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CSR MANAGEMENT BASED TRIPLE HELIX MODEL IN NORTH SUMATRA PROVINCE

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ABSTRACT

This study aims to examine CSR management based on the triple helix model in compa-nies in North Sumatra Province. The research was conducted from May to July 2021 by distributing questionnaires to 112 companies operating in North Sumatra Province, 20 uni-versities and 33 district/city governments. The test is based on the triple helix model, namely the involvement of universities, companies and local governments in managing CSR so that it is more well implemented and integrated. The sampling technique for com-panies is random sampling spread over 5 major cities, namely, Medan, Pematang Siantar, Tebing Tinggi, Padangsidimpuan, and Sibolga. The results of hypothesis testing indicate that there is no difference in the perceptions of the three parties for the integration of CSR management. The test results also prove that the commitment of the three elements of the triple helix supports each other for integrated CSR management in North Sumatra Prov-ince. The limitation of this research is that there are different sampling techniques for each element of the triple helix so that sample bias is predicted. The recommendation of this re-search for further studies is to add mass media as an element to support integrated CSR management.

Keywords: CSR, Triple Helix, Companies.

INTRODUCTION

This research is an ongoing study that has been funded by the DRPM Grant from the Ministry of Research and Technology of the Republic of Indonesia and the LPPM Unimed PNBP Internal Grant on the management offunds Corporate Social Responsibility (CSR) in North Sumatra Province. Based on the research that has been done, it can be seen that the potential for CSR funds in North Sumatra Province is very large, namely based on the re-sults of Azizul's research (2014) that the CSR of foreign investment companies (PMA) reaches Rp. 155 billion per year, Azizul (2017) CSR of Domestic Investment Company (PMDN) Rp. 250 billion per year, and Azizul (2020) CSR of BUMN companies of Rp. 175 billion per year. Referring to the three research results, the potential for CSR funds in North Sumatra Province on average reaches Rp. 575 billion per year, not including CSR from BUMD companies and other Small and Medium Scale companies.

However, until 2020, based on the gradual research that has been carried out on PMA, PMDN and SOEs, it is known that the management of corporate CSR funds in North Su-matra Province has not been integrated and implemented in an integrated manner because each company still manages CSR funds with their respective programs even though if it is carried out in an integrated manner. integrated, it can further improve the management sys-tem and distribution of CSR funds to be more focused, focused and on target. According to Azizul and Lukitaningsih (2020) one of the biggest components of distributing compa-ny CSR funds in the



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field is for educational assistance in the form of scholarships and as-sistance for houses of worship, and there are also companies that allocate CSR funds for disaster relief assistance, sports sponsorship and other activities. If it is related to the lim-ited budget of the Regional Government of North Sumatra Province in the social, educa-tion, and disaster sectors originating from the APBD, then the company's CSR funds should reach Rp. 575 billion trillion can reduce the burden of the North Sumatra Regional Budget every year, so that it can be allocated for much-needed budgets such as the con-struction of provincial road infrastructure and revitalization of irrigation which are the pil-lars of the regional economic sector. Moreover, so far the infrastructure budget sourced from the APBD is very limited so that the condition of roads in North Sumatra Province is not yet fully good.

Yosep Setiawan (2016) states that the limitations of the APBD require the involvement of various parties including the community and business entities through its CSR program to help local governments to overcome them, as has been done by PT In-docement Tbk located in Palimanan, Cirebon Regency, which has contributed to providing assistance ambulance and cement to the Kuningan Regency Government in its CSR pro-gram. The same thing was said by Sutopo (2012) from the National Disaster Management Agency (BNPB) asking businesses to carry out Corporate Social Responsibility (CSR) in the form of assistance whose effects can be felt not only during disaster response. Observ-ing this fact, it is necessary to initiate an integrated and integrated management model of CSR funds that involves three elements, namely the Government, Business/Business Ac-tors and Universities in terms of the CSR fund management system in North Sumatra Province. This model is called the Triple Helix The model is the involvement of the three elements mentioned above for synergy and partnership in achieving certain goals based on knowledge (Knowledge Based).

The results of Tatiek and Ruslan's research (2016) Themodel Triple helix can be implemented in the involvement of CSR funds in the field of Community-based education and Sustainable agriculture systems, it's just that this research does not look comprehensively at other fields. Meanwhile, Hamidah and Sandra (2019) showed that community empow-erment in villages carried out by the three actors was directed by Triple Helix to improve community welfare. Empowerment activities are grouped in the fields of infrastructure, community capacity building in entrepreneurship of local agricultural products and tour-ism, as well as social institutions of rural communities, this research further strengthens that the triple helix model can be used in a strategic partnership approach for the govern-ment, business actors and universities.

In some developed countries such as Japan, according to Noriko Yoda and Kenichi (2020) and Kawamura, S and Takeda, H, (2014), that university-industry-government relations continue to develop, where the triple helix develops under the important role of the gov-ernment. Two possible reasons can be explained for this process: first, there are support-ive regulations regarding University-Industry collaboration; and second, active govern-ment-industry collaboration through the widespread public sector laboratories in Japan. This model is very likely to be adapted in Indonesia, namely by strengthening the role of the government and industry-government collaboration to be able to accelerate the realiza-tion of the Triple Helix. Then according to Solesvik (2017) based on the results of studies in Norway, Sweden, Denmark, and Finland the Triple Helix model applied in the Scandi-navian capital is an effective innovation model. In particular, the Triple Helix model was applied in Stockholm, Helsinki and Copenhagen. This enables the region to become an "Innovation Leader" by implementing



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strategic partnerships between Academics, Business and Government.

If it is associated with the Triple Helix Model with the Merdeka Learning Campus Independent Program (MBKM) launched by the Indonesian Ministry of Education and Culture, then universities should take a maximum role in this strategic partnership. The program initiated by the Minister of Education and Culture, Nadiem Makarim is a very interesting flagship program. The program is designed to create a learning culture that is highly inno-vative, unfettered and meets the needs of students. The Director General of Higher Educa-tion at the Ministry of Education and Culture of the Republic of Indonesia Nizam (2020) revealed that the implementation of the Independent Campus Policy requires support and cooperation from various parties, from the academic community, other ministries to the industrial world. The hope is that students will be able to compete and prepare themselves for the world of work after lectures. The form of the Independent Learning Campus ac-tivities can be in the form of (1) Internship Programs/Industrial Practices, (2) Village Pro-jects, (3) Student Exchange, (4) Research or Research, (5) Entrepreneurship, (6) Inde-pendent Studies or Projects, (7) Humanitarian Projects and (8) Teaching in Schools.

The alignment and harmonization of the Triple Helix model with the Merdeka Campus Program is very important to be addressed by universities, especially Unimed because at least they can respond quickly to what the Minister of Education and Culture has an-nounced and can strengthen the achievement of the Main Performance Indicators of High-er Education, one of which is implementing strategic partnerships with the Industrial World. (DUDI). For this reason, this study will examine opportunities for strategic partner-ships between the Government (Government), Business (Business) and Higher Education (University) with the Triple Helix model for optimizing the company's CSR fund man-agement system in North Sumatra in order to provide wider benefits and impacts for the community. . It's just very unfortunate that North Sumatra Province does not have a CSR regulation at all, even though the potential for CSR is very large and it is possible to man-age it in a CSR fund management model system that is integrated with the Triple Helix Model approach. This study will create a model of an integrated CSR fund management system from various sources, namely PMA, PMDN, BUMN and BUMD companies in a CSR forum that is regulated through a CSR regulation in stages through the making of Re-gional Regulations on CSR in North Sumatra Province involving elements of the Regional Government, College and Business.

LITERATURE REVIEW TRIPLE HELIX

The main idea of the Triple Helix is about the power between academia, business and government. Figure 1. The following describes the interaction of third parties in the Triple Helix model.





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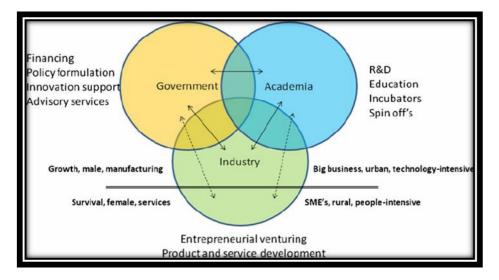


Figure 1. Triple Helix Model

Academics with their resources, science, and technology focus on producing various findings and innovations that are applicable. Businesses carry out capitalization which provides economic benefits and benefits for the community. Meanwhile, the government guarantees and maintains the stability of their relationship with conducive regulations, ser-vices and legal certainty. Etzkowitz (2003) developed the Triple Helix Model as the relationship between universities, industry, and government with the aim of explaining the increased interaction be-tween the three atmospheres. In addition, the Triple Helix Model also describes the inno-vation strategies and practices generated by the collaboration between the three. Technolo-gy and academics are very valuable resources in the economy. Its application in industry and social society has an impact on community development (Leydesdorff & Etzkowitz, 2001).

Khlifi and Bouri (2010) stated that the legitimacy theory was proposed by Lindblom (1984), Guthrie and Paker (1989) and Patten (1992). This theory has also been used by Miller and Whiting (2005) and Guthrie et al. (2004). The premise of this theory is that or-ganizations will continue to exist if society realizes that organizations operate for a value system that is commensurate with the value system of society itself. Legitimacy theory is based on the social contract between the company and the society in which it operates and uses economic resources. The social contract arises because of the interrelation in the so-cial life of the community so that there is harmony, harmony, and balance, including in the environment so that there is an agreement that protects each other's interests (Hadi, 2011).

The theory of legitimacy comes from the concept of organizational legitimacy defined by Dowling and Pfeffer (1975: 122) as a condition or status that exists when the firm's value system is congruent with the social value system. When the company's value system is not the same as the social value system, there will be a threat to gain legitimacy. Do-novan et al. (2000) argue that organizational legitimacy can be seen as something that so-ciety gives to companies and something that companies want or seek from society. Legiti-macy theory asserts that companies continue to strive to ensure that they operate within the framework and norms that exist in the corporate environment in which they operate so that their activities are accepted by outsiders as "legitimate" (Deegan, 2004).



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Stakeholder

Stake holder theory according to Freeman (2014) explains that each group or individual can affect the achievement of organizational goals. This theory states that the success and survival (going corncern) of a company is very dependent on its ability to balance the var-ious interests of stakeholders or stakeholders. Stakeholders who are the focus of achieving corporate social performance have a major role in maximizing business profits.

Corporate Social Responcibility

Regulations on the management of CSR in Indonesia are very complete, starting from Law No. 40 of 2007 concerning Limited Liability Companies, Law No. 25 of 2005 concerning PMA, Law No. 19 of 2003 concerning BUMN, Law 11 of 2013 concerning safeguarding the poor., and PP No. 47 of 2012 concerning CSR, as well as regulation of the Minister of SOEs number 02/MBU/04/2020 dated April 2, 2020, Third Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 concerning Partnership and Community Development Programs. State-Owned Enterprises Environment. Then for the Regional Government level, several provinces have issued Regional Regulations on CSR. According to Noerhikmah (2016) Data from the Public Interest Research and Advocacy Center (Pirac) noted that in the last five years, at least 90 regional regulations (perda) regarding corporate social and environmental responsibility (TJSP) have been applied in various regions in Indonesia. These regulations are spread across 15 provinces, 59 regencies and 16 cities.

METHODS

This research is a field/empirical research with a quantitative approach based on prima-ry and secondary data. Then based on the results of primary data processing and second-ary data which were analyzed statistically, acarried out Focus Group Discussion was which involved all stakeholders, namely elements of universities and local governments. Then the results of the FGD were used as a qualitative formulation and recommendations for CSR fund management models at the North Sumatra Province level. This research was conducted in North Sumatra Province. The population of this re-search is all State and Private Universities in North Sumatra Province. Higher education data is sourced from the PDPT Dikti Kemendikbud RI 2020. For the Regional Government represented by the Provincial Government of North Sumatra, namely Balitbang and the General Bureau, and for Companies represented by BUMN and BUMD. The sampling technique is based on judgment Sampling, namely the population members are selected based on the consideration of the ease of data collection by the researcher. This research was carried out for 4 (four) months since the research contract was signed.

Some of the data analysis techniques used to answer the problem formulation in this study are:

- 1. The data quality test includes the reliability and validity test of the questionnaire
- 2. Descriptive statistics to describe the objective conditions of the three parties in-volved
- 3. Regression analysis test to see the application of the triple helix with the following analytical model:

Y = C +bX1+bX2+bX3+e



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Y: Triple Helix implementation

C : constanta

X1 : Government supportX2 : Higher education support

X3 : Business support

Descriptive statistics are used to describe the variables that exist in this study statistically. Descriptive statistical test is an analysis used to determine the general description and characteristics of the data used in this study. The analytical tools used are the average value (mean), median value, minimum and maximum values and standard deviation (Ghoza-li, 2018).

RESULTS AND DISCUSSION Results

Companies operating in North Sumatra annually allocate CSR funds for various superior programs according to the priorities of each company. The priority of the CSR programs implemented is focused on the Educational, Economic, Environmental, Social, natural dis-asters and various other priorities. In 2020, companies in North Sumatra allocate CSR funds for handling the COVID-19 disaster through programs that have been planned by each company. Corporate Social Responsibility (CSR) or what is equivalent to social responsibility in In-donesia initially appeared in developed countries as an inseparable aspect of a business company. In developed countries themselves, CSR includes corporate social responsibility towards employees or employees and employees' exits. However, the general public is more aware of CSR as an externally responsible field, that is, the focus of its activities is related to assistance and community empowerment programs by companies.

CSR models or patterns that are commonly applied by companies in Indonesia, namely First, CSR can be implemented directly by companies. Second, CSR can also be carried out by foundations or social organizations belonging to the company or its group. Third, most companies in Indonesia carry out CSR through cooperation or partnering with other parties. Fourth, several companies join a consortium to jointly carry out CSR (Susiloadi: 2008). Judging from the CSR pattern described, it can be seen that every CSR activity carried out by state-owned companies includes all the patterns described previously. Several companies are directly involved in the implementation, including the provision of financial assis-tance as sponsorship, which is a pattern or model of providing assistance directly without going through an intermediary.

There are three forms of CSR implementation, namely; (1) Community Relations, the company only provides assistance that the community feels is needed from the company's subjective point of view. In other words, the company provides what the company wants to provide as assistance (2) Community Assistance, providing assistance by considering the needs that are really needed by the community. in this case the company assesses the condition of the community and provides what the community needs according to the re-sults of the assessment. (3) Community Empowerment, is the implementation of CSR that makes the community empowered with the assistance provided by the company (Raharjo, 2015).

Indonesia itself has made it mandatory for all companies, especially state-owned companies to carry out CSR programs, while for other companies the obligation to implement CSR is only a moral obligation. However, along with the development of science and business strategy,



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CSR programs are part of the aspects that determine the sustainability of a business company and the existence of CSR is one aspect that is profitable for the com-pany. Referring to the theory about the motives for implementing CSR, there are motives called political theories, these motives understand CSR as an inherent obligation along with the ownership of power and power of a company.

| Region* | 1968 | 1970 | 1972 | 1974 | 1976 | 1978 |
|---------|------|------|------|------|------|------|
| Africa | 172 | 27 | 85 | 128 | 183 | 77 |
| America | 392 | 326 | 301 | 297 | 321 | 142 |
| Asia | 4395 | 4111 | 2312 | 1408 | 2230 | 518 |
| Tota1 | 4959 | 4464 | 2698 | 1833 | 2734 | 737 |

^{*}For Europe only one reported case in 1970.

Discussion

In building collaboration, synergy is needed from the government (both central and local governments), the research community (college academics), as well as the business and fi-nancial community. Currently, the collaboration that is formed does not reflect the ideal triple helix collaboration, but is still in the form of a double helix collaboration, namely collaboration between the government and industry; collaboration between government and universities; and collaboration between universities and industry. Prior to the Partner-ship, collaboration between academia, business and government was usually incidental and at the individual level. What may even happen more often is a dyadic relationship, namely between academia and business, between academia and government and between business and government. The presence of the Partnership is expected to be a forum for collaboration and triadic synergy between academia, business and government on a more permanent basis.

The role of CSR is a representation of the implementation of the triple helix model. According to Bercovitz and Feldman (2006), several countries have adopted this model to encourage innovation through the concept of institutionalization and policy creation. The triple helix interaction pattern is believed to be able to create relationships and interactions between science and technology and individuals from various disciplines who are concen-trated and participate in the process of exchanging information, ideas and ideas. In addi-tion, the triple helix interaction pattern will facilitate consensus and the formation of commitments that lead to certain initiatives. The innovation space is formed after the commitment stage can be passed and generates trust between stakeholders. This innova-tion space can then be transformed into knowledge capital, which is indicated by the emergence of business realization, new products, government support in the form of in-centives and so on (Sulastri, RE, and Dilastri, N., 2015).

The system components in the triple helix model in supporting the independent campus program consist of three stakeholders, namely Medan State University, North Sumatra State Islamic University and North Sumatra Muhammadiyah University as representatives of A, academics; partner company PT Metromatika, as a representation of component B,business; and the Government of the North Sumatra Province Research and Develop-ment Agency and the North Sumatra Provincial Communication and Information Office as representatives of G, government and Oke Medan and Caldera as representatives of M, Media. The analysis in the triple helix model then focuses on the pattern of relations be-tween components. As explained,



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there are four alternative patterns of relations between components, namely: 1) collaboration patterns and conflict moderation; 2) collaborative leadership; 3) substitution relation pattern; 4) networking.

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