




Effectiveness of CSR Program in Social and Economic Development of the Community (Case Study at PT BSI Binjai Branch)

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Article Info	ABSTRACT
Keywords: Effectiveness, CSR Program, Social and Economic Development of the Community.	Corporate Social Responsibility (CSR) plays a vital role in supporting community welfare and enhancing corporate image, yet its implementation often faces various challenges. This study aims to specifically examine the obstacles, solutions, and effectiveness of the CSR program at PT. Bank Syariah Indonesia (BSI) Binjai Branch. Using a descriptive qualitative approach, data were collected through interviews, observations, and documentation, then analyzed thematically. The findings reveal key challenges such as limited budgets, difficulty identifying community needs, weak stakeholder coordination, and low public participation. Solutions include prioritizing needs-based programs, conducting in-depth surveys, engaging stakeholders, and improving evaluation systems. These efforts have improved program effectiveness and encouraged greater community involvement. The results highlight the importance of participatory and transparent approaches in achieving sustainable CSR outcomes.
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INTRODUCTION

Financial institutions have role important in life public moment this. Bank becomes institutions that have role important in advance economy a country. Bank is institution finances that task the main thing is raise funds from society and distribute it to society, besides The Bank also provides services finance, payment financing other to society. For interesting interest and maintain customers, banks often use incentive economy such as high interest, bonuses, and prizes interesting. Various step carried out by the bank with objective collecting public funds, which is one of The method is with increase amount Customer (Ismail, 2019) .

In developing countries, the need public against the bank no only limited to fund storage and fund distribution only but to service services offered by a bank. According to (Usman, 2018) , bank is institution business finance the main thing is is give credit and services in Then cross payments and money circulation. Bank also means as a business entity that collects funds from public in form savings and distribute them in form credit and/ or in forms other in frame increase level life of the people

Sharia Bank as one of the institution sharia- based finance that provides diverse product as well as service service diversified banking with scheme more finances varied so that institution Islamic banking becomes alternative system banking that can be trusted and can

in demand by groups Indonesian society without except. In addition to collecting funds, Islamic banks also have function as intermediary (intermediation) finance) or as financing as arranged in Article 1 of Law No. 7 of 1992 (Jajuli, 2020) .

banking institutions, in do his activities always involving Human Resources. Human is complex and unique creatures created in integration of two substances that are not can stand itself. Substance First called body (physical / bodily) as element material, while substance second called soul (spiritual / psychic) which is non- material. Without integration That its form is not man (Taga, Nawawi, & Kosim, 2019) .

Already No relevant Again old paradigm of the company in operate his business only expect profit adequate just without notice welfare social public around. Because of course existence company No let go from conditions and environment So that guard harmony existence social companies in society No Can ignored. Currently, companies expected No only take importance interest holder shares, but also delivers contribution positive for society and the environment. CSR is considered as A corporate moral obligations For build more relationship close with stakeholders interest (Badjuri, 2016) .

Bank Syariah Indonesia (BSI) as one of the largest banks in Indonesia, plays role important in support development national and economic public through the responsibility program answer social company or often called with *Corporate Social Responsibility* (CSR). The CSR program aims For increase welfare society and encourage growth economy in various sector. However, in implementation, evaluation the effectiveness of the CSR program becomes the important thing For be noticed (Senoaji, 2021) .

In context development nationally, CSR programs are expected can give significant contribution. Bank BSI as institution finance leading, having source extensive power and network For reach various layer public. Designed CSR program with Good can become means For develop infrastructure, improving access education, health and welfare social throughout Indonesia. CSR is commitment company For contribute to development economy sustainable which includes aspect social, environmental and ethical in activity business company. Through CSR, the company can build more relationship close and mutual profitable and things This can increase trust, reputation, and legitimacy company in the eyes public (Rahadhini, 2018) .

Bank Syariah Indonesia (BSI) branch Binjai is one of the Islamic banks that has strong commitment For operate activity aligned efforts with sharia principles where one of manifestation commitment the is through implementation of integrated CSR programs with its business strategy. BSI branch Binjai active carry out various CSR programs in its operational areas like help to public affected disaster nature, scholarship For children from family not enough capable and empowerment economy public through training entrepreneurship.

Evaluation the effectiveness of the CSR program becomes important For ensure that funds and resources power invested can give impact sustainable positive for development national (Firmansyah & Mutaqi, 2023) . In addition, the CSR program of Bank BSI Binjai Branch also plays a role in support economy society. Various initiative empowerment economy, such as training skills, business capital assistance, and development entrepreneur,

can help increase income and welfare community. Evaluation effectiveness of CSR programs in aspect This can give valuable information about to what extent are these programs can increase independence economy society and encourage growth economy local.

Challenges faced in evaluation effectiveness of CSR program of BSI Bank Binjai Branch is complexity and diversity of programs run. CSR Program of BSI Bank, Binjai Branch No only covers aspect economic, but also social, environmental, and empowerment society. Measuring the impact of CSR programs in general comprehensive need appropriate methods, clear indicators, and accurate data collection. In addition, evaluation The effectiveness of the CSR program must also be consider factors external, such as condition economic, political and social, which can influence results and impacts from these programs.

Corporate Social Responsibility (CSR) has become an essential strategy for companies to contribute to sustainable social and economic development, especially in communities surrounding business operations. In the context of Islamic banking, CSR holds even greater urgency, as it aligns with ethical and moral responsibilities rooted in Sharia principles. However, despite its potential, many CSR programs face implementation challenges that hinder their effectiveness and long-term impact. PT Bank Syariah Indonesia (BSI) Binjai Branch is one such institution striving to deliver community development through its CSR initiatives. Yet, various internal and external obstacles—such as limited funding, weak coordination, and low community engagement—raise questions about how effective these efforts truly are. This study focuses on evaluating the effectiveness of PT BSI Binjai Branch's CSR program in supporting social and economic development. The core problem addressed is: how effective is the CSR program of PT BSI Binjai Branch in achieving its intended goals and what obstacles and solutions shape its implementation?.

Therefore that, evaluation effectiveness of CSR program of BSI Bank Binjai Branch in support development national and economic public become very important. The results of the evaluation the can give valuable input for party BSI Bank management in improve and prioritize CSR programs that are more strategic, effective, and provides impact significant positive for society and development national.

METHODS

This research is a field study employing a qualitative approach. The qualitative method was chosen because the study aims to understand and interpret the meaning of events or human behavior within a specific context. The researcher serves as the primary instrument, directly entering the field to observe, record, and descriptively portray the effectiveness of the Corporate Social Responsibility (CSR) program carried out by Bank BSI Binjai Branch in supporting the social and economic development of the local community. This study is descriptive in nature; it does not test hypotheses but focuses on observing and interpreting data to obtain a comprehensive understanding of the social reality being investigated.

Data collection techniques include in-depth interviews, direct observation, and documentation. Informants were selected using purposive sampling, targeting individuals with knowledge, experience, and direct involvement in the implementation of Bank BSI's CSR program—such as CSR managers, community leaders, and program beneficiaries. The

purposive sampling technique allows the researcher to gather relevant and in-depth information from those who truly understand the context and impact of the program. Semi-structured interviews were used to maintain flexibility in exploring essential and contextually relevant information in the field.

To ensure data validity, several trustworthiness criteria were applied. Credibility was maintained through prolonged engagement, data triangulation from various sources, and member checking, where findings were verified with informants to ensure accurate interpretation. Transferability was ensured by presenting a detailed and systematic report so that other researchers or stakeholders can understand and potentially apply the findings in similar contexts. Dependability was achieved through audits conducted by supervisors or independent reviewers, and confirmability was ensured by supporting findings with agreement from multiple parties, maintaining objectivity and minimizing researcher bias.

Data analysis was conducted qualitatively through three main stages. The first is data reduction, where important data from observations, interviews, and documentation were selected and simplified. The second stage involves data presentation in a systematic format such as narrative descriptions or matrices to facilitate the identification of patterns and connections. The final stage is drawing conclusions, conducted progressively by identifying regularities, patterns, and meanings within the data. This process is dynamic, evolving from tentative interpretations into comprehensive and in-depth insights regarding the research subject. This approach allows the researcher to interpret the social phenomenon realistically and in alignment with the actual field conditions.

RESULTS AND DISCUSSION

Based on interviews with the CSR manager of Bank BSI, community leaders, and program beneficiaries, it was found that the CSR program implemented focuses on community economic empowerment through skills training and the provision of small business capital. From field observations, 75% of beneficiaries reported an increase in income after participating in the program. Program documentation shows that over the past year, Bank BSI has allocated CSR funds amounting to IDR 500 million, which have been used for various social and economic activities.

These findings align with the economic empowerment theory proposed by (Sen, 1999), which states that access to training and business capital can improve economic welfare and individuals' capacity for economic independence. This also supports previous research by (Smith and Jones, 2018), which demonstrated the effectiveness of CSR programs in enhancing beneficiaries' economic abilities through skills training and small business capital assistance.

Furthermore, interview data also revealed that the CSR program has fostered a sense of togetherness and solidarity within the community. This increase in social solidarity strengthens the concept of CSR as a means of social development in addition to economic development, in line with (Carroll's, 1991) perspective that CSR not only aims for economic gain but also encompasses social responsibility that can strengthen community relations.

However, some informants expressed challenges such as the lack of active participation from some community members and limited resources for intensive program supervision. The low participation in certain activities indicates the need for better communication strategies and greater community engagement to ensure the CSR program runs optimally and sustainably, as also found in the study by (Kurniawan, 2020).

The limitation of resources for supervision is a common challenge in CSR program implementation that requires serious attention to maintain the sustainability and effectiveness of the program. (Brown and Dacin, 1997) emphasized in their research the importance of good management and rigorous monitoring to ensure CSR programs achieve their goals and produce sustainable positive impacts.

Overall, the research results show that the CSR program of Bank BSI Binjai Branch has had a significant positive impact on the social and economic development of the community. The program has successfully increased the economic welfare of beneficiaries while strengthening social solidarity. Nevertheless, improvements are still needed in community participation and program monitoring to ensure that these positive impacts can continue to grow and be felt more broadly.

Obstacles Faced by Bank BSI Binjai Branch in Implementing CSR Programs in Supporting Social and Economic Development of the Community

Bank Syariah Indonesia (BSI) Binjai Branch own strong commitment in running a *Corporate Social Responsibility* (CSR) program. As the largest Islamic bank in Indonesia, BSI is aware that not quite enough answer social company is part important from practice sustainable business. In the field of empowerment economy, BSI develops financing programs micro and entrepreneurship, as well as give training and mentoring for public not enough able to be able to increase level life them. Through Through these various CSR programs, BSI hopes can give impact positive for society and environment around, at once strengthen trust and loyalty Customer towards the leading Islamic banks in Indonesia, especially in Binjai City. Several Obstacles faced by Bank Syariah Indonesia (BSI) Binjai Branch in implementation of CSR programs for support development social and economic the first society is limited budget namely the CSR program requires sufficient funds big, while allocation budget for CSR in limited banks. This is can limit scope and reach of CSR programs that can implemented. Next obstacle is identification need public that is understand needs and priorities development socio-economic in society around branch can become challenge so that needed effort more For do study and mapping need public in a way comprehensive.

next obstacle is coordination with stakeholders interest that is need There is good coordination with government area, organization society and groups CSR program targets. Differences in agendas and priorities between banks and stakeholders other interests may become constraints. The next constraint is involvement and participation public that is invite and motivate public For involved active in the CSR program can become challenge alone so that need effort For build trust and ensure sustainability of the program. The last obstacle is monitoring and evaluation of the program, namely evaluate impact and effectiveness of CSR programs on development socio-economic public need good monitoring system. Limitations

source power and capacity can become constraint in implementation of comprehensive monitoring and evaluation.

Solutions Implemented by Bank BSI Binjai Branch in Overcoming Obstacles in Implementing CSR Programs in Supporting Social and Economic Development of the Community

For overcome constraints, then Bank Syariah Indonesia (BSI) Binjai Branch do a number of solution, the first one is For constraint budget limited for the CSR program, the Bank Syariah Indonesia (BSI) Binjai Branch the solution is do prioritization of CSR programs based on expected impact and needs priority society and optimize use existing budget through thorough planning and management cost effective. For constraint identification need society, then the solution is do survey or study deep For identify needs and problems real faced community and ensure that CSR programs are designed in accordance with needs and impact positive for public.

For constraint coordination with stakeholders interest so the solution is involving stakeholders interest in planning, implementation and evaluation of CSR programs and ensure synergy between CSR programs and development programs carried out by the government and stakeholders interest others. For overcome constraint involvement and participation community, solutions implemented is build trust and understanding public towards CSR programs through effective socialization and communication and ensuring that CSR programs can empower and enhance capacity public in a way sustainable. For overcome constraint regarding program monitoring and evaluation, then the solution is apply comprehensive monitoring and evaluation system For measure the success and impact of CSR programs and carry out improvements and adjustments to CSR programs based on monitoring and evaluation results as well as to communicate results and impacts of CSR programs in general transparent to community and stakeholders interest.

Effectiveness of CSR Program of BSI Bank Binjai Branch in Supporting Social and Economic Development of the Community

In knowing form effectiveness of CSR program of BSI Bank Binjai Branch in support development social and economic society, then there is a number of things to do, the first is do evaluation of CSR programs that have been implemented that is identify types of CSR programs that have been implemented by BSI Binjai Branch and analyzed to what extent are these programs has give impact positive for society, good from aspect social and also economy as well as evaluate level satisfaction public recipient benefit towards existing CSR programs implemented. Form the effectiveness of the next CSR program done with measure indicator the success of the CSR program is determine the targets you want achieved from each CSR program and measure achievement of these targets, such as improvement income society, improvement facilities and infrastructure social, etc.

Form effectiveness final is with do publication and transparency of CSR programs, namely publish information related to the CSR program that has been implemented, including achievements and impacts and ensure transparency in management and use of CSR funds and increase awareness and participation public in the CSR program.

CONCLUSION

Based on the discussion in the previous chapter, it can be concluded that the implementation of the Corporate Program Social Responsibility (CSR) by Bank BSI Binjai Branch in supporting social and economic development of the community faces several obstacles, such as budget constraints, difficulty in identifying community needs, lack of coordination with stakeholders, minimal community participation, and suboptimal monitoring and evaluation of the program. To overcome this, Bank BSI Binjai Branch has implemented various strategic solutions, including prioritizing CSR programs based on community impacts and needs, conducting surveys or in-depth studies to identify real problems, involving stakeholders in planning to evaluation, building trust through effective socialization, and implementing a comprehensive monitoring and evaluation system. The effectiveness of the CSR program is also measured through an evaluation that includes identifying the types of programs that have been implemented, measuring success indicators based on set targets, publishing information on program achievements and impacts, and ensuring transparency in the management of CSR funds so that their implementation can be accounted for and sustainable. For future research, it is recommended to explore the long-term impacts of CSR programs on community empowerment by incorporating quantitative methods alongside qualitative approaches to provide a more comprehensive evaluation. Researchers should also consider involving a broader range of stakeholders, including government agencies and beneficiary feedback, to gain deeper insights into the effectiveness and challenges of CSR initiatives. Additionally, investigating innovative models for increasing community participation and optimizing monitoring systems could offer valuable strategies to enhance the sustainability and social impact of CSR programs in similar contexts.

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