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**RECONSTRUCTION OF THE ACCOUNTABILITY MODEL FOR  
CORPORATE SOCIAL RESPONSIBILITY (CSR) FUND MANAGEMENT**

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COSER Board.**

**ABSTRACT:**

This study aims to explain the reconstruction of the institutional role model in managing the Corporate Social Responsibility (CSR) program, a case study in Makassar City, Indonesia. Duties, Functions and Roles of the Corporate Social and Environmental Responsibility (COSER) Board are regulated through Makassar Mayor Regulation Number 28 of 2017. This type of qualitative research, in which data is obtained through interviews, observation and document review, uses interactive model analysis techniques through data condensation stages, data presentation, conclusion or verification. The results showed that the COSER Board that was formed had not been optimal in carrying out its main duties, functions and authorities, because currently there had been no sanctions against companies deemed to have violated regulations, even though there were some companies that have not distributed their CSR funds. There has not been good coordination by the COSER Board with several companies in the formulation and

distribution of CSR programs, and there are still some companies that do not know the existence of the COSER Board. Therefore, a scheme for regulating main tasks, functions and institutional roles has been reconstructed in the form of a prototype model for effective and sustainable CSR Fund management in Makassar City.

## **INTRODUCTION:**

Social responsibility is the responsibility of a company that is oriented towards society and business (Abdelmotaleb & Saha, 2018; Rodriguez-Gomez et al., 2020; Simionescu & Dumitrescu, 2014; Yedder, 2013). In establishing relationships with the community, the company makes efforts in terms of building a positive image towards society to build a sense of trust in the company (AM et al., 2020; González-López, 2021). In terms of business, the company has a policy regarding company strategy in obtaining profit and efforts to win the competition. The limitation of company policy must involve all stakeholders which should be limited, for example in focusing on policies that can build positive interactions between the company and all its activities with the local community.

The concept of Corporate Social Responsibility (CSR) is a form of corporate responsibility towards a society that emphasizes that company owners have responsibility for the community and the surrounding environment (Dahlsrud, 2008; Kuo et al., 2012; Moura-Leite & Padgett, 2011). The role of this company has been regulated in article 74 of Law Number 40 of 2007 concerning Limited Liability Companies, social responsibility, and the natural resource environment. This is also regulated in articles 15, 17 and 34 of Law Number 25 of 2007 concerning Investment and Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies. One of the aspects that are regulated is the mechanism for implementing the company's Social and Environmental Responsibility. Article 4 paragraph (1) of the regulation states that "Social and environmental responsibility is carried out by the Board of Directors based on the Company's annual work plan after obtaining the approval of the Board of Commissioners or the General Meeting of Shareholders (GMS) by the articles of association of the Company unless otherwise stipulated in the laws and regulations."

Based on the provisions of the article above, each company has a moral responsibility to run the company's operations by paying attention to the values and norms of the surrounding community. The orientation of the company is indeed towards profit, but it should be balanced with social concern and the company's contribution to building and empowering the community.

By the theoretical-normative concept, the government has high hopes for companies that run their businesses in Makassar City to distribute their CSR funds to help the government overcome social and environmental disparities because the government realizes that it has not been able to prosper the people of Makassar City due to limited development funds. One form of the government's seriousness in managing CSR funds is the issuance of Mayor of Makassar Regulation Number 28 of 2017 concerning Technical Guidelines for the implementation of Regional Regulation Number 2 of 2016 concerning corporate social and environmental responsibility. The contents of the Mayor's Regulation are about the institutionalization of the Corporate Social and Environmental Responsibility (COSER) Board. This Mayor's Regulation is to provide a legal basis that guarantees legal certainty and order, both administratively and technically for the implementation of the COSER. Its purpose is to organize and regulate the

implementation of COSER provision. Through this regional regulation, the Makassar City government can facilitate underprivileged residents to get cash assistance. Because every healthy company is obliged to spend around 2.5 percent of the CSR funds.

Although juridically the Makassar City Government has made regulations related to CSR and developed supporting concepts and theories, in its implementation, there are still many CSR funds that are not on target or have not provided optimal assistance for community empowerment. The use of CSR funds carried out by each company is highly dependent on the mission, culture, environment and risk profile, as well as the operational conditions of each institution. This was confirmed by Supratman, a member of the Makassar City Regional People's Representative Council who said: "CSR funds from companies are not openly utilized. In reality, we don't know whether to empower the community or not. Therefore, the Makassar City government must oversee CSR funds and re-register companies that are required to distribute CSR funds (online, fin.co.id 16/3/2020).

Accountability for the management of CSR funds must be carried out by the company so that the government and the community know so that they understand what programs are funded, where they are and who receives the benefits, even the government and the community need to know how much the total limit of CSR funds carried out by the company each time. the year. Accountability for governance (management) of CSR funds is very necessary so that companies, local governments, community organizations and communities can monitor each other and so that the utilization of CSR funds is transparent, effective, efficient and sustainable.

## LITERATURE REVIEW:

**Accountability.** The concept of accountability originates from the idea that every activity must be accountable to the person or agency that gives the authority to implement a program, as stated by Haris(2005)and Dobers(2009)that accountability is the obligation of individuals or entrepreneurs entrusted with managing resources. public power and those concerned with it to be able to answer matters relating to fiscal, managerial and program policies. Meanwhile, according to Dahlsrud(2008), the definition of accountability is not only that but also accountability is an ethical concept close to government public administration (government executive agencies, legislative parliament and judiciary institutions) which has several meanings or is synonymous with the concept of concepts such as responsibility, answerability, blameworthiness and related hopes of explaining one aspect of public administration.

**Corporate Social Responsibility (CSR).** Corporate Social Responsibility is a concept or program owned by a company as a form of corporate responsibility to the surrounding environment where the company is located. Sustainability can be achieved by the birth of a concept known as Corporate Social Responsibility (CSR). According to Werhane(2007) that the definition of CSR or social responsibility is the moral responsibility of the company both to employees in the company itself (internal) and outside the company environment (external) which aims to get a large profit, but it is appropriate to also think about the interests of the surrounding community because the company is part of the community.CSR is stated in the Limited Liability Company Law Number 40 of 2007, in article one point three which contains: "Social and environmental responsibility is the company's commitment to participate in building a sustainable economy to improve the quality of life and the environment that is beneficial, both for the company itself, local communication, as well as the community in general. Meanwhile,

according to Russell, Russell, & Honea(2016)that CSR is a natural mechanism for a company to 'clean' the big profits that are obtained. As is well known, the company's methods of obtaining profits sometimes harm others, be it unintentional or deliberate. It is said to be a natural mechanism because CSR is a consequence of the impact of decisions or activities made by the company, so the company must reverse the condition of the people who experience this impact to a better condition. The definitions of CSR from the two experts represent the keywords of several definitions introduced by Dahlsrud(2008).

Based on this definition, it can be understood that the concept of CSR is not just giving donors but refers to efforts to empower human capacity as individual members of society to be able to overcome existing social and environmental conditions, involve rights and obligations with stakeholders, involve program partnerships with stakeholders and convey the values espoused values. The concept of CSR is also associated with good corporate governance to realize the goal of sustainability, which combines social responsibility through community development, sustainable environmental development and human rights (Jamali & Sidani, 2008).

**Corporate Social and Environmental Responsibility (COSER) Board.** The formation of the COSER Board has been regulated in Regional Regulation Number 2 of 2016 concerning Corporate Social Responsibility, which is then confirmed technically through the Regulation of the Mayor of Makassar Number 28 of 2017 concerning technical guidelines for the implementation of regional regulations of Makassar City Number 2 of 2016 concerning corporate social and environmental responsibility. This Mayor's Regulation is to provide a legal basis that guarantees legal certainty and order, both administratively and technically for the implementation of the COSER. The purpose of the formation of this Mayor Regulation is to organize and regulate the implementation of COSER granting through its duties, functions and roles/authorities.

## **RESEARCH METHODS:**

This research was conducted at a CSR program company in Makassar City. This study uses data collection techniques, namely interviews, observation and documentation(Denzin & Lincoln, 2008; Hall & Rist, 1999). Through interview techniques, the researcher asked several questions to informants face-to-face and virtual face-to-face (Wattshaap, Zoom). In this study, interviews were conducted using interview guidelines by including strategic issues that must be covered or asked without determining the order of the questions, there were even items that did not form explicit (indirect) questions.

The interview guide is used to remind the interviewer of the aspects that must be discussed, as well as a checklist of whether these relevant aspects have been discussed or asked. With this guideline, the interviewer can think about the answers to these questions to be translated concretely in a series of question-and-answer sentences while adjusting the questions to the actual context during the interview. In addition to the researchers conducting interviews, this study also uses observations of the subject, the subject's behaviour during the interview. Interaction of subjects with researchers and things that are considered relevant can provide additional data on the results of the interview. The purpose of observation is to describe the settings studied, the activities taking place, the people involved in the activities, and to understand the meaning of events seen from the subject's perspective seen in the observed events.

To ensure data accuracy, a triangulation method is used to ensure the validity of the data and information collected is maintained. Types of triangulation conducted include data triangulation, researcher, theory, methodological, and interdisciplinary triangulation. The data analysis technique was carried out entirely in a descriptive-developmental manner. In this qualitative research, data analysis implies a logical and systematic data arrangement which is carried out continuously from data collection in the field until the entire research process is completed, as well as the researcher himself as the main instrument, who from the start living in the field interacts with the background and the subject, although sometimes somewhat limited due to the conditions of the COVID-19 pandemic.

This qualitative data analysis was carried out by emphasizing the researchers' intuition and referring to the interactive model (Miles, Huberman & Saldana, 2014). The interactive analysis stages are data collection, data condensation, data display, and conclusions drawing.

## **RESEARCH RESULTS AND DISCUSSION:**

**The Role of the Corporate Social and Environmental Responsibility (COSER) Board in Managing CSR Programs.** As a form of concern for the Makassar City government for the management of Corporate Social Responsibility (CSR) funds, the city government issued Mayor Regulation Number 28 of 2017 concerning technical instructions for implementing Makassar City regional regulation number 2 of 2016 concerning corporate social and environmental responsibility. The purpose and objective of the formation of this Mayor Regulation are to provide a legal basis that ensures legal certainty and order, both administratively and technically for the implementation of the COSER Board. The COSER Board is an independent institution that brings together various stakeholders who are tasked with managing, harmonizing and synergizing the COSER program. The purpose of establishing this Mayor Regulation is to organize and regulate the implementation of COSER provision. Therefore, based on observations/research in the field, the COSER Board activities can be seen as follows.

**Institutional.** The members of the COSER Board have been facilitated by the formation of the city government by issuing regional regulation number 2 of 2016, whose members consist of elements; City government, companies, universities, mass media/press and society. The number of COSER Board members is 15 people consisting of the Chairperson, Deputy Chairperson / Daily Chairperson, Secretary and Treasurer for the Board and regular members. Members of the council, which come from government elements, are proposed and approved by the regional secretary with a background from regional apparatuses who have the authority, main tasks and functions in the area of regional economic development and planning coordination as the Secretariat of the COSER Board. Board members who come from company elements are proposed and approved by the company association or business association with the background of the leadership/director or division/field that handles the business unit's COSER program. COSER Board members who come from academic elements are proposed and approved by the Head / Chancellor of Higher Education. COSER Board members who come from elements of the mass media must be proposed and approved by the mass media association. COSER Board members who come from community elements must be proposed and approved by community organizations that have a concern in the social development sector. According to the research results, it is stated briefly in the following table:

**Table 1: Summary of Research Findings on Institutions at COSER Board**

| Research Fokus | Ideal Conditions  | Research Finding  | Synthesis  |
|----------------|---|---|--|
| Institutional  | Technical Guidelines for Implementing Regional Regulation of Makassar City Number 2 of 2016 concerning COSER. | - The COSER board that was formed has not maximally socialized the institution so that there are still many parties (companies) who do not know the existence of the board. | <ul style="list-style-type: none"> <li>- The COSER Board should be more intense/optimal in holding meetings or activities (coordination) with company parties, by involving the community as a gathering and promotion event to build collaboration or synergy.</li> <li>- The welfare of COSER Board members should be considered, what their rights are not only when involved in an activity but given monthly honoraria</li> </ul> |

Source: Research Results 2020.

**Duties, Functions and roles / Authorities of the COSER Board.** The Corporate Social and Environmental Responsibility Board has duties based on Makassar Mayor Regulation Number 28 of 2017, namely: 1) To carry out an inventory of companies that have COSER obligations; 2) Conducting COSER education and socialization; 3) Serving and facilitating companies to actualize COSER; 4) Record, record, document and publish all CSR activities carried out by the company; 5) Performing the mediation/consultation required by the company in implementing COSER; 6) Give appreciation to companies that have implemented COSER in a real and effective manner and contribute to improving the welfare of the community; 7) Provide input to the city government regarding policies regarding the implementation of COSER, and 8) Monitoring and evaluating the implementation of COSER. Meanwhile, the functions and roles/authority of the COSER Board are based on Mayor Regulation number 28 of 2017, namely: 1) Coordination of COSER planning and implementation; 2) Coordination and inventory of COSER programs; 3) Coordination to create synergy between the government and the business world.

The COSER Board has opened a space for communication and coordination with the company to manage its CSR funds, but many companies are also not accountable or open to managing their losses, especially funds allocated for CSR, as are the regulations governing companies so that become an obstacle for the COSER Board to identify it optimally. Based on secondary data obtained by researchers in several research locus samples, it can be seen that many CSR program activities of companies that are already running are not coordinated with the COSER Board or the city government, the company goes on its own to carry out social activities, even though all CSR activities should be carried out, both on a scale small and large must be

coordinated with the COSER Board as regulated in the Makassar Mayor Regulation Number 28 of 2018. The research results, it is summarized in the following table:

**Table 2: Summary of Research Findings on the Duties and Functions of the COSER Board**

| <b>Research Fokus</b> | <b>Ideal Conditions</b>   | <b>Research Finding</b>   | <b>Synthesis</b>  |
|-----------------------|---|---|---|
| Job and function      | Technical Guidelines for Implementing Regional Regulation of Makassar City Number 2 of 2016 concerning COSER. | - Many of the company's CSR program activities are already running, but are not coordinated with the COSER board or the city government, so it seems that the company is running on its own to carry out social activities. | - All CSR activities, both small and large scale, should be coordinated with the COSER Board as regulated in the Makassar Mayor Regulation Number 28 of 2017. |

Source: Research Results 2020.

**Role / Authority of the COSER Board.** In carrying out the Duties and Functions of the COSER Board in the implementation of various CSR activities, it is given the authority based on Regional Regulation Number 2 of 2016 and Mayor Regulation Number 28 of 2017 with the following powers: 1) Prepare a draft guideline for implementing COSER annually; 2) Develop a superior program that deserves priority for the implementation of COSER in accordance with the regional government activity program; 3) Compiling the needs for goods, facilities or funds that need to be financed from the implementation of COSER; 4) Compiling a list of potential partners and / or target communities in implementing COSER; 5) Carry out verification to each company to ensure the implementation of COSER according to the agreed plan; 6) Facilitating various proposed changes and complaints from all stakeholders regarding the implementation of COSER; 7) Become a mediator for disputes that arise between stakeholders due to the implementation of COSER; 8) Checking and monitoring the implementation of COSER; 9) Manage the coordination system for the implementation of COSER; 10) Determine policies regarding procedures related to COSER implementation; 11) Determine program priorities as a reference for implementing COSER; 12) supervise the implementation of COSER.

Many CSR activities are carried out by the company but are not reported to the COSER Board, whereas based on the guidelines for Regional Regulations and Mayor Regulations, all CSR activities in Makassar City should be known by the board. Therefore, the COSER board must be more proactive in coordinating with the CSR organizers so that the activities carried out can be reported and documented.

The COSER Board as an institution entrusted by the government to compile strategic programs in the social and environmental fields must adjust several existing programs in each

company, especially national companies because the National Company's CSR programs are programmed which of course cannot be intervened as company authorities so that the city government or COSER Board adjusts to the program. Also, the COSER Board still has to be more sensitive to formulate programs based on social and environmental problems that occur in Makassar City which should be assisted. In general, the city government has not budgeted for CSR programs that can later be offered to companies. According to the research results, it is stated briefly in table 3.

**Table 3: Summary of Research Findings on Authority at COSER Board**

| Research Fokus | Ideal Conditions  | Research Finding  | Synthesis   |
|----------------|---|---|---|
| Authority      | Technical Guidelines for Implementing Regional Regulation of Makassar City Number 2 of 2016 concerning COSER. | - The COSER Board has opened a space to accept CSR program proposals and offer them to companies as organizers, but this is not optimal because there are still many companies that do not accept and run the program that is on the Board. | - The COSER Board must be more proactive in communicating with the CSR organizers so that the activities carried out can be reported and documented.<br>- The COSER Board prepares strategic programs in the social and environmental fields, must adjust several existing programs in each company, especially National companies, because the National Company's CSR programs are already programmed. |

Source: Research Results 2020

**Awards.**The awarding of awards has also been regulated in Perwali Number 28 of 2017, namely: Local governments can give awards to companies that implement the COSER program, with certain criteria. The criteria must meet the following aspects: 1) Aspects of company policies/commitments in the COSER program, with the main indicators being the number and nominal value of the COSER program that the company carries out each year; 2) COSER program planning aspect, with the main indicator being the conformity of the COSER program plan with the Regional Government development program; 3) Monitoring and evaluation aspects of the COSER program, with the main indicator being a report on the implementation of monitoring and evaluation of the COSER program that has been carried out by the company; 4) Other aspects that are further determined by the COSER Board.

The awarding is a necessity because it has become a provision that must be done because of regulatory orders. This reward is a very positive activity by the government and the COSER Board as a form of concern and attention to companies that have consistently implemented their

CSR programs. The award can also be a trigger or provide a stimulus for companies to compete in distributing their CSR funds. According to the research results, it is stated briefly in table 4.

**Table 4: Summary of Research Findings on Awarding from the COSER Board**

| <b>Research Fokus</b> | <b>Ideal Conditions</b>   | <b>Research Finding</b>   | <b>Synthesis</b>  |
|-----------------------|---|---|---|
| Awards                | Technical Guidelines for Implementing Regional Regulation of Makassar City Number 2 of 2016 concerning COSER. | - The awarding ceremony in 2019 was not held and it is estimated that in 2020 it will also not be held due to budget issues that have been allocated to other activities due to the COVID-19 pandemic which has an impact on weak economic growth in Makassar City. | - Giving the award is a must because it has become a provision that must be done because of the order of the regulations / Regional Regulations, at least in the form of a Certificate. |

Source: Research Results 2020.

**The imposition of Sanctions.** Every company that violates the provisions stipulated in Regional Regulation Number 2 of 2016 concerning COSER is subject to administrative sanctions in the form of:

1. Written warning in the form of ...: a) Every company that violates the provisions of Regional Regulation Number 2 of 2016 concerning COSER is subject to the first written warning; b) If within 7 (seven) working days after being given the first written warning, the company and/or concerned is still in violation, then a second written warning will be given; c) If within 7 (seven) working days after being given a second written warning, the company and/or the company concerned is still in violation, then a third written warning will be given; d) If within 3 (three) working days after being given the third written warning, the company and/or concerned is still in violation, then it will be sanctioned to restrict business activities.
2. Limitation of business activities, in the form of ...: a) Restrictions on business activities are imposed if the business and/or the person concerned is still in violation even though he has been given a written warning 3 times; b) An application for limiting business activities is proposed to the Mayor to be granted restrictions on company activities; c) Limitation of business activities for a maximum period of 3 (three) months.
3. Freezing of Business Activities, in the form of ...: a) Temporary freezing of business activities is imposed if the company and/or concerned is still in violation even though it has been given restrictions on company activities; b) Temporary freezing of business activities for a period of no longer than (six) months continuously; c) The license is not valid temporarily if

the business activity is temporarily suspended; d) The license is not valid temporarily if the business activity is temporarily suspended; d) Entrepreneurs are required to return the Permit to the Head of Regional Development Planning Agency (RDPA) no later than 14 (fourteen) working days after experiencing a temporary suspension.

4. Revocation of business licenses in the form of ...: a) revocation of business activity licenses, imposed if entrepreneurs and/or concerned do not comply with the temporary suspension process; b) Forcible revocation of business license, together with the closure of business activities for an unspecified period; c) Business activity licenses that are subject to business closure sanctions are declared invalid; d) Entrepreneurs are required to submit business activity permits to the Head of RDPA no later than 14 (fourteen) working days after experiencing business activity license revocation.

If the government and the COSERBoard are willing to firmly impose sanctions, then the company will, of course, be careful not to violate the sanctions stipulated in the regulations, whether or not the sanctions apply since the issuance of regulations (regional regulations and mayor regulations). Thus, it depends on the firmness of the local government and the COSERBoard. The hope is that assertiveness can affect companies to be consistent and diligent in distributing their CSR funds. According to the research results, it is stated briefly in table 5.

**Table 5: Summary of Research Findings on Sanctions from the COSER Board**

| Research Fokus          | Ideal Conditions   | Research Finding  | Synthesis   |
|-------------------------|--|---|---|
| Imposition of Sanctions | Technical Guidelines for Implementing Regional Regulation of Makassar City Number 2 of 2016 concerning COSER | - Until now, since the COSER Board was formed, there have not been any companies that have been given sanctions based on the levels that have been regulated, even though when viewed from the criteria with conditions in the field, many companies have met the criteria for receiving sanctions. | - The government and the COSER Board must firmly impose sanctions without discrimination against violators of rules that have been determined based on Regional Regulations because firmness can provide a deterrent effect on companies to be consistent and diligent in distributing their CSR funds. |

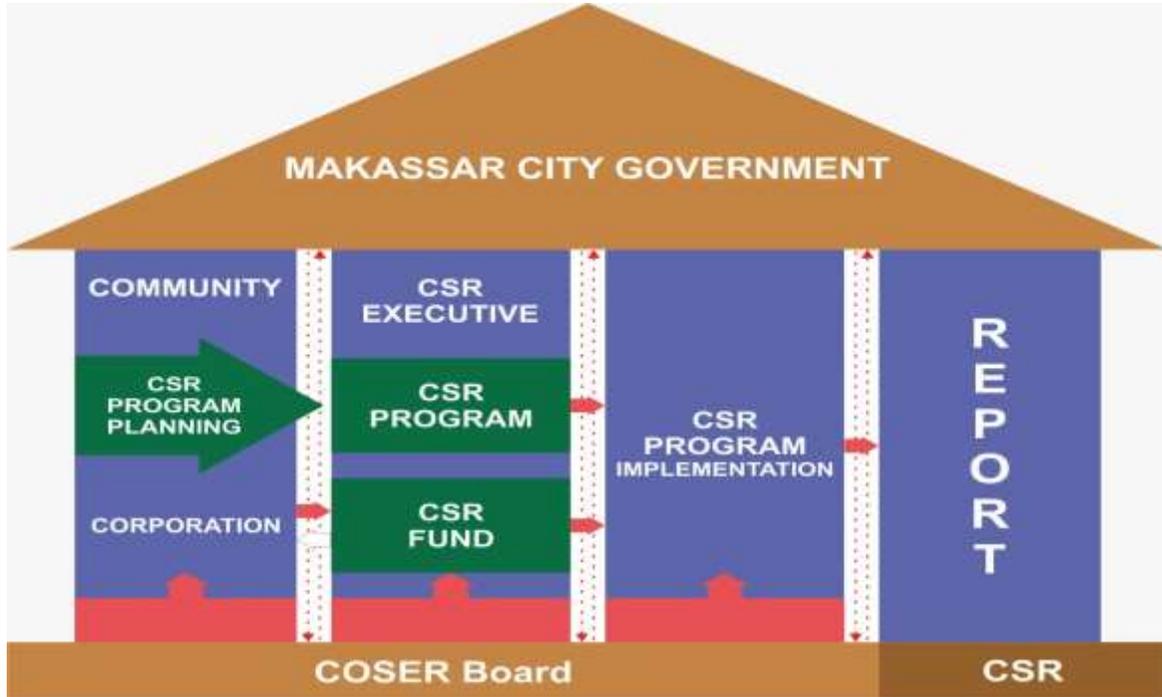
Source: Research Results 2020.

**DISCUSSION:**

**Reconstruction of the CSR Management Model Prototype.** The current management of CSR funds in Makassar City has not been effective or has not been maximally managed. This

ineffectiveness is caused by many factors, including unclear CSR programs, less than optimal coordination between the city government and the company, the COSER Board formed by the city government as a liaison agency for government and companies is also not optimal in carrying out its duties and functions. Likewise, companies are not transparent and accountable in managing their CSR funds. Irregular Reporting of CSR activities. In principle, this reality is by the expert's view and the results of research that the weaknesses in managing CSR funds are factors that carry the interests of CSR programs, communication factors, program acceptance levels, coordination, synchronization and simplification of activities and management mechanisms which are often not transparent and not accountable (Bolton & Mattila, 2015; Choi & La, 2013; Kuo et al., 2012; Russell et al., 2016).

According to several experts and CSR observers (Abdelmotaleb & Saha, 2018; Hamann, 2004; Windsor, 2001) that if the program or activity is for the environment around the company, usually the management is carried out using a partnership, namely, the company works with contractors to make it easier to implement and if the CSR activity program is for the community and far from the company's environment, it would be better if it was managed by a third party. Meanwhile, if the activity program is specifically for company employees, the management should be carried out directly by the company. Based on the three types of alternatives for managing CSR funds, of course, each alternative has advantages and disadvantages. "If managed by a company, the advantage is that there is full control, while the weakness is that not everything can be done alone and each company does not necessarily have the skills or capacities that might be needed. The advantage of collaborative-partnership management is the addition of human resources (HR). Partnerships can also avoid overlapping projects, but some drawbacks require a long time in program formulation, especially if there are problems between the two. Third, the advantage, when managed by a third party, is the ease felt by companies that just have to accept the reporting, but the weakness is that if the company chooses the wrong organization that manages it, it will greatly affect the running of the CSR activity program. Based on the fact that the research locus is matched with various concepts in managing CSR funds, then based on the results of the synthesis, reconstruction can be carried out the prototype of the CSR Fund management model, as shown in the visualization of Figure 1.



**Picture 1: CSR Fund Management Model Prototype**

Based on the prototype of the accountability model for managing CSR funds, several important things can be understood, namely: Community Empowerment Groups have the right to plan CSR programs according to the needs of the environment where they live (Meehan et al., 2006; Rodriguez-Gomez et al., 2020; Windsor, 2001). The company as the owner of the CSR Fund has the right and the obligation to propose a CSR program to the CSR executive (COSER Board) as well as to distribute CSR funds which have become a mandatory requirement based on the calculation of profits earned by the company. The CSR executive acts as an agency that manages CSR programs that have been proposed by the community and companies. The CSR executive determines the programs to be carried out. The CSR executive implements the programs that have been prepared. The CSR executive reports on the programs that have been implemented. The COSER Board acts as a supervisory institution that oversees companies and CSR executives in managing CSR funds. The COSER Board receives a CSR activity report from the CSR Executive then coordinated with the Makassar City Government. In other words, it appears that there is responsibility for every institutional element of the COSER Board (internal) and institutional accountability of the COSER Board (external) in managing the CSR Fund in a collaborative, effective and sustainable manner.

**CONCLUSIONS AND RECOMMENDATION:**

Institutionally, the COSER Board that was formed has not optimally carried out its duties, functions and roles/authorities, because until now there have been no sanctions against companies deemed to have violated regulations, even though there have been several cases of companies that have not distributed their CSR funds. There has not been any institutional coordination and collaborative partnerships with several companies in the formulation and

distribution of CSR programs, and there are still some companies that do not know the existence of the COSER Board that has been formed so that CSR Fund Management is also not optimal. This condition is the background of the need to reconstruct a prototype model for managing CSR Funds in an effective and sustainable partnership. The recommendation is to study the Regulation on the Formation of CSR Executive Members, recruitment of COSER Board members through the Fit and Proper test, the study of area mapping to find out potential and obstacles in utilizing CSR Funds and the creation of the Makassar City CSR Website, as a public access portal for CSR Fund implementation activities.

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