This study aimed to obtain the design of an alternative measuring method based on NH Approach CSR. The NH Index is a measure of CSR that was constructed comprehensively, integrally, and contextually. In the NH Index, the dimension formulation, indicators, parameters, measurement fields, and formulas were obtained from the identification of the corporate and stakeholder contextual object of measurement. The research method used was research & development. The types of data used in this study included primary and secondary data. The respondents were grouped communally: employee, consumer, local community, and local governance. As many as 90 from 200 people who lived around the cement industry in Central Java and East Java Indonesia were involved in this study. The data was collected through surveys, observation, and interviews. A new alternative model was found, namely the NH Index that can be used to measure the effectiveness of CSR programs. NH Index develops dimensions, indicators, parameters, measuring fields, and measuring instruments in a comprehensive, integral, and contextual way. The NH Index instrument test results showed that all community groups were at a high grade, namely quality B. Even CSR assistance for employee groups had very high grades with quality A.

Key words: Social responsibility, NH Approach, NH Index, integrative.

JEL Classification: C43, M14, P36

Introduction

The debate over the effectiveness of social responsibility (CSR) has not yet reached a meeting point. This condition is strengthened by the lack of acceptable standards for the effectiveness
and quality of CSR, although in previous studies, many offered measures of CSR performance (Belkoui & Karpik, 1989; Hadi, 2017). Previous studies have looked at the effectiveness of CSR assistance from economic motives that have arisen (Belkoui and Karpik, 1989; Adam & Kuasirikun, 2000; Deegan, 2002; Austin 2000), the social motives that they have generated (Belkoui & Karpik, 1989; Hadi, 2009; Wagner, Bicen & Hall, 2007; Boulouta, Pitelis, 2014; Hopkins, 2005; Wang, Jiaotong, Tian, Xi'an, Fan & Luo, 2017; Carrol & Brown, 2018; Ehsan, Nazir, Nurunnabi, Khan, Taher & Ahmed, 2018).

**Economic motives** look at the performance measure (CSR) of a company's social disclosure that is associated with the company's financial performance, which is shown in financial ratios and market performance. These studies look at the effectiveness of CSR from the economic aspects imposed, such as ROA, ROE, net sales, returns, market risk, EPS, and the like (Belkoui & Karpik, 1989; Hamid, 2004; Epstein & Freedman, 1994; Aragon-Correa, J A. & Sharma, S. 2003; Austin, 2000; Watt and Zimmerman, 1986; Abbot and Monsen, 1979; Marbun 1991; Cho, Chung, Young 2019). For the **social motive**, the effectiveness of CSR is seen from improving the company's image, and the small claims of stakeholders against the company (Hadi, 2009; Shahabuddi, Rajeh, Edil & Naseem, 2018). With such a method of measurement, the effectiveness of CSR is viewed from the side of the company, so the impact of increasing welfare or problem-solving in the assisted communities is not known. Such positivistic assessments give rise to measurement bias because the measurement field of assessment is less comprehensive (Hadi & Vista, 2017; Thorne, Mahoney & Manetti, 2014).

In the last decade, various offers of the CSR performance measurement appear more comprehensive with broader dimensions and indicators. For example, ISO 14004 (2004) offers guidance on measuring CSR performance, namely environmental management system requirements with guidance for use, while ISO 26000 (2010) provides a more comprehensive integrated measurement with broader measurement indicators and ultimately becomes a standard guidance on social responsibility in various countries. Shahabuddi, Rajeh, Edil & Naseem (2018) developed a measurement model in the form of an index for measuring Islamic Banking's Social Performance in a more comprehensive and integrative way in the field of finance and banks.

Despite Hamid's measurement model in 2004 (Carrol & Brown, 2018; Ehsan, Nazir, Nurunnabi, Khan, Taher & Ahmed, 2018; Cho, Chung, Young 2019; Shahabuddi, Rajeh, Edil & Naseem, 2018), ISO 14004; ISO 26000, the Indonesian Ministry of the Environment is trying to develop a CSR performance measurement by taking into account dimensions and measuring more comprehensive indicators. However, there are still many limitations, such as measurements that are more focused on the company side. Meanwhile, the effectiveness of the community has not been well touched, so the potential for measurement bias will occur. Thus,
the development of a more comprehensive measurement model concerning various perspectives is worth doing.

This research was intended to develop a previous measurement model with a more comprehensive range of measurements and integrals based on the NH Index (NH Approach). The NH Index is a concept of measuring the effectiveness of CSR by looking at the effectiveness of CSR program assistance both in terms of the company (corporate focus) and in terms of stakeholders (stakeholder focus) (Hadi, 2017; Hadi & Maria, 2018). According to the NH Approach, dimensions, indicators, parameters, and measuring fields are contextually developed according to the conditions of the locus measured (Hadi, 2017). In this context, it is expected that the measuring instruments designed can provide a space for measuring the performance or effectiveness of CSR assistance more appropriately, comprehensively, and precisely.

**Literature Review**

**Stakeholder Theory and Legitimacy Theory**

Initially, the mainstream management of the company assumed that shareholders were the sole stakeholders of Friedman's company (1962), so the company's main objective was to maximise shareholder wealth. This perspective was corrected by Freeman (1983) that corporate stakeholders are not merely shareholders, but include other broader constituents, including adversarial groups, such as those who have specific interests and regulators (Gray & Bebbington, 2000). It is in line with the concept of growing concern that a company is not an entity that only operates for its interests, but must also provide benefits to all its stakeholders (shareholders, creditors, consumers, suppliers, governments, communities, analysts, and other parties) to ensure the sustainability of its operations (Gray, 2002; Adam, 2002; Adam, 2004).

**Figure 1. Stakeholder**

![Stakeholder Diagram](image-url)

**Source:** Patrick Medley (1996)
A stakeholder is a group or an individual who can affect or be affected by the success or failure of an organisation (Luk, Yau, Tse, Alan, Sin, Leo dan Raymond, 2005). Stakeholders are both internal and external parties who influence or are influenced by the company. Figure 1 highlights the variations in company stakeholders that include legislators, good citizenship, communities, green groups, acquirers, shareholders, directors, employees, bankers, market forces, and so on.

Jones, Thomas, and Andrew (1999) stated that primarily stakeholder theory bases itself on assumptions, including (1) the corporation has a relationship with many constituents groups (stakeholder) that affect and are affected by its decisions (Freeman, 1984); (2) the theory is concerned with nature of these relationships in terms of both processes and outcomes for the firm and its stakeholder; (3) the interests of all (legitimate) stakeholder have intrinsic value, and no set of interests is assumed to dominate the others (Clakson, 1995; Donaldson & Preston 1995); and (4) the theory focuses on managerial decision making (Donaldson & Preston 1995).

The perspective of the stakeholder theory above is strengthened by legitimacy theory, which holds that the existence of companies amid the community environment requires stakeholder legitimacy (Rober, 1992; Hadi, 2017; Thomas and Andrew, 1999). If it is not achieved, it can shape the company's existence and surface (O'Donovan, 2002).

**Figure 2. Legitimacy Gap Area**

Deegan (2002) stated legitimacy is “a system-oriented perspective, the entity is assumed to influence by, and in turn, to influence upon, the society in which it operates.” O'Donovan (2002) illustrates the position of legitimacy and the legitimacy gap between the company and stakeholders, as illustrated in the following diagram.
Figure 2 shows that area X is the congruence area between corporate activities and society’s expectations. The Y and Z areas are incongruent with the corporation's activities and the society's expectations (legitimacy gap area). The illegitimacy area reduces by widening area X with legitimate strategies, such as increasing social responsibility activities (O'Donovan, 2002; Hadi & Mariana, 2018). *Legitimacy theory* provides a theoretical reference to the importance of companies taking appreciative actions with various problems that arise around them. The corporation is the stakeholder part (see stakeholder theory), which directly and indirectly requires legitimacy. Therefore, corporations must voluntarily and responsively want to allocate a portion of profits to help solve problems that arise or potentially arise in the surrounding community.

**Social Responsibility**

The echo of social responsibility (CSR) practices from time to time is increasingly widespread and has become a topic of discussion in many circles. The rise of CSR issues cannot be separated from the increasing awareness of society related to sustainable development and the threat of environmental damage. CSR as a systematic, proactive, structured, and sustainable effort to realise business operations that are socially acceptable and environmentally friendly (David, 2008; Gray et al., 1996; Deegan et al., 2000; Hadi, 2009).

**Figure 3.** Triple Bottom Line

![Triple Bottom Line Diagram](source)

*Source:* Elkington (1997)

The World Business Council for Sustainable Development (WBCSD), through its publication "Making Good Business Sense," defined social responsibility as a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.
The great CSR concept was put forward by Eklington (1997), famous for "The Triple Bottom Line," which was published in the book "Canibalts with Forks, the Triple Bottom Line of Twentieth Century Business." It was stated that if a company wants to be sustainable, then it needs to pay attention to 3P. It is not only profit that is considered, but also the way it contributes positively to humans (people), and actively participates in preserving the environment (planet) (see figure 3). The Triple Bottom Line concept is in line with the concept of sustainable development, which explicitly has encouraged a balance between achieving corporate responsibility towards shareholders as the primary goal, and maintaining the welfare of the community and environment by helping to prevent environmental damage.

Over time, CSR undergoes a continuous transformation in line with the awareness of the community and the development of science through the research that studies it. The manifestation of CSR transformation is shown by the change in paradigm and the form of CSR program implementation by corporations.

If traced from the history of the development of CSR, its existence and institutionalisation began in the 1950-1960s, where the legendary book entitled "Silent Spring" was published by Rachel Carson in the 1960s. A conscious movement of healthy consumerism free of chemicals began to emerge, thus putting pressure to put "nutritional facts" on the packaging. In the initial phase, the form of implementation is straightforward, and CSR programs are aimed more at charity activities with stewardship principles (Hadi & Mariana, 2018; Hadi, 2017).

The subsequent development of CSR was the 1970-1980s, where a more humane corporate management thought had emerged. The publication of the book, "The Future Capitalism," written by Thurow (1966) and the book "The Limits to Growth" in the 1970s by the Club of Rome reinforced a new paradigm of corporate management by positioning stakeholders as partners. At that time, CSR began to be directed not only to charity activity but touched the implementation of Community for Development (CED). The CSR program at this stage was characterised by (1) community empowerment; (2) the positioning of the environment and community as central consideration for the emergence of activities; and (3) being orientated towards plasma-core activities (Elkington, 1997).

The latest, more modern, and integrative developments in CSR began to emerge during 1990. The 1990s was a period of CSR practices characterised by a variety of approaches, such as an integral approach, stakeholder approach, and civil society approach. An interesting breakthrough was made by Eklington (1997), who was famous for "The Triple Bottom Line," which then was published in the book "Cannibals with Forks, the Triple Bottom Line of Twentieth Century Business." If the company wants to be sustainable, it needs to pay attention to 3P and synergise three corporate responsibilities: profit, people, and the planet. The Triple
Bottom Line concept has finally been referred to in the spectrum of CSR developments, such as the concept of sustainable development.

**NH Index**

The NH Index is a CSR performance index developed from the NH Approach model (Hadi, 2009). NH Approach is a concept that contains the development of measurement tools of CSR performance and effectiveness in a comprehensive, integrative, and contextual way (Hadi & Marana, 2018; Hadi, 2017). This concept was developed from legitimacy theory and stakeholder theory (Freeman, 1984; Medley, 1996; Elkington, 1997; O'Donovan, 2002; Donaldson & Preston 1995; Clakson, 1995; David, 2008; Luk, Yau, Tse, Alan, Sin, Leo and Raymond, 2005; Jones, Thomas, and Andrew; 1999; ISO 26000; Gray et al., 1996; Freeman, 1983).

NH Approach views performance and effectiveness of CSR assistance not only from the perspective of the company but also from the perspective of stakeholders (Hadi, 2017). The motives in CSR often results in ineffective implementations because CSR programs are more directed at supporting the company's primary operations. CSR activities are usually not in line with the real needs of the assisted stakeholders. Therefore, variables, dimensions, indicators, parameters, and measuring fields of CSR performance must be contextual both in terms of the company and its supporting stakeholders (Hadi, 2011; Hadi & Mariana, 2018; Hadi; 2017).

**Research Methodology**

**Data Collection and Respondents**

This study used a research & development approach because the research was intended to design/construct CSR effectiveness measurement models for the community.

The research data involved primary data, including the opinion of respondents from employees, local community, local governance, local community leaders, and consumers around the companies of Central Java and East Java Indonesia. This study also used secondary data in the form of annual social responsibility reports published by the corporations. The number of respondents contacted was 200, with 90 respondents in the end. The method of collecting data was through surveys, observation, documentation, and interviews.

**Techniques of Data Analysis**

The study used a research and development approach, with an analysis technique referred to as the Borg and Gall (1989) model, with the appropriate contextual modifications. The results
of adjusting data analysis (development) techniques are explained as follows:
1. Gathering company information and assisted communities for development needs;
2. Reading and meta-analysing the previous research for development needs;
3. Planning the prototypes, determining dimensions, indicators, and measuring fields;
4. Determining the formula and NH Index;
5. Developing instruments for measurement;
6. Testing Instrument measurements and revising the Instrument;
7. Designing the final model;
8. Using the NH Index measurement instrument;
9. Calculating CSR performance with the NH index.

Results and Discussion

Respondents' Understanding of Social Responsibility

The research was carried out in communities around the Cement company, and those who received CSR assistance from the cement company. Thus, the research respondents were communities who lived around the company. Respondents were taken from the community, and included community leaders, religious leaders, non-governmental organisations, local governments, youth, as well as small and medium businesses involved with the company.

The number of respondents amounted to 90 people, consisting of 10 employees (11%), 40 people from local communities (44%), 27 people of local governance & community leaders (30%), and 13 consumers (8%). The results of the analysis of respondents' answers, which consisted of the Local Community (people who lived around the company, including small business Enterprise (SME) and NGO who were around the company), local governance and community leaders, employees, and consumers, showed that they partly thought that CSR programs had significant benefits to improve community welfare.

Regarding CSR constraints, the majority (75%) of respondents did not understand the definition and substance of CSR. The CSR assistance received so far has been the company's generous and empathetic attitude to the community. Respondents were generally silent; they did not care and did not know that CSR offers feedback to the company for the various negative impacts of the company's operations. It is in line with the results of the research by Hadi (2009); Hadi (2017).

Research shows that CSR programs implemented by the company are of two types, namely partnership programs, and community development. The partnership program is an assistance program provided in a non-productive (charity) form, such as scholarship assistance for education, health, religion, environment, sanitation, sports coaching assistance, youth, public
facilities, public facilities, and so on. Meanwhile, the partnership program is a productive aid, both in the form of low-cost productive revolving funds with low interest and managerial management assistance to assist the development and growth of SMEs and family economic business sectors.

However, according to respondents, although the partnership and community development assistance helped the community, including SMEs, the respondents felt it was still less effective. Much CSR assistance was aimed at supporting corporate motives, which were programs that supported the company's primary operations. Therefore, assistance rarely met the real needs of the community. The implication is that often CSR assistance lacks a multiplier effect on the community.

The NH Index Design as a Measure of CSR Community Performance

The NH Index is a measurement model of social responsibility (CSR) performance which was developed based on the NH Approach concept. The NH approach considers that the measurement design must be carried out comprehensively and integrally to pay attention to the effectiveness of the program from both parties. Comprehensive means that the measurement model design takes into account the effectiveness of CSR assistance both for stakeholders and companies. Integrative means that the measurement field and dimensions, to see the effectiveness of CSR assistance, are developed contextually from both the perspective of the company and the stakeholders. Thus, the NH Index offers a more objective and integrative measure of the effectiveness and performance of CSR assistance.

The NH Index development process includes three steps (stages) of the development cycle, namely: (1) Pre-design; (2) the design process; and (3) Final Design. A more detailed explanation can be seen in Figure 4 below:
Figure 4 explains the steps of the NH Index, which are the stages of formulating or designing CSR performance measurements based on the NH Approach. Referring to the NH Approach, measurement development was done independently, comprehensively, and integrally. It is independent because CSR measurements were constructed independently so that they pay attention to the contextuality of the company and its assisted stakeholders. It is integrated because CSR performance measurement must pay attention to many perspectives and contexts, both in terms of corporate and community assistance.

To develop integrative and contextual measurements, the NH Approach process breaks down into three stages, namely: (1) Pre-design; (3) The design process; and (3) Final Design.
**Pre-Design Phase** contains data accumulation and information activities with surveys, observations, interviews, documentation, brainstorming to stakeholders. This stage is critical to obtain data and information holistically from multiple perspectives. The significant contribution of this stage is to present basic material for formulating and developing the development of variables, dimensions, indicators, parameters, and measurement fields. Procedure in Pre-Design included:

1. **Stakeholder Identification**: i.e., conducting in-depth data mining towards assisted stakeholders about want & need, expectation, and gaps on CSR received so far. In this activity, it was expected that data and information about CSR received by stakeholders would be obtained, as well as the wants, needs, compatibility of CSR with expectations, and the criticisms CSR received so far;

2. **Corporate Identification**, namely, to extract data and information about the forms of CSR programs that had been carried out, the Vision and Mission of CSR, the motives behind CSR implementation, and CSR strategies and targets. This activity was expected to obtain in-depth data and information related to CSR implemented by the company, regarding vision, mission, and the motives behind the implementation of CSR, including the strategies and targets the company wanted to achieve with the implementation of CSR;

3. **Synchronisation, Reconciliation, and Initial Parameter Determination**, i.e., reducing the data and information obtained from the previous stage, conducting selection to obtain dimensions, indicators, parameters, and measuring fields that were contextual and relevant for measuring the effectiveness of CSR performance. These dimensions, indicators, parameters, and measurement fields were then reconciled and synchronised between parameters obtained from corporate identification with stakeholder identification so that they did not overlap. This stage was expected to get relevant dimensions, indicators, parameters, and measurement fields both for measuring the effectiveness of CSR on the corporate and stakeholder side.

**The Design Process Stage**, which contains work steps to create data, information (variables, dimensions, indicators, measuring field parameters, and other contextualities) produced in the Pre-Design stage, becomes the development model for measuring CSR performance, the NH Index. This stage is essential to determine the level of success of the design of the model, which contains steps towards the measurement of CSR performance in the form of an index. The design process has two major steps for the development of the NH Index measurement model, namely (1) the deepening of dimensions, indicators, and measuring & construction of measuring instruments; and (2) the design of the NH Index measuring instrument.
Step I is the process of deepening and stabilising the dimensions, indicators, parameters, and measuring fields to obtain a more contextual and valid measurement. The steps at this stage include:

(1) The procedure of determining the formula, calculation, and NH Index is the stage of designing and establishing the quantification or assessment of CSR performance in the form of an index (NH Index). The procedure started with formulating and determining the formula to calculate the index. The material that would be used to count in the photograph was the result of a survey (assessment instrument) of CSR performance. Meanwhile, to see the level of CSR performance, at this stage, a performance grade was formulated and determined. From now on, it will be referred to as the NH Index.

(2) The procedure of deepening and determining dimensions, indicators, parameters, and measuring fields is a continuation of the procedure from stage one. It was where the dimensions, indicators, parameters, and measuring fields produced in stage one, were deepened before being translated into measurement instruments. The purpose of deepening at this stage was that dimensions, indicators, and measuring fields were contextualised and verified.

(3) The procedure for constructing measurement instruments is a crucial step because it was carried out by constructing measuring instruments. Errors in measuring instruments have an impact on the inaccuracy of the NH Index in measuring. Measuring instruments were tools that would be used to measure objects through surveys. Instrument preparation procedures were carried out, starting from translating indicators and measuring fields into question items that would be filled out by respondents. The measuring field was what would be measured from one object. Determining the measuring field becomes very important because it is the core (essence) of an object to be measured.

Step II, the trial and reconstruction of the NH Index measuring instrument, is the stage of testing the instrument that was formulated in step I. Instrument testing was carried out by two methods, namely: (1) content face validity; and (2) pre-test (statistical validity). Content face validity was done by examining each question item by experts in the field of CSR, linguists, and conducting group discussion forums related to the instrument. Meanwhile, the pre-test was carried out by distributing instruments (questionnaires) in a limited field. The initial instrument after testing was revised if there was a lack of accuracy.

The NH Index Final Model is an activity that contains refinements and the finalisation of the NH Index model to measure CSR. The model finalisation procedure was to ensure that the calculation techniques and index techniques on the NH Index were correct and could provide indexes and grades correctly. Another procedure carried out in finalisation was an in-depth analysis of the validity of measurement instruments, both through content face validity and statistical validity.
CSR Performance Measurement Results with the NH Index

The NH Index measures CSR based on the contextuality of the locus measured and is comprehensive. Contextuality is shown by the dimensions or measurement indicators developed in accordance with the measured context (corporate & community) from various perspectives.

In accordance with the results of the identification of the context (corporate & stakeholder) and the measurement field, indicators were found that could be used to formulate measuring instruments. The results of a survey of respondents (community, local government, consumers, employees) showed that each indicator had a high value. The high value of CSR performance indicators after grade calculation using the final NH Index method resulted in a high NH Index value.

Figure 5 below explains the grade of each CSR indicator (parameter) implemented by the corporation, as follows:
Figure 5. NH Index for Per CSR Indicators

NH INDEX PER INDICATORS

Product Quality Assurance
- Environmentally Friendly
- Product Information
- Product Price & Access
- Consumer Complaints
- Legal Entity

Health & environmental assistance (75.50)
- Community collaboration for health (76.00)
- Cleaning assistance, sanitation, etc. (76.25)
- Waste Management (77.75)
- Clearing solid sanitation
- Maintain the quality of the environment (76.75)
- Street lighting & greening (75.00)
- Clean water assistance (77.00)
- Maintain emission limits (76.25)

Social & religious
- Aid of worship facilities (75.00)
- Religious social activities (75.50)

CONSUMER
- Education & Career
- Welfare
- Health
- Sport
- Family

LOCAL GOVERNMENT & PUBLIC FIGURE
- Planning involvement (brainstorming)
- Program Sustainability
- Program Effectiveness

LOCAL COMMUNITY
- Education
- Sports & Arts
- Community Development
- Social
- Access
- Partnership
- Revolving Fund

CSR COMMUNITY
- Salary (82.37)
- Holiday & leave (84.10)
- Bonus (86.95)
- Remuneration (92.22)
- Career Management (86.39)
- Job & certificate suitability (82.54)
- Employee skills (80.12)
- Further Employee studies (76.58)
- Pair Recruitment (84.49)
- Health Facilities (74.36)
- Employee Health (86.27)
- Insurance Coverage (84.17)
- Employee leave (83.23)
- Free treatment (83.75)
- Sport facilities (82.35)
- Employee Recreation (84.81)
- LKH Management (72.48)
- LKH Education assistance (84.17)
- Labour Unity (82.03)
- Education (65.75)
- Health (77.94)
- Recreation (81.95)

Involvement of formulation CSR Programs (76.76)
- Utilize village meetings to formulate CSR programs (75.20)
- Deliberation with village leaders with the CSR Teams to formulate the program (74.26)
- Village/government program synchronization with company CSR (76.20)
- Involvement determines who receives CSR (71.00)
- Involvement in formulating CSR programs (73.80)
- Involvement in CSR implementations (68.30)
- The intensity of discussion of CSR formulation (72.80)
- The intensity of the discussion to further strategy of CSR implementations (75.30)
- Discussion intensity to determine revolving funds (74.50)

Effectiveness of solving real problems in the community (76.00)
- Effectiveness in improving community welfare (75.50)
- Effectiveness of improving community education (72.80)
- Effectiveness of preserving the environment (77.00)
- Effectiveness of improving public facilities (73.50)
- Effectiveness of improving SMEs (75.50)
- Conformity to the real need of SMEs (72.50)
- Conformity with community expectations (72.00)
The figure above explains the contextual indicators found through the procedure for developing contextual CSR indicators. The results of measuring CSR performance according to the NH Social Index showed high-grade results. Respondents felt that the CSR they received from the company helped the community to solve the problems they faced, even though there were still some that were not appropriate if regarded on the basis of suitability.

The NH Index calculation results on parameters or indicators of CSR performance were in the range of 64 to 887. Facts, such as this, indicated that CSR implementation by companies in the form of partnership assistance or environmental development was classified as effective.

The five groups included in the community of respondents, including members of the local community and local governance, local community leaders, consumers, and employees, felt that CSR was needed by the community. The benefits were not just to assistance in the company's operations, but also to ease the burden on society for education, health, and environmental improvement. Specifically, for partnership funds, small business enterprise practitioners found low-cost revolving funds to be very helpful. It was indicated by the NH Index value, which was at a high grade (B & A) (see figure 5).

To provide further explanation, the NH Index calculation results for CSR effectiveness are shown as follows:

**Table 1: NH Index Calculation Results and Social Responsibility Performance**

<table>
<thead>
<tr>
<th>No.</th>
<th>Stakeholder</th>
<th>NH Index</th>
<th>Quality</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Local Community</td>
<td>76,44</td>
<td>B</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>Employee</td>
<td>85,62</td>
<td>A</td>
<td>Very high</td>
</tr>
<tr>
<td>3</td>
<td>Local Governance &amp; Public Figure</td>
<td>73,37</td>
<td>B</td>
<td>High</td>
</tr>
<tr>
<td>4</td>
<td>Consumer</td>
<td>71,89</td>
<td>B</td>
<td>High</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>76,33</td>
<td>B</td>
<td>High</td>
</tr>
</tbody>
</table>

Table 1 summarises the results of CSR performance calculations using the NH Index. Of the 22 indicators in each community group (local community, employee, local governor and community leaders around corporate, and consumers) showed a high NH Index value, namely: Local community with an index value of 76.44 (B), local governance and local community leaders with a value of 73.37 (B), consumers with an index value of 71.89 (B). Even CSR assistance intended for employees was very high, with an index value of 85 (A).

The NH Index results showed that the community felt that they were helped by CSR programs and expected further development and assistance. Even though the assistance had high effectiveness, respondents still thought it needed to be reviewed, especially in terms of the compatibility between the programs provided by the corporation and the real needs of the community. It was felt by respondents from the small business enterprise (SME) group, who
obtained a partnership program in the form of a revolving fund with a low-interest rate. The revolving fund was considered not to be optimal because, in addition to the maximum limit of two loans, it was given to specific SME sectors whose investment was in line with the main business of the corporation that provided CSR assistance.

**Conclusion**

The NH Index is a method of measuring the effectiveness/performance of CSR that was designed with the basic concept of the NH Approach. The NH Index was designed comprehensively, integrally, and contextually, so that it matches the context measured. Dimensions, indicators, parameters, and measuring fields on the NH Index were designed based on empirical and contextual data at the measured locus. To develop integrative and contextual measurement, the NH Approach process breaks down into three stages, namely: (1) Pre-design, brainstorming, and retrieving (identifying) information data to obtain indicators and contextual parameters for formulating the measuring instruments and designing the NH Index; (2) The design process, which is the process by the dimensions, indicators, and parameters are deepened, reduced, synchronised, and formulated in the form of measuring instruments and testing instruments to prepare the preparation of CSR measuring instruments; (3) Final Design, which is the finalisation of the model and at the same time the use of instruments to measure. The results of using the NH Index model to measure CS performance and effectiveness for company assisted communities showed a high value. It showed the NH Index value of 76.33, with a B standard.

The NH Index still has weaknesses, especially in regard to the development of the measuring mean and the measuring indicators. Weaknesses occurred in large variants at the measured locus because many contingency variables determine the effectiveness of the measurement. The accuracy of the measuring field is also a determinant of the validity of the measuring instrument, while determining the measurement field is also very difficult.

Further research is suggested to develop more contextual measuring fields, dimensions, and indicators, including psychological dimensions and indicators, such as seriousness, intention, consistency, and the motives underlying CSR implementation. These domains will determine the quality of the program of activities covered by CSR.
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