. What it means is right on target, not just activities, since at the end of the day activities conduced are expected to develop positive image for companies.

Whatever method is chosen, relation between companies and community is a must. As admitted by bureaucrats, for instance a number of officers in Ministry of Social, relation between companies and community is considered as an essential matter in the life state, investing and having business. According to them when a company is in a certain country, albeit the connection with the community it is not apparent, basically both of them are very tight and affect each other. Company policy is considered as requiring the attention to community as one of main environments, since such environment itself will affect the sustainability of companies.

Government, for instance Ministry of Social, also facilitates the development of such relation. At this time for instance, remote cultural communities which will be the bridge of company relation with community is established, in order for companies to be accepted by communities and can run their business well. In this context Ministry of Social has become some sort of facilitator besides regulator. Along with its development, now companies understand and comprehend community of such type of cultural communities. It is recorded that more less 200 companies which cooperate with various social responsibilities conduct activities by taking into account *local wisdom* in the community.

In such *local wisdom* nature and characteristics of community can be explored. Company relation with the community is affected by the nature of community itself and company culture. If we see outside it will be affected by the nature of community mentioned earlier, and if we see inside company culture can be a consideration. This company culture is believed to be reflected in daily behaviours of a company and is related to various sides. The value believed or such company culture is also mentioned as a facility to show company existence in a country. If a company can be accepted and its existence is sustainable, then it is considered as useful for community, then such company begins to approach the community. Therefore the end objective for the company is not merely to be the largest, instead to be the closest to community. Therefore it is seen that the company does not only see and consider the community, however it continues to make efforts to become a good company, with good products in order to be close to the community. In this matter a process of how each negotiate and accommodate each other to reach idea unification on the company, product and community acceptance.

From *local wisdom* standpoint also, a company will easily understand and treat external sides with human touch, to open an ideal relation between company and community. Initially it begins with the determination of a method to



communicate in line with community needs, then next discovering *local wisdom*, and pay attention to *human touch* in developing such relation. The fact is a company that holds such key can maintain its relation with the community. Generally at this time company relation with community in social responsibility field can be considered as good.

Who is the best among the good ones? One of the indicators can be seen from *reward* provided by the government to companies through activities such as annual competition (*special event*). Those who have achieved such award are the best examples. It is them who have achieved “Business World *Seatbelt* Social Investment”. They have realized that companies have to invest in social responsibility field as the seatbelt for the sustainability of company operational among the dynamic community.

In such interaction between the company communication accommodation inter actors with the hope to achieve the highest accommodation level to achieve the objective. Communication strategy, particularly *convergence* seems to be more dominant. It is also intends to be mutual convergence rather than mutual divergence (*mutual convergence/divergence*) in which both sides are directed to unification rather than separation; mutual convergence is achieved only on parts that are accommodated in a theory or what is called as *partial convergence* namely in which unification takes place on part of interaction; however in several matters complete convergence takes place namely in which all interactions unification takes place.

Therefore it can be explained that “positive” efforts tend to be conducted by companies to understand community more. This understanding is needed for product development, marketing strategy and CSR strategy. The community is placed more on the position of choosing: which is provided by companies in achieving the defining of mutuality practically? Such relation can trigger the emergence of accepting reaction from community side.

### **3. CONCLUSION**

The results explain that the effectiveness of CSR is depending on how the companies accommodate the community needs through communication. The CSR program will be succeeded and sustainable when it meets the community need. The understanding between community and company is uneasy to achieve because of the tendencies differences. However, both companies and community will reach their goals if there is a mutual understanding and convergences of thought which leads its attitude and behavior.

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