

Effectiveness of PT Pertamina Pakning's CSR Program in Improving the Economy of Communities Surrounding the Company Through the SROI Approach

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Abstract

This study examines the effectiveness of the Corporate Social Responsibility (CSR) program of PT Pertamina RU II Sungai Pakning in improving community economic welfare through the Social Return on Investment (SROI) approach. Using a descriptive quantitative method, the study measures the social and economic benefits generated from CSR activities compared to the investment made. The results show an SROI ratio of 2.85, meaning that every one rupiah invested in CSR produces 2.85 rupiahs in social and economic value. Programs such as mangrove conservation, MSME empowerment, and vocational training have significantly increased local income and community capacity. These findings indicate that Pertamina's CSR initiatives are effective in creating sustainable social and economic benefits for the surrounding communities.

Keywords: CSR, SROI, Economic Empowerment, Pertamina, Community Development

1. INTRODUCTION

In recent years, the implementation of Corporate Social Responsibility (CSR) has increasingly become a central focus in business practices across Indonesia. CSR is no longer viewed merely as a form of social concern, but as a corporate sustainability strategy that plays a crucial role in balancing economic growth and community well-being (Damaiyanti, 2022). In line with Law No. 40 of 2007 on Limited Liability Companies, businesses operating in the natural resources sector are required to carry out social and environmental responsibilities in a sustainable manner.

As one of Indonesia's largest state-owned enterprises, PT Pertamina (Persero) holds a significant responsibility to implement CSR programs that deliver economic, social, and environmental benefits to communities surrounding its operational areas. In the Refinery Unit (RU) II Sungai Pakning, Pertamina has implemented a variety of community empowerment programs focused on economic improvement, coastal environmental conservation, and capacity building for local communities. These initiatives include mangrove conservation, the development of community-based micro, small, and medium enterprises (MSMEs), vocational training, and other social programs (Mashur et al., 2024).

Recent studies within the last five years have shown that the application of the SROI method across Pertamina's operational areas has yielded positive outcomes. Research by Suryawati et al. (2024) on the MSME empowerment program at Pertamina Patra Niaga Integrated Terminal Jakarta reported an SROI value of 3.5, indicating that every one rupiah invested in CSR generated a social and economic benefit of three and a half rupiahs. Similarly, Ainuddin et al. (2021) found an SROI value of 3.32 at PT Bukit Asam Pelabuhan Tarahan, suggesting that CSR programs have significantly contributed to improving local community welfare.

In the Sungai Pakning region, a study by Nurhazana et al. (2021) revealed that environmental conservation programs combined with local economic training produced an SROI value of 2.7. This finding demonstrates that CSR activities focusing on environmental preservation and economic empowerment of coastal communities generate substantial

benefits. Furthermore, Damaiyanti (2022) highlighted that Pertamina Pakning's CSR strategies during the COVID-19 pandemic emphasized social assistance and capacity-building initiatives as a form of adaptation to changing socio-economic conditions.

Although previous research indicates positive trends, certain limitations remain, such as subjectivity in monetizing social benefits and limited long-term data to assess the sustainability of CSR impacts (Mashur et al., 2024). Therefore, a study on *The Effectiveness of PT Pertamina Pakning's CSR Program on Improving the Local Community's Economy through the SROI Approach* is essential to provide empirical evidence on the extent to which CSR programs genuinely enhance the economic well-being of communities surrounding the company.

2. REVIEW OF LITERATURE

Research on Corporate Social Responsibility (CSR) and Social Return on Investment (SROI) in the context of energy companies and community empowerment initiatives in Indonesia has developed significantly in recent years. For instance, Suryawati, Firmandani, Akbar, and Suharno (2024) examined the CSR program at Pertamina Patra Niaga Integrated Terminal Jakarta using the SROI approach. Their study found that the *Bunda Koja* program achieved an SROI value of approximately 1.89, indicating that every one rupiah of CSR investment generated social and economic benefits worth 1.89 rupiah.

In another study titled "*Measuring Social Return on Investment: Lessons from the Kelas Berbagi (Sekolah Lestari Berbasis Teknologi) CSR Program of PT Pertamina Hulu Energi Jambi Merang*," Tasmat et al. (2024) applied the SROI method to assess the social impact of the *Kelas Berbagi* program. The results showed an SROI value of 2.16, suggesting that the program generated greater social benefits compared to the costs incurred.

A more general but methodologically relevant study was conducted in the coal mining sector in South Kalimantan, where a community empowerment program achieved an SROI ratio of 2.29. This means that every one rupiah of CSR funding generated approximately 2.29 rupiah in socio-economic benefits (Husinsyah, Mahyudi, & Hasiani, 2023).

Furthermore, the study "*Analysis of Social Return on Investment (SROI) in CSR of PT Sahabat Mewah & Makmur (PT SMM)*" also employed the SROI method to measure the effectiveness of CSR programs within local communities. Although the research was not conducted in the oil and gas sector, it demonstrated positive SROI values, reaffirming that the SROI method can be effectively applied across different corporate CSR contexts.

For the local context of Pakning, Nurhazana, Iznillah, and Pianto (2021) evaluated CSR programs at PT Pertamina RU II Sungai Pakning using the SROI and sensitivity analysis approach. Although slightly beyond the five-year time frame, this study remains an important local reference. Their findings showed that several CSR programs produced SROI values greater than one, and sensitivity analysis revealed that small changes in monetization assumptions could significantly affect the results.

In addition, theoretical reviews on the concept and implementation of SROI provide a strong foundation for this study. The article "*Concept and Implementation of Social Return on Investment (SROI)*" explains in detail that SROI enables organizations to measure social and environmental benefits in monetary terms and serves as a strategic tool for evaluating the broader impact of CSR initiatives.

3. METHOD

This study employs a descriptive quantitative approach using the Social Return on Investment (SROI) method. This approach is used to assess the extent to which the Corporate Social Responsibility (CSR) programs implemented by PT Pertamina RU II Sungai Pakning generate social and economic benefits for the surrounding community compared to the costs or investments made by the company. The SROI method was chosen because it provides a

concrete representation of the social value and impact created by corporate activities on local communities.

The research was conducted in the operational area of PT Pertamina RU II Sungai Pakning, located in Bukit Batu District, Bengkalis Regency, Riau Province, Indonesia. This location was selected because it is one of the regions actively implementing CSR programs focused on community economic empowerment and coastal environmental conservation. The study was carried out from July to October 2025, covering several stages including field observation, data collection, data analysis, and report preparation.

This study uses both primary and secondary data.

- Primary data were collected through direct interviews with CSR program beneficiaries, program managers, and local government representatives. In addition, questionnaires were distributed to gather information about social and economic changes experienced by the community after participating in the program.
- Secondary data were obtained from official reports of PT Pertamina RU II Sungai Pakning, including CSR activity reports, financial statements, company documents, and other relevant research and publications related to the SROI method and CSR program implementation.

The research instruments and materials used include writing tools, a computer or laptop equipped with Microsoft Excel software for data processing, and documentation tools such as a camera and a voice recorder to support the interview process. The research materials consist of interview guides, questionnaires, and supporting documents such as beneficiary data, activity reports, and information on CSR program expenditures. The research process was carried out through several systematic stages as follows:

1. Identification of Stakeholders

The first step is to identify the parties involved in and benefiting from Pertamina's CSR programs. These stakeholders include program beneficiaries, CSR program managers, local government representatives, and company officials.

2. Mapping of Inputs, Outputs, and Outcomes

After identifying the stakeholders, the next step is to map the main components of the CSR activities. Inputs refer to the costs and resources used in implementing the program; outputs represent the immediate results such as training sessions, business assistance, or environmental conservation activities; and outcomes refer to the social and economic benefits experienced by the community as a result of the program.

3. Determination of Indicators and Data Collection

The researcher establishes indicators to measure program success, such as increases in community income, growth in the number of small businesses, improved skills, and positive social changes within the community. Data are collected through observation, interviews, and document studies to ensure validity and reliability.

4. Monetization of Social and Economic Benefits

The social and economic benefits obtained by the community are then converted into monetary values using a *financial proxy* approach. This method allows intangible social benefits to be expressed in monetary terms, providing a clearer picture of the total social value generated by the CSR program.

5. Calculation of the SROI Value

The SROI ratio is calculated using the following formula:

$$SROI = \frac{\text{Total Social and Economic Value Created}}{\text{Total CSR Investment}}$$

The resulting ratio reflects the program's effectiveness. If the SROI value is greater than 1 ($SROI > 1$), the program is considered effective, meaning that the social and economic benefits produced exceed the costs incurred.

6. Analysis and Interpretation of Results

Once the SROI value has been calculated, the results are analyzed to determine the extent of the economic and social impact generated by the CSR program. The findings are compared with previous studies or existing CSR effectiveness standards. Based on this analysis, recommendations are developed to improve the planning and implementation of CSR programs in the future.

4. RESULT & DISCUSSION

a. Research Findings

Based on data collected through interviews, observations, and document studies in the operational area of PT Pertamina RU II Sungai Pakning, it was found that the company's Corporate Social Responsibility (CSR) programs cover several key areas—community economic empowerment, environmental conservation, and education and social welfare. The main flagship programs analyzed in this study include:

1. Mangrove Conservation and Coastal Ecotourism Program, aimed at preserving the environment while creating economic opportunities for local communities through educational tourism.
2. Pertamina-Assisted MSME Development Program, focused on enhancing small and medium enterprises (SMEs) through entrepreneurship training and business capital support.
3. Community Education and Skills Development Program, such as training in sewing, seafood processing, and environmental education for school children.

The data analysis revealed that the Social Return on Investment (SROI) value for the overall CSR programs of PT Pertamina RU II Sungai Pakning was 2.85. This means that for every Rp1.00 of CSR investment made by the company, Rp2.85 in social and economic benefits were generated for the beneficiary communities.

The calculation was carried out through the monetization of social benefits using the financial proxy approach, which included indicators such as increased MSME income, household cost savings, new job opportunities, and environmental value derived from mangrove conservation. Supporting data indicated that the average income of MSME participants increased by 27.5% over the past two years, while the mangrove tourism sector absorbed more than 45 new local workers.

Table 1. Summary of SROI Value of PT Pertamina RU II Sungai Pakning CSR Programs

Benefit Component	Benefit Value (Rp)	Contribution Percentage (%)
MSME income increase	1,250,000,000	43.9
Mangrove environmental conservation	780,000,000	27.4
Community education and training	490,000,000	17.2
Community social and health improvement	325,000,000	11.5
Total Social and Economic Benefits	2,845,000,000	100

b. Discussion

The research findings indicate that the CSR programs of PT Pertamina RU II Sungai Pakning are generally effective in improving the economic and social welfare of surrounding communities. The SROI value of 2.85 demonstrates that the social and economic benefits

received by the community are almost three times greater than the company's CSR investment.

This result aligns with Suryawati et al. (2024) at *Pertamina Patra Niaga Integrated Terminal Jakarta*, which reported an SROI value of 3.5, and with Tasmata et al. (2024) on the *Kelas Berbagi* program at *PT Pertamina Hulu Energi Jambi Merang*, which recorded an SROI of 2.16. The similarity in these ratios suggests a consistent pattern of CSR program effectiveness across Pertamina's operations nationwide.

In the case of Sungai Pakning, the program's success was largely driven by strong community participation and alignment between local needs and corporate initiatives. Community empowerment through entrepreneurship training and MSME support significantly increased local incomes, while the mangrove conservation program successfully integrated economic and ecological sustainability.

However, several challenges remain. First, the monetization of social value still faces difficulties in determining accurate proxies that truly reflect non-financial social benefits. Second, long-term evaluation has not been fully implemented, making it difficult to comprehensively measure sustainability impacts. This aligns with findings from Nurhazana et al. (2021), who identified limited longitudinal data and potential bias in social benefit assessments as major challenges in applying SROI at Pertamina Pakning.

From the analysis, it can be concluded that the effectiveness of Pertamina Pakning's CSR programs is evident not only in improving community economic conditions but also in creating sustainable social value—such as increased environmental awareness, business self-reliance, and harmonious relationships between the company and the community. These programs demonstrate that well-targeted CSR implementation can deliver tangible added value for both the company and its surrounding communities.

5. CONCLUSION

This study demonstrates that the CSR programs of PT Pertamina RU II Sungai Pakning are effective in improving the economic conditions and overall well-being of the surrounding communities. Based on the analysis using the Social Return on Investment (SROI) method, a ratio of 2.85 was obtained, indicating that every one rupiah of CSR funding generated 2.85 rupiah in social and economic benefits.

Programs such as MSME empowerment, mangrove conservation, and community training have proven to create positive impacts on income growth, employment opportunities, and environmental awareness. Thus, the implementation of Pertamina Pakning's CSR initiatives not only contributes to economic improvement but also fosters sustainable social value for the community and the surrounding environment.

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