

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

Nudiatulhuda Mangun^{1*}, Edhi Taqwa², Muhtar Lutfi³, Armin Muis⁴

^{1,2,3,4}Department of Economics & Development Studies, Tadulako University, City, Indonesia

¹<https://orcid.org/0000-0002-3183-2411>

³<https://orcid.org/0009-0008-9640-1277>

⁴<https://orcid.org/0009-0006-6960-5683>

ABSTRACT: The development of power generation infrastructure is essential to avert electricity crisis. In this context, PT. Poso Energy has constructed a hydroelectric power plant in the North Pamona District of Poso Regency. Therefore, this research aimed to ascertain the number of local employees absorbed by the company and describe the implementation of Corporate Social Responsibility (CSR) programs. A qualitative method was adopted, using interviews and documentation research from competent parties as informants. The results showed that the absorption of local employees was carried out according to the initial commitment of the company. This was not fully implemented because the workforce from the local community did not meet the required competency standards. The allocation of CSR funds was conducted in four programs, namely Poso Energy and Education, Poso Energy and Health, Poso Energy and Society, as well as Poso Energy Partnership and Community Development. However, some of the reported programs did not meet the targets set by the company. The deployment of CSR funds included various methods, including the direct participation in initiatives, the channelling of resources through established social institutions or independent foundations, the strategic partnerships with other companies, and the provision of support for ongoing activities. These contributions were characterized by a spectrum ranging from traditional charitable donations and philanthropic investments to comprehensive citizenship initiatives focused on community empowerment.

KEYWORDS: Corporate Social Responsibility, Labor Absorption, Poso Energy, North Pamona District, Community Development

JEL Classification code: H40, H41, H42, I10, I20, J44

1. INTRODUCTION

Enhanced community engagement is anticipated to significantly elevate electricity demand. However, the escalating demand is not adequately met by the existing electricity infrastructure, leading to a substantial supply deficit and an impending crisis. The government is responding to the problem by reforming the national electricity framework by promoting private sector entities to partner in the supply of electricity. Furthermore, the construction of power plants is increased using renewable resources, such as hydroelectric power plants (PLTA).

The Poso Energy PLTA was built by the private sector to diversify power generation by using renewable resources. In the operational processes, the company is obligated to pay employee salaries and other expenses through the CSR program to maintain a harmonious balance with the community. Therefore, this research determines the number of local employees absorbed by the company, based on the available specifications or positions to describe the implementation of CSR program through PT. Poso Energy.

2. LITERATURE REVIEW

2.1. Definition of Labor

Labor is instrumental to a country's economic and social advancement, considering the fundamental role as the primary contributor to the production of goods and services. According to Law Number 13 of 2003 concerning Manpower, labor includes

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

any individual with the capacity to execute tasks for the production of goods and services aimed at fulfilling demands. The concept describes an individual capable of performing work and producing goods, irrespective of employment type or background.

Another opinion states that labor is the entire population of working age (15 years and older) with the potential to produce goods and services. Labor force, or employed population, is categorized as follows 1) fully employed individuals, who work over 35 hours per week with specific outputs in line with the job descriptions, 2) underemployed individuals, who work less than 35 hours per week, and unemployed or temporarily unemployed individuals, defined as those working less than one hour per week (BPS, 2020).

According to Toksanbaeva & Popova (2022), the workforce comprises individuals willing to work. This definition includes individuals who are self-employed, work without wages for the families, or are willing and able to work but are unemployed due to a lack of opportunities. In general, the workforce is the working-age population capable of working or engaging in economic activities to produce goods and services to meet the needs of the community.

2.2. Labor Market Theory

Labor market is characterized as the interface between supply and demand. This market allows individuals to pursue career opportunities and companies to secure employees. Understanding labor market is crucial for both employees and companies. This concept empowers employees to adequately prepare for the workforce and make strategic career choices (Kutyavin, 2022). Concurrently, companies are assisted in optimizing human resource management and formulating effective strategies for employee recruitment and selection. Labor market is a term used to describe the interaction between supply and demand in a particular region or company. In this market, buyers are companies providing opportunities and seeking employees with specific qualifications, while sellers are job seekers offering labor, skills, and experience. Labor market theory explains the determination of wages and the allocation of employees to various jobs. This theory shows the income differentials observed among various employees, such as the elevated earnings of skilled professionals. Labor is conceptualized as a resource equivalent to other productive assets. Labor market serves as the mechanism by which occupational placement and earned income are determined for participants.

Solmon (1980) in Sinaga (2005) explained that labor market is a place where job seekers and job providers meet. This meeting process between job seekers and providers can be brief or long-term. The problem faced is that each company offering a job requires employees of varying quality and skill, leading to differences in wage levels. In contrast, job seekers have varying skill sets, leading to differing wage levels.

2.3. Labor Demand Theory

Demand is the reciprocal relationship between price and quantity. The concept describes the relationship between the price and the volume consumers are willing to acquire when applied to a commodity. In labor market, demand signifies the correlation between the wage rate and the aggregate quantity an employer intends to use, or effectively procure.

Labor demand is a theoretical construct that shows the number of businesses at varying wage rates over a specified period. Even though consumers acquire goods for utility, employers engage personnel primarily for the production of goods and services destined for public sale. Therefore, the demand for labor constitutes a derived demand.

According to labor demand theory, an employer considers various options before permanently adding to a workforce, such as increasing working hours and raising wages. An employer is expected to take further steps to increase the workforce when these measures are still unsuccessful in meeting company targets.

Considering the focus of this research, labor can be conceptualized as the aggregation of company-level demands. The concept is assumed to mirror company labor demand through fluctuations in wage rates and other variables impacting production.

2.4 The Concept of Corporate Social Responsibility (CSR)

A company's CSR initiatives are crucial for maintaining sustainability and supporting the implementation of sustainable development goals stipulated in Presidential Regulation Number 59 of 2017. Bowen, known as "The Father of Corporate Social Responsibility," proposed the concept of CSR in 1970, where companies carry out obligations as business actors, making decisions or following a course of action based on societal values and goals. There are two basic principles of corporate responsibility for social impacts, 1) The Principle of Charity requires companies to voluntarily assist individuals or community groups. This principle includes company philanthropic activities, promoting social good through partnerships with community groups in need. 2) The Principle of Trusteeship places businesses as public trustees by considering public interest when deciding on company policies. This principle recognizes the interdependence of business, balancing the interests and the community according to the respective needs. Examples include assisting in meeting legal requirements and a stakeholder method for strategic planning.

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

Elkington (1997) explained that the Triple Bottom Line concept was the principal foundation for implementing a company's CSR program. These three interests constitute the broad outline and primary objective of social responsibility. The theory has been developed as a popular conceptualization tool for articulating social, environmental, and economic performance. This concept has significant concerns regarding the success and adequacy of reporting the extent to which a company has fulfilled social responsibilities (Widianingsih 2013).

There are four models based on the PIRAC theory applied by companies in Indonesia, namely 1) Direct participation- Companies carry out CSR programs directly by organizing social activities or donating to the community without intermediaries, usually assigning one of the senior officials, such as company secretaries or public affairs. 2) Foundations or social organizations- Different foundations can be established under companies or groups. This is an adoption of the model commonly applied in developed countries. Typically, the company provides initial, regular, and endowment funds used regularly for the activities of the foundation. 3) Partnering with other parties- Companies carry out CSR through collaboration with social institutions and non-governmental organizations (NGOs/LSMs), government agencies, universities, or mass media in managing funds and implementing social activities. 4) Supporting or joining a consortium- Companies may offer assistance to social institutions created to achieve particular social purposes. This pattern is more oriented towards providing grants in the form of "development grants." The consortium, or a similar institution endorsed by the supporting companies, proactively identifies cooperation partners and develops a mutually agreed-upon program.

3. RESEARCH METHOD

This descriptive research analyzed a particular phenomenon from a systematic and factual context. According to Adiputra et al. (2021), descriptive research aimed to describe natural or man-made phenomena. The survey method used was conducted on a representative portion of the population. The location was intentionally selected in Solewana Village, North Pamona District, Poso Regency, where the PT. Poso Energy PLTA was established and operated from May 31, 2005, till the present. The 11 informants used in this research for obtaining the data and information included the following.

1. 1 Director of PT. Poso Energy
2. 4 PT. Poso Energy Executive Manager
3. 2 Head and Head of Development and Economic Affairs for North Pamono District
4. 4 Religious Leaders, Traditional Leaders, Women's Leaders, and Youth Leaders.

Data collection was conducted in various settings, sources, and methods, including observation, interviews, questionnaires, and documentation. In this research, the data collected were analyzed descriptively, qualitatively, and quantitatively using frequency tables, graphs, and cross-tabulations.

4. RESULT AND DISCUSSION

Poso Regency in Central Sulawesi Province covers a land area of approximately 8,712.25 km², or 12.81% of Sulawesi Province. The regency has a population of 256,393 individuals and a density of 36.05 people/km². The population comprises diverse ethnicities, making Poso a multicultural district (BPS, 2023). The agricultural sector remains the dominant sector, contributing 40.98% of GDP and the primary source of livelihood for the population. Poso Regency also shows plantation and forestry potential, producing a variety of commodities, including cocoa, coconut, coffee, cloves, and vanilla. Other economic potential lies in the natural tourism sector, with unique attractions including the Saluopa Waterfall, located in Tonusu Pamona Puselemba Village, approximately 12 km west of Tentena City. Lake Poso is a geological treasure listed as the third-largest lake in Indonesia after Toba. This lake is located in the Tentena area with an area of 32,000 hectares and a depth of 510 meters. Additionally, Lake Poso has the potential to be a source of electrical energy generation.

PT Poso Energy is situated in Sulewana Village within North Pamona District, an area of 244.04 km² including 10 villages/sub-districts. The population is 14,628, with a density of 35 km². Sulewana Village is accessible by land transportation by four-wheeled or two-wheeled vehicles, and is 40 km from the capital of Poso City. Figure 1 shows the graphical distribution of the population by gender in Sulewana Village.

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

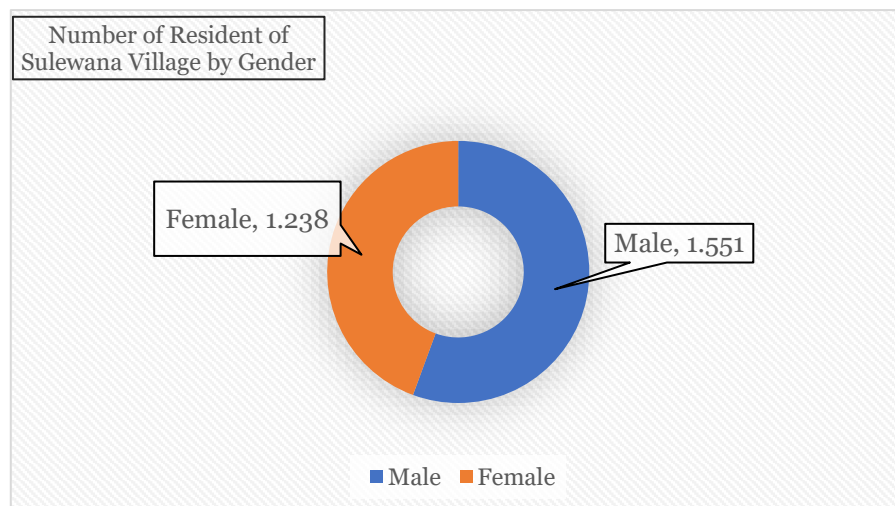


Figure 1. Population by gender in Sulewana Village in 2022

Source: BPS, North Pamona District in Figures, 2023

Social Conditions

The social conditions of Sulewana Village are influenced by several factors, including education, health, and security. The three factors particularly important considering the rich natural resources of the village, including Poso River include site of the PLTA, pluralistic community, and history of ongoing social conflict.

Education Level

The educational attainment in Sulewana Village has significantly advanced since the construction of the PLTA, particularly when compared to the period preceding the company's establishment in the area. However, this advancement is driven by the willingness and ability of individuals to develop Sulewana Village. Mutual support and motivation allow children and parents to continue education.

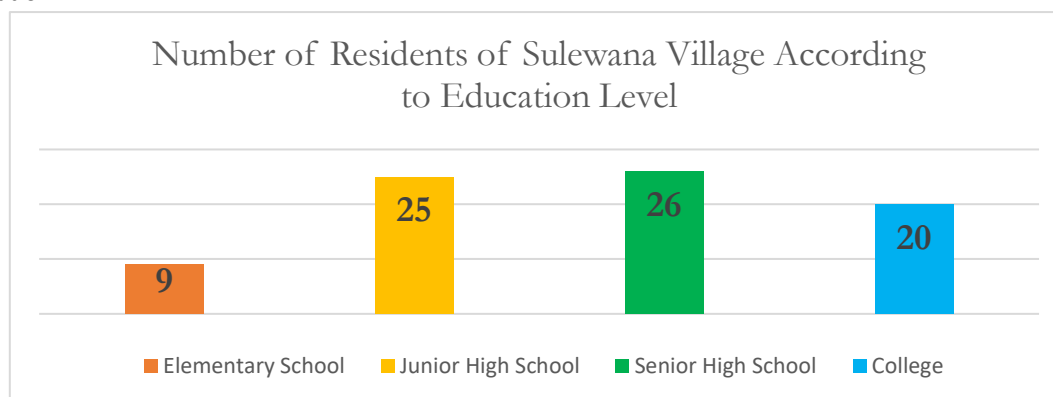


Figure 2. Education Level of Sulewana Village Residents

Source: Survey Results, 2023

Figure 2 shows the varied educational attainment within Sulewana Village. The graph shows that the lowest proportion of individuals, comprising 9 individuals or 11.25%, possesses an elementary school education. In contrast, the largest segment, representing 32.5% has completed high school, while university graduates constitute 25%.

Economic Condition of Sulewana Village

Income is the total amount of money earned from primary and secondary work, seen and measured in rupiah over a specific period. The basic needs of a household are met when the income level is high. In Sulewana Village, the income levels of residents varied from low to quite high before and after the PLTA construction.

Table 1 shows that there has been a significant change in community income. Before the establishment of PT Poso Energy, 2.5% of individuals had a monthly income ranging from Rp100,000 to Rp500,000. The operation of the company shows that the income bracket has been eliminated. However, 75% of individuals earn between Rp1,000,000 and Rp1,500,000 per month. An additional 23.75% have an income within the Rp1,500,000 to Rp2,000,000 per month range.

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

Table 1. Income Level of Sulewana Village Community

No	Income	Amount Before the Hydroelectric Power Plant	Amount After the Hydroelectric Power Plant	Percentage Before the Hydroelectric Power Plant (%)	Percentage After the Hydroelectric Power Plant (%)
1	<100.000	2	0	2,5	0
2	100.000-500.000	58	0	72,5	0
3	500.000-1.000.000	20	1	25	1,25
4	1.000.000-1.500.000	0	60	0	75
5	1.500.000-2.000.000	0	19	0	23,75
Amount		80		100	100

Source: Research finding 2023

Types of Employment and Workforce

The workforce is a crucial factor in any business or industry. The success of a business or industry is influenced by the availability of a workforce capable of performing the duties. The more jobs available, the greater the workforce required. The establishment of a company in an area is expected to absorb labor and open new business opportunities to support the needs of investors and employees. The establishment of PT Poso Energy also has a positive impact on the community by absorbing labor. This can be seen in Table 2, showing the types of employment in the community before and after the PLTA construction:

Table 2, Types of Occupations of the Sulewana Village Community

Number	Labor	Amount Before the Hydroelectric Power Plant	Amount After the Hydroelectric Power Plant	Percentage Before the Hydroelectric Power Plant (%)	Percentage After the Hydroelectric Power Plant (%)
1	Gardening	80	0	100	0
2	Hydropower Employees	0	80	0	100
Amount		80	80	100	100

Source: Sulewana Village Office, 2023

Table 2 shows that the entire population of Solewana Village has shifted primary occupation from farming to working at PT Poso Energy. However, this does not imply a complete cessation of the primary occupation, which has transitioned into a secondary pursuit during leisure periods or with the assistance of other family members to maintain plantations.

Overview of PT. Poso Energy's CSR Program

Article 74 of the Limited Liability Company Law (UUPT) states that CSR is an obligation fulfilled by industrial companies. Every individual plays a role in realizing social welfare and managing the quality of employees, since national development is not solely the responsibility of the government and industry.

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

Companies play a role in promoting healthy economic growth and considering environmental factors. Currently, the business world focuses on financial, social, and environmental aspects, commonly referred to as the triple bottom line. The synergy of the three elements is key to the concept of sustainable development. The CSR of PT. Poso Energy has been implementing activities since 2012. The CSR vision is "To create a company that continuously maintains harmonious relationships and benefits the community and the surrounding environment". The mission is: (a) Implementing the commitment to social and environmental responsibility, (b) Assisting and actively participating in improving the lives of the community and the environment, (c) Building harmonious and conducive relationships with all stakeholders. Since PT. Poso Energy is a subsidiary of the Kalla Group, the vision and mission must be consistent with the parent company. The following is the CSR organizational structure of PT. Poso Energy for 2023.

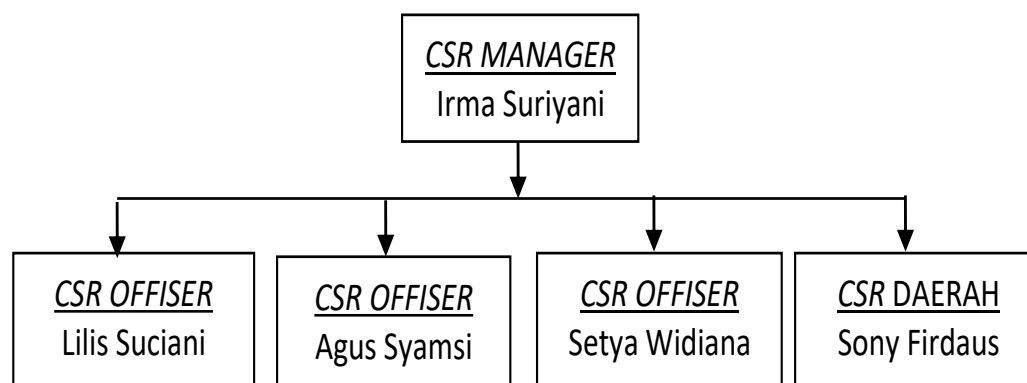


Figure 3. CSR Organizational Structure of PT. Poso Energy

Labor Absorption at PT. Poso Energy

For workforce analysis, a country's population is broadly divided into two groups, namely (a) labor and (b) non-labor force. Labor force is the population within the working age limit, which varies between countries. In Indonesia, the minimum is 15 years with no maximum age limit. Therefore, all individuals or residents who have reached the age of 15 are classified as labor force. Labor force includes individuals of working age who are employed, have a job but are temporarily absent due to vacation or illness, and are actively looking for employment. Conversely, the non-labor force includes individuals of working age who are employed or actively looking for employment. This category comprises individuals whose primary activities include schooling, housekeeping, or those who receive income not directly connected to current employment. Labor force is systematically categorized into two primary subgroups, namely workers and the unemployed. Workers are defined as individuals who currently hold a job and are actively engaged in work, as well as those who possess a job but are temporarily not working due to leave or illness. BPS formally defines work as performing an activity to earn wages, assisting in generating income, or contributing to profit. This includes working for one continuous hour in the preceding week before the census. The definition also includes unpaid family employees who contribute to a business or economic activity. The term unemployed refers to individuals who do not possess a job and are actively looking for employment.

a) Workforce Classification at PT. Poso Energy

Workforce classification is the grouping of employees based on predetermined criteria. Generally, employers classify employees into five types, plus an additional type a). Full-time employees are individuals who typically work an average of 40 hours per week, are entitled to benefits, and may not have an end date for contract. These individuals are called permanent employees and are issued with a Fixed-Term Employment Agreement (PKWTT). b). Part-time employees work less than 40 hours per week and are paid hourly. However, some part-time employees prefer a salary basis, depending on the company. Part-time employees are students in college looking for work to supplement income or simply gain experience. Contract employees typically work for a company for a duration ranging from six months to one or two years. Some individuals are also hired for the duration of a project. Subsequently, the contracts end when the project is completed. d). Interns are hired for a short period and can be fully and partially, or unpaid. These individuals are high school or college students seeking first work experience. e). Seasonal employees are non-permanent individuals hired to cover the workload. This need arises during specific seasons of the year. f). Hired employees are salaried individuals who are not listed on the payroll of the company. As the name suggests, companies can hire freelancers to complete projects or supplement staff during busy periods. PT. Poso Energy also has employee classifications based on the needs of the company.

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

Table 3 shows the classification of the workforce at PT Poso Energi based on the type of work. The workforce is spread across various levels and types of work, ranging from General Manager, Manager, Deputy Manager, Operator or Technician, Supervisor, Administrative Staff, Security Section, and other types directly unrelated to the core operations of the company, such as health service, clinical, and CSR sections. In addition, the total number of the company's workforce is 317 individuals. PT Poso Energy, located in Poso Regency, can be categorized as a large company. According to the Central Bureau of Statistics (BPS), the categorization of companies is reported by workforce size. Companies employing over 100, 20 to 99, and 5 to 19 individuals are classified as large, medium, and small, respectively.

CSR department at PT Poso Energy plays an important role, including being responsible for forest conservation efforts around Lake Poso. This relates to the core operational focus, which is the generation of renewable energy through a PLTA. This facility produces clean energy and functions as a designated national project, contributing significantly to the objective of achieving net-zero emissions. PT Poso Energy is committed to empowering the local workforce by recruiting employees from the areas surrounding the operations of company. Table 3 shows the classification of the workforce by type of job at PT Poso Energi.

Table 3. Classification of Workforce at PT Poso Energi Based on Type of Work

Num.	Type of work	Σ L	No.	Type of work	Σ L	No.	Type of work	Σ L	No.	Type of work	Σ L
1	GM	1	27	Sp Mechanical	2	53	Sp.S Hartrans	1	79	Technician Har. Civil	4
2	Manager B & L	1	28	Stf Adm Har. Machine	1	54	Sp Hartrans	2	80	Environmental Technician	3
3	Maintenance Manager	1	29	Welder	1	55	Hartrans Technician	14	81	Vehicle & Heavy Equipment Mechanics	1
4	Deputy Maintenance Manager	1	30	Ass. Eng Control & Inst	1	56	Sp.S Hydrology & Environment	1	82	Adm Har. Civil	1
5	Deputy of Engineering & General Manager	1	31	Sp.S Planning Ops & Dispatcher	1	57	Hydrological Monitoring Technician	2	83	Security	38
6	Deputy Manager of Operations & Commerce	1	32	Sp.S Operation	1	58	Eng. Hydrological Planning	1	84	Sp Finance	1
7	QA/QC	1	33	Ass. Sp.S Operation	1	59	Sp.S Geology & Building Stability	1	85	Sp Financial administration	1
8	Document Control	1	34	Stf Operations Planning	1	60	Geological Monitoring Technician	2	86	Stf Training & Documentation	1
9	Electric QC	1	35	Sp Dispatcher	4	61	Sp Warehouse	1	87	Stf Pharmacy	1
10	QC Mechanical	1	36	Dispatcher	8	62	Staf Warehouse	7	88	Stf Human Resources	2
11	Lathe Workshop Technician & Hyd	1	37	Sluice Operator	8	63	Staf MTH	1	89	Health Choir	1
12	Staff Eng. Machine	2	38	Sp Operation	12	64	Choir Procurement	1	90	Stf Health	1

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

Num.	Type of work	Σ L	No.	Type of work	Σ L	No.	Type of work	Σ L	No.	Type of work	Σ L
13	Ass. Eng Electricity	2	39	Operator Control Room	24	65	Stf Procurement	1	91	Sp.S Human Resources	1
14	Ass. Eng Mechanical	1	40	Operator Turbin-Generator	32	66	Vehicle Choir	1	92	Sp Internship	1
15	Eng. Mechanical	1	41	Information Systems Technician & SCADA	3	67	Sp Asset Security	1	93	Ass. Sp Human Resources	1
16	Eng. Electricity	2	42	Sp K3	1	68	Stf Adm Secretariat	1	94	Adm Clinic	1
17	Sp.S Har. Control & Inst	1	43	Safety Patrol	3	69	Stf Secretariat RT	2	95	CSR	2
18	Stf Adm Har. Control & Inst	1	44	Stf Adm K3	1	70	Sp Secretariat	1	96	Legal	3
19	Teknisi Har. Control & Inst	7	45	Sp Har. GIP	1	71	Stf Fas Maintenance	1	97	Audit Internal	1
20	Ass. Sp Control & Inst	2	46	Teknisi Har. GIP	1	72	Sp.S Har. Civil & AB	1	98	Installation	9
21	Sp.S Har. Electricity	1	47	Operator GIP	8	73	Adm Har. Heavy Equipment	1	99	Helper Technician Hartrans	1
22	Sp Har. Electricity	2	48	Ass. Eng. Har GIP	1	74	Choir Har. Heavy Equipment	1	100	Adm Hartrans	1
23	Teknisi Har. Electricity	9	49	Sp.S Operation GIL	1	75	Heavy Equipment Operator	2	101	Helper Technician SIS	2
24	Sp.S Har. Machine	1	50	Operator GIL	7	76	Ass. Eng. Har Civil	1			
25	Sp Gantry Crane & Gate	1	51	Technician Har. GIL	1	77	Sp Har.Civil	1			
26	Teknisi Har. Machine	19	52	Stf Dam & Environmental	1	78	Choi Har. Civil	1			
Total number of employees											317

Source: PT. Poso Energy, research results 2023

Table 3 shows that the largest workforce of the different types of jobs is Security (Satpam), Turbine Operators, and Control Room Operators with 38, 32, and 24 employees, respectively. However, several types of jobs or divisions employ only one employee, such as Gantry Crane & Gate Specialists.

b) Classification of Workforce by Region of Origin

The commitment of PT. Poso Energy's workforce recruitment is to empower the local workforce. The Manpower Law does not regulate the obligation to use local labor, and this is delegated to the local government. The obligation is regulated by the local government to include residents of the relevant district/city in employment with the company. The regional statutes that stipulate

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

the preferential engagement of indigenous labor must be consulted to establish a company's requirement for local hiring. However, there is no binding legal force for companies to empower local individuals or employees when the region does not have regional regulations.

Table 4 presents the classification of PT Poso Energy's workforce based on the area of origin. The predominant source of employees remains the area surrounding the company, even though the workforce comprises individuals from various Indonesian regions. This is certainly in line with the commitment to empower the local workforce. The company's total workforce comprises 317 individuals, with 66.88% of employees residing in the local area. This local contingent includes 35 (11.04 %), 120 (37.85%), and 57 (17.98%) from Sulewana, Pamona, and Poso City, respectively. The remaining 105 individuals (33.12%) are drawn from areas outside Poso, including regions beyond Central Sulawesi Province, such as South Sulawesi, West Sulawesi, Southeast Sulawesi, Mataram, Gorontalo, and Java. Considering the origin of the workforce, the presence of the company has led to labor mobility from various regions. Migration from one region to another is driven by economic incentives, with the hope of better wages to improve well-being.

The migration of labor from various regions to work for PT Poso Energy is in line with A. Lewis's theory of structural labor transformation. In the framework of developmental transformation, the economic model on labor distribution divides a national economy into 1) the traditional agrarian sector rooted in agricultural production, and 2) the contemporary urban sector characterized by diverse industrial and service activities. Table 4 provides comprehensive information on the classification of labor by region of origin.

Table 4. Classification of Workforce at PT Poso Energy Based on Region of Origin

No.	District Origin	Labor Number	Percentage
1	Sulewana	35	11,04
2	Pamona	120	37,85
	Pamona Utara	61	50,83
	Pamona Pusalemba	48	40,00
	Pamona Timur	5	4,17
	Pamona Barat	3	2,50
	Pamona Selatan	3	2,50
3	Daerah Kota Poso (+Lage)	57	17,98
4.	Luar Daerah Poso	105	33,12
	Kota Palu & Sigi	14	13,33
	Kota Palopo	21	20,00
	Sulawesi Selatan (minus Kota Palopo)	32	30,48
	Parigi	1	0,95
	Sulawesi Barat	4	3,81
	Jawa	29	27,62
	Gorontalo	1	0,95
	Sulawesi Tenggara	2	1,90
	Mataram	1	0,95
	Total	317	100,00

Source: PT. Poso Energy, research results 2023

The data above shows that 33.12% of the workforce originates from outside Poso Regency, while 120 employees are from the Pamona area. This is due to the unavailability of labor specifications, forcing outside employees to join the company out of necessity. Mr. Agus Syamsi, a CSR Officer at Poso Energy, stated that the company's workforce included employees from outside the region due to a lack of locally available candidates possessing the requisite qualifications (interview July 2023)

A corresponding economic transformation takes place with the advancement of a national economy, leading to the migration of labor from the agricultural domain to the industrial and service sectors in urban areas. The rural agricultural sector has an excess supply of labor, characterized by zero marginal productivity. Increasing the number of employees in certain economic

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

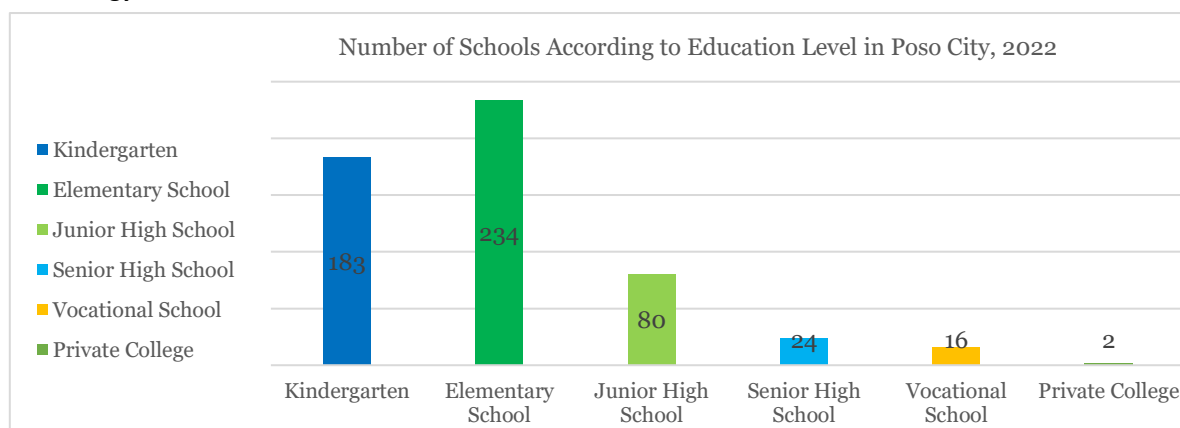
activities does not improve production. This scenario prompts labor migration toward urban areas and other progressively modernized locations, where industrial and service sectors report increased levels of productivity.

- a. Lewis's theory focuses on the process of labor transfer and the growth of output and employment in the modern sector. Labor transfer and employment growth arise from the expansion of output produced by the modern sector. The rate of output expansion is determined by the level of investment and capital accumulation in the modern sector. This investment is possible because the modern sector's profits are relatively large, allowing capital owners to invest profits.

CSR Fund Allocation for PT Poso Energy

According to the World Business Council for Sustainable Development (WBCSD), CSR contributes to sustainable economic development, working with employees, families, local community, and society to improve the quality of life. This statement shows the effort to participate in sustainable economic development, ensuring that community independence becomes a benchmark for business success. The concept of CSR includes responsible partnerships between the government, resource institutions, and the local community. PT. Poso Energy has been carrying out CSR activities since 2012 through several programs.

a) Poso Energy and Education



Source: PT. Poso Energy, research results 2023

PT. Poso Energy contributes to improving the quality of life of the community through educational programs. Education is a strategic social investment that enhances a superior generation and a quality society. The success of educational quality depends on the teaching and learning process, or the interaction between teachers and students, as well as the availability of adequate supporting facilities. The quality of the teaching staff also significantly influences the quality of the students, necessitating training, workshops, and similar activities to improve teacher quality. Figure 6 presents data from the Department of Education and Culture.

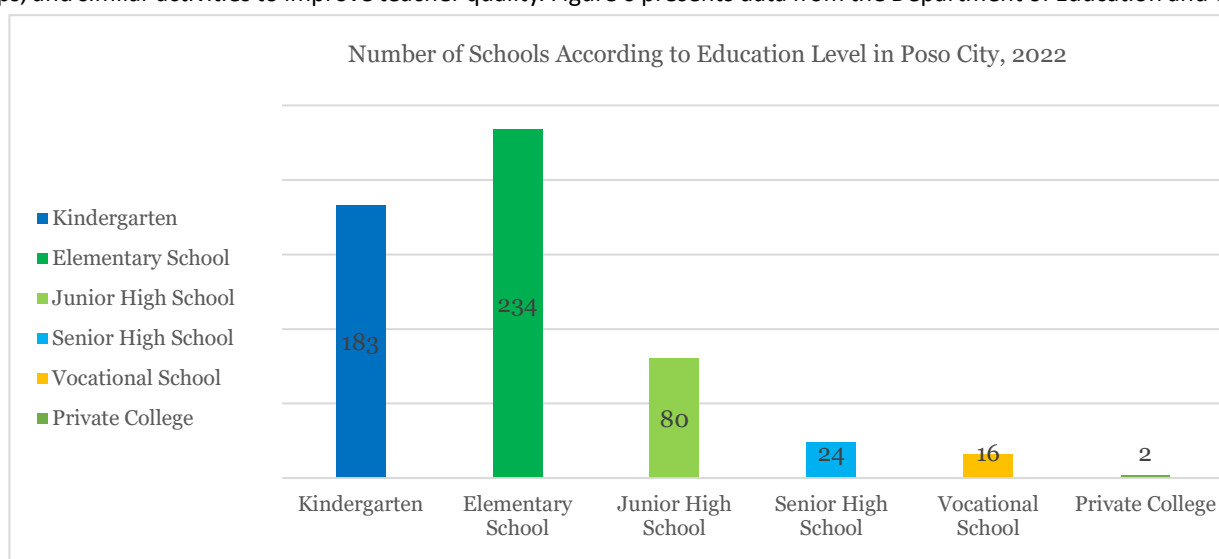


Figure 6. Number of Schools by Education Level in Poso Regency in 2022

Source: Poso Regency of the Statistical Central Agency, 2023, Data calculated by own authors

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

According to education level, the number of institutions is 539, with the largest and smallest numbers being elementary schools (SD) and private universities at 234 units and 2 institutions, respectively. The Education Program holds the highest strategic importance for PT. Poso Energy, which aims to 1) support the provision of comfortable, clean, and healthy educational infrastructure, 2) improve the skills and independence of students, and 3) support the educational aspirations of underprivileged students. PT. Poso Energy has implemented the programs, with the amount of funds allocated for CSR programs in the education sector.

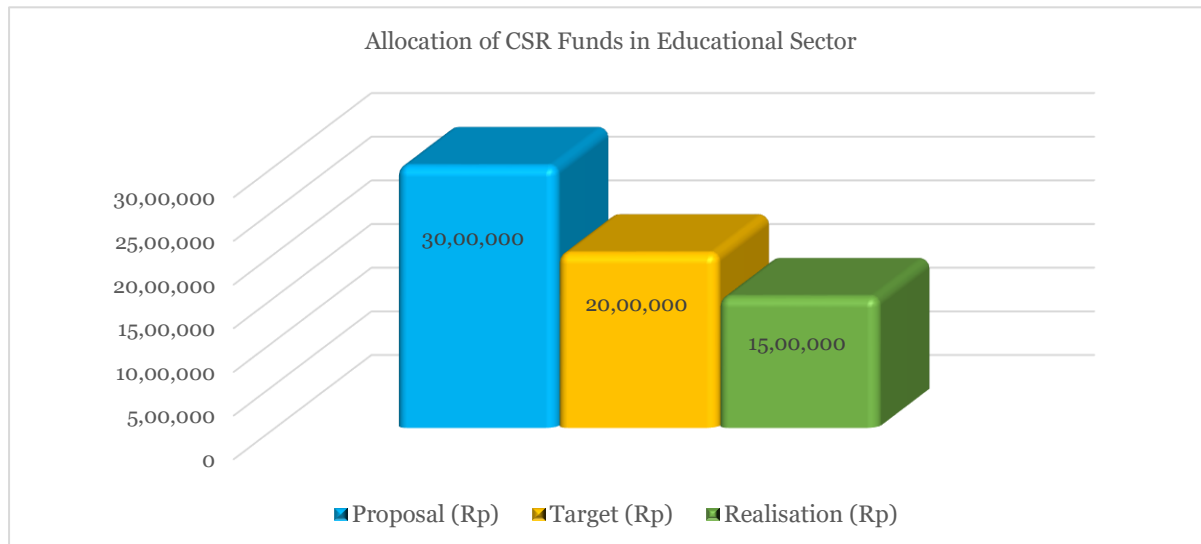


Figure 7. Allocation of CSR Funds in the Education Sector

Source: Lilis Suciani, PT. Poso Energy's Annual CSR Report, p. 3

Figure 7 shows a gap between proposals, targets, and actual outcomes since there is potential for using CSR funds for education programs. The proposed amount is IDR 3,000,000,000, showing that the submitted proposals exceeded the established target of IDR 2,000,000,000. However, the actual outcomes only reached IDR 1,500,000,000 due to an undisbursed IDR 500,000,000. The gap between "proposals and targets" and "targets and actual outcomes" has only reached 66.67% and 75%, respectively.

The educational programs implemented by PT. Poso Energy includes the following.

1. Improvement and addition of learning facilities at all levels of education from early childhood education to university,
2. Human resource development through teacher and student training to improve the quality of teaching and learning,
3. Introducing a clean and healthy environment to children from early childhood through elementary school,
4. Introducing a clean and healthy environmental preservation program to high school students,
5. Guest lectures at several universities.

b) Poso Energy and Community

The participation and contribution of Poso Regency community in the North Pamona District is significant in various aspects, from the initial preparation and construction through to the operation of the company. Therefore, the community is a valuable asset for PT Poso Energy.

Community development is a CSR program, including infrastructure and institutions, as well as support initiatives for natural disaster victims. Infrastructure supports all community activities, and institutions serve as a platform for self-actualization. In addition, support programs for natural disaster victims show concern and provide moral and material support in the post-disaster recovery process. The CSR program in the community sector provides the following functions.

1. Support the provision of quality infrastructure,
2. Improve the community's quality of life,
3. Provide moral and material support to natural disaster victims.

The funds allocated for CSR in the Society sector are reported in Figure 8.

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

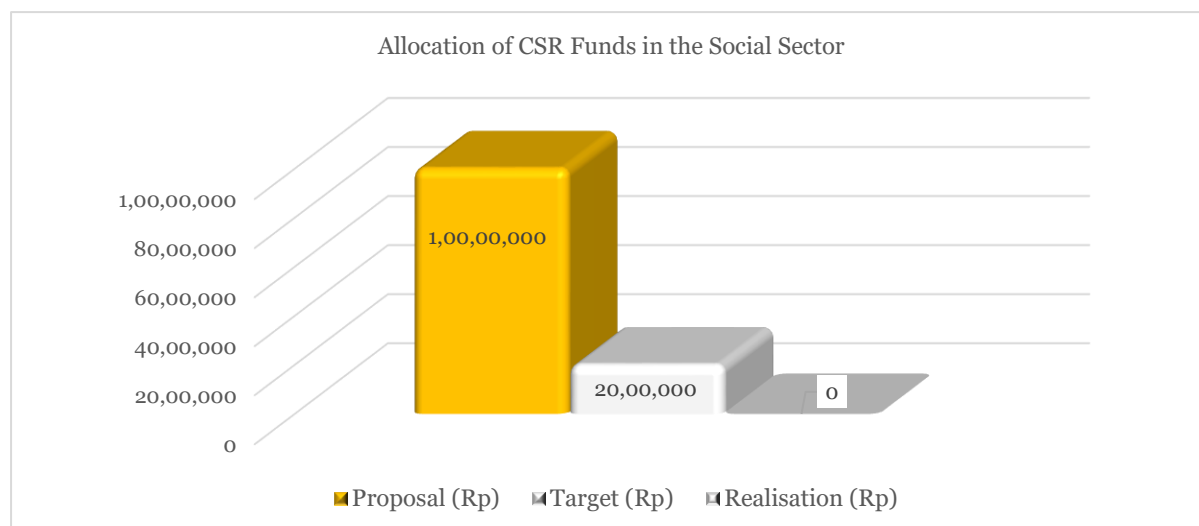


Figure 8. Allocation of CSR Funds in the Community Sector

Source: Lilis Suciani, PT. Poso Energy's Annual CSR Report, 2023

The proposals for the Community program are significantly larger than the expected targets of the Company. Therefore, some community proposals have not been implemented. The current CSR programs that have been implemented include the following.

1. Road repairs,
2. Free electricity subsidies,
3. Repairs to the Sulewana Village Office and the Sulewana Village Hall,
4. Repairs to public toilets,
5. Provision of clean water facilities,
6. Care for victims of natural disasters (floods).

c) Poso Energy and Health

A healthy community creates a quality life since health is the greatest investment for the future. This can be achieved with a clean and comfortable environment. Preventive measures and the provision of health support facilities are the focus of PT. Poso Energy's health CSR program. Preventive measures are implemented by instilling healthy living principles from an early age, while the provision of health support facilities is more focused on rejuvenating existing facilities.

The different functions of the CSR program in the health sector include the following.

1. **Improving public health-** This is in line with government programs, including raising public awareness about healthy lifestyles and preventive measures to avoid various diseases. Promotion of healthy living, environmental preservation, and regular health check-ups have been implemented.
2. **Improving the community's quality of life-** Deep-rooted social disparities suppress poverty levels, specifically in rural areas. This is a crucial pillar in realizing improvements in the community's quality of life. An important solution implemented is a community empowerment program in the economic sector to increase real income and enhance productivity.
3. **Supporting the improvement of health facilities-** Improving the quality of public service facilities, by renovating and adding medical equipment to several community health centers (Puskesmas). The company indirectly supports the government in increasing equitable national development and breaking the cycle of poverty caused by poor public health when health facilities and infrastructure are adequate. This program also reduces the government's burden on the National Health Insurance (JKN).

Figure 9 shows that PT. Poso Energy has allocated funds for CSR in the Health sector.

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

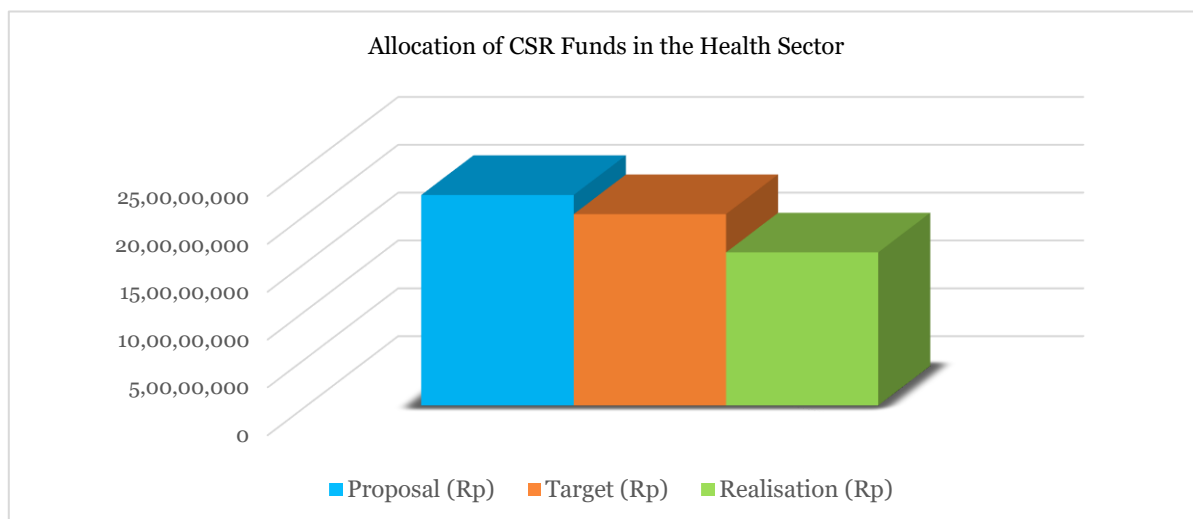


Figure 9. Allocation of CSR Funds in the Health Sector

Source: Lilis Suciani, PT. Poso Energy's Annual CSR Report, 2023

PT Poso Energy has carried out the following activities from the CSR health program funds.

1. Eye examinations and provision of reading glasses to junior high and high school students,
2. Assistance with health facilities,
3. Ambulance assistance from Poso Energy.

d. Poso Energy and Environmental Protection

The participation of the community and other relevant parties, including employees, is highly expected in environmental conservation efforts. Water, as a raw material for energy production, must be maintained to ensure the availability. Therefore, environmental sustainability is focused on the rehabilitation of Poso River Basin (DAS) in the upstream and downstream areas. Lake Poso is a significant natural and cultural resource, with unique features including yellow sand along the banks and the presence of endemic eels (*Anguilla* sp.).

In recent years, the environmental conditions have faced significant challenges, such as high levels of sedimentation and declining water quality due to pollution from domestic, industrial, and agricultural waste, as well as the threat of a decline in the existence of endemic biota due to the introduction of invasive fish and the disruption of fish migration routes. PT. Poso Energy has undertaken lake rescue efforts, including different parties, to save the lake. The community is given training before carrying out the activities. Figure 10 shows the funds allocated for CSR in the Environmental Protection sector.

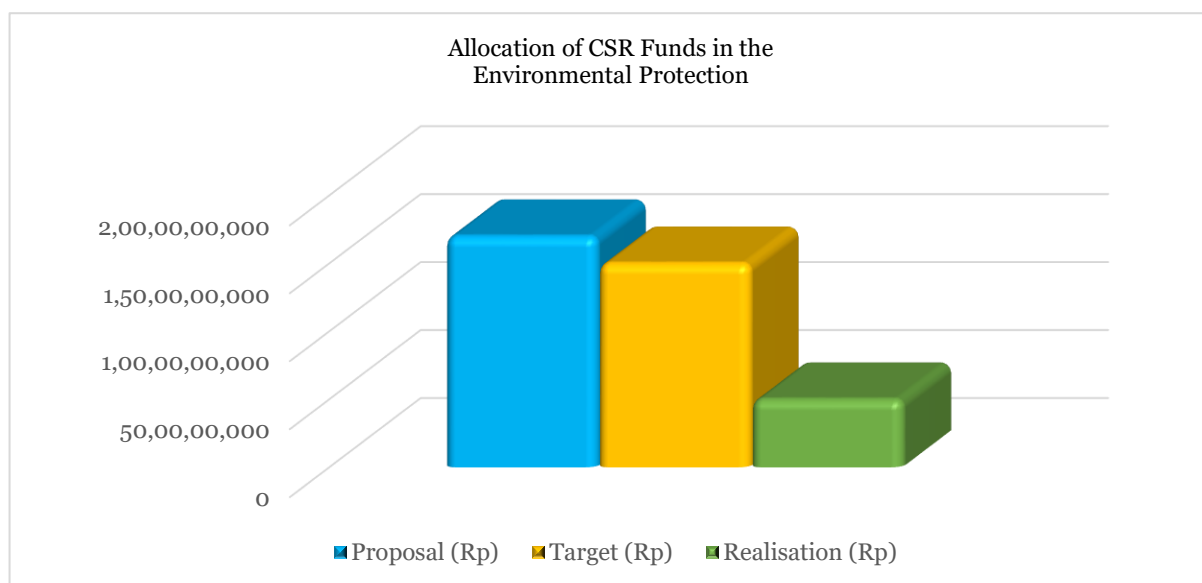


Figure 10. Allocation of CSR Funds in the Environmental Protection Sector

Source: Lilis Suciani, PT. Poso Energy's Annual CSR Report, 2023

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

e. Poso Energy and Community Development

Development activities are aimed at empowering community to become more independent, with a better quality of life and well-being. The Community Development Program has three main characteristics, namely community-based, local resource-based, and sustainable. The targets achieved include community capacity and welfare. Community capacity is achieved through empowerment efforts, allowing members to participate in the production process or supporting institutions, equity without discrimination based on status and expertise, security, sustainability, and cooperation. Some of the activities carried out by the Community Development CSR Program include the following.

1. Eel Cultivation

Marmorata eels have long been reported in Lake Poso. Therefore, PT. Poso Energy cultivates the fish for both consumption and export. According to Mr. Herman, "The cultivated products are processed into floss and smoked eel, and a portion is exported to Japan. These exports, initiated last year, have significantly contributed to income growth."

Mr. Agus Syamsi emphasized, "There is training on the management of eel cultivation products into floss and smoked eel. This increases the economic value of the eels." (Interview, June 19, 2023)

2. Horticultural Plantation Demonstration Garden.

The term horticulture is used to describe the types of cultivated plants. Horticulture is a modern agricultural cultivation method, and the work area includes seeding, nursery, tissue culture, plant production, pest and disease management, harvesting, packaging, and distribution. This demonstration garden has been operating since March 2016 and covers an area of 1.8 hectares. The garden is managed by 10 farmers and two assistants. According to Mr. Ruslan, the crops grown include "vegetables such as green beans, cucumbers, Palu variety onions, cayenne peppers, mustard greens, and curly red peppers."

3. Rescue of Lake Poso/Lake Rehabilitation

Mr. Agus Syamsi, CSR staff member at PT. Poso Energy explained that the program started in March 2010. The aim was to convey to the public that the program's operation was mandated by a decree from the Ministry of Environment. The execution is a collaborative effort of the Ministry of Environment, Poso Regency, and the Central Sulawesi Provincial Government, as well as the local community. This initiative is also structured to be sustainable, ensuring future community benefits.

The amount of funds allocated for the CSR program in the areas of Partnership and Community Development is as follows:



Figure 11 Allocation of CSR Funds in the Community Development Sector

Source: Lilis Suciani, PT. Poso Energy's Annual CSR Report, 2023

Figure 11 shows that the proposed target of Rp100,000,000 is balanced, while realization has only reached approximately 60%, or Rp60,000,000. Table 5 reports the four CSR programs implemented by PT. Poso Energy.

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

Table 5 Summary of PT Poso Energy's CSR Programs by Type of Activity

No	Types of CSR Programs	Activity	Location
1.	Poso Energy and Education	Taekwondo Championship Support, January	Poso City
		Support for SMAN 3 Poso (futsal), January	Poso City
		PERSIPOS Cup I Support in January 2022	Poso City
		Support for the activities of the Untad Mechanical Engineering Student Association, January	Palu City
		Support for the arts performance of SMAN 3 Poso, January	Poso City
		Support for UNSIMAR activities, June	Poso City
		Support for UNHAS activities	Poso City
		Support for the construction of Pandiri traditional houses, January	Pandiri Village
		Support for catfish feed procurement in Salukaia village, January	Salukaia Village
		Phase 2 cooperation contract for local TV Agape, January	Tentena
2.	Poso Energy Partnership and Community Development	ANTARA media cooperation contract, January	Palu City
		Support for the 128th Anniversary of Poso City in February	Poso City
		Cultural arts performance, February	Dulumai Village
		Support for the road to DBL Central Sulawesi 2023 activities, February, Central Sulawesi	Central Sulawesi
		Support for MSME mentoring activities in February	Poso City
		Support for the infrastructure of Battalion 714, June	Poso City
		Eel Cultivation and Processing	Sulewana Village
		Support horticultural gardens	Poso City
		Rehabilitation of Lake Poso	Lake Poso
		Sulewana village electricity subsidy, January, March, April, May, June	Sulewana Village
3.	Poso Energy and Social	Poso Lake Festival, Tentena, and Bukit Doa electricity subsidy, June	Tentena
		Mobilization of Dulumai pipeline work, May	Dulumai Village
		Disaster/calamity support, May	Pasir Putih Village

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

	Electricity Assistance for GKST Health Hospital March, April, May, June	Tentena
4.	Poso Energy and Health	Dulumai health pipeline March, April, May, June
	Sports support for PE team, June	Poso City

Source: PT. Poso Energy, 2023

5. CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the absorption of labor is carried out under the initial commitment of PT. Poso Energy to recruitment in recruiting employees from the local community. Approximately 66.88% of the company's total workforce of 317 individuals comprises local employees from Sulewana Village, Pamona, and Poso Regency. The remaining personnel are sourced from outside the region, but this is very limited at the top management level.

The contribution of PT. Poso Energy to the local government, including Sulewana Village, North Pamona District, Poso Regency, Central Sulawesi, and other provinces, have been implemented since 2012. CSR funds are distributed through five programs, namely Education (Poso Energy and Education), Health (Poso Energy and Health), Community (Poso Energy and Society), Environmental Protection (Poso Energy and Environmental Protection), and Community Development (Poso Energy and Community Development).

The CSR program is implemented using the PIRAC model, which includes direct engagement. Additionally, the model is applied through foundations or social companies for initiatives such as the Lake Poso rescue program and education or scholarship initiatives.

Based on the results and discussions, the recommendations of this research include the following.

1. PT. Poso Energy should enhance the quality of human resources by implementing a scholarship program for community members. This program must focus on academic disciplines in line with the operational needs of the company. Therefore, the local workforce includes casual and higher employees.
2. PT. Poso Energy should coordinate with the local government at the village, sub-district, and regency levels when distributing funds for the CSR program to calculate the contribution to the relevant local budget.
3. The company is expected to improve and be more proactive in implementing CSR program, specifically in community empowerment.

RESEARCH LIMITATIONS

The contribution of CSR funds to local government revenues at the village, sub-district, and regency levels is not calculated due to direct distribution after submitting proposals or requesting assistance. There is no data available on the number of local employees holding positions according to the job classifications of the company.

REFERENCES

- 1) Badan Pusat Statistik, 2020. Statistik Tenaga Kerja Indonesia, bps.go.id, Jakarta
- 2) Badan Pusat Statistik. 2022. Kabupaten Poso Dalam Angka
- 3) Moleong. L.J. (2017). Metode Penelitian Kualitatif. PT. Remaja Rosdakara, Bandung
- 4) Othman, R & Ameer, R 2009, 'Corporate social and environmental reporting: where are we heading? A survey of the literature, International Journal of Disclosure and Governance, vol. 6, no. 4, hh. 298
- 5) Payaman Simanjutak.J., 2005. Pengantar Ekonomi Sumber Daya Manusia. Fakultas Ekonomi UI, Jakarta.
- 6) Sonny Sumarsono, 2013. Ekonomi Manajemen Sumber Daya Manusia dan Ketenagakerjaan, Graha Ilmu, Yogyakarta.
- 7) Sugiyono. (2014). Metode Penelitian Kombinasi (Mixed Methods). Penerbit Alfabeta, Bandung
- 8) Suharto, Edi. 2010. CSR dan ComDev Investasi Kreatif Perusahaan di Era Globalisasi. Bandung: Alfabeta.
- 9) Bambang Rudito dan Melia Famiola, CSR (Corporate Social Responsibility), (Bandung: Rekayasa Sains, 2013) h. 105
- 10) Dshinta Ria Liany. 2017, Corporate Social Responsibility (CSR) PT. Poso Energy Dalam Pemberdayaan Masyarakat Desa Solewana, Kecamatan Pamona Utara Kabupaten Poso Provinsi Sulawesi Tengah; Skripsi Universitas Islam Negeri Syarif Hidayatullah, Jakarta

Analysis of Local Labor Absorption and Corporate Social Responsibility (CSR) Fund Allocation of Poso Energy to the North Pamona District Government, Poso Regency Central Sulawesi Indonesia

- 11) Edi Suharto, *Pekerja Sosial di Dunia Industri: Memperkuat CSR (Corporate Social Responsibility)*, (Bandung: Refika Aditama, 2007) h. 102
- 12) Lilis Suciani. 2022, *Laporan Tahunan CSR PT. Poso Energy*,
- 13) Raharjo, Santoso T. (2017). *CSR: Relasi Dinamis Antara Perusahaan Multinasional dengan Masyarakat Lokal*. Jatinangor: Unpad Press.
- 14) Zulfitri. 2011. *Pemberdayaan Masyarakat melalui Corporate Social Responsibility PT. Indocement Tunggal Prakarsa Tbk*. Skripsi Universitas Islam Negeri Syarif Hidayatullah Jakarta.
- 15) <https://kumparan.com> › Bisnis › Fildan Aditya Ramadhan Mengenal Konsep Triple Bottom Line dalam CSR.



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.