

Strategic Model of CSR Fund Partnership for Strengthening Income Generating for Unimed as PK-BLU

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ABSTRACT

This study aims to examine the potential of CSR funds for universities, especially for PK-BLU as income generating. The study was conducted from May to July 2022 by distributing questionnaires to 112 companies operating in North Sumatra Province. The test results also prove that the support of the industrial world and partnerships has an effect on the potential and CSR, while the support of universities and government regulations has no effect on the potential of CSR funds. The conclusion of this study is that stakeholders play an important role in providing pressure for companies to increase the implementation of CSR funds.

Keywords : CSR, Income Generating, PK BLU

INTRODUCTION

The CSR program is currently very prominent and has been implemented by the company because it is regulated in various regulations that support it. The potential for CSR funds in North Sumatra Province is very large. This is based on the results of research by Azizul and Ade Fatma (2014) that the CSR of foreign investment companies (PMA) reaches Rp. 155 billion per year, Azizul and Nasirwan (2017) CSR of Domestic Investment Companies (PMDN) Rp. 250 billion per year, and Azizul and Sulaiman Lubis (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. However, the potential for CSR has not been optimally obtained to become one of the sources of income/income generating for universities, especially the Medan State University which since 2018 has been designated as a state university with the Financial Management of the Public Service Agency (PK-BLU). Based on the research results of Azizul and Sulaiman Lubis (2020) CSR from state-owned companies alone in the North Sumatra province already has a manageable fund potential of Rp. 175 billion per year.

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 the Protection of the Poor, and PP No. 47 of 2012 concerning CSR, as well as the regulation of the Minister of SOEs number 02/MBU/04/2020, 02 APRIL 2020 Third Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 concerning the Partnership and Community Development Program for State-Owned Enterprises. 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. It's just that it is 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 manage it in an integrated CSR fund management model system, especially in helping funding universities that have become PK-BLU. For this reason, it is very important to conduct a study that can identify and realize a model of an integrated CSR fund management system from various sources, namely PMA, PMDN, BUMN/D and private companies in a CSR forum regulated through a CSR regulation which gradually becomes a strategic partner for universities. state universities in North Sumatra Province and especially Medan State University as one of the state universities with PK-BLU. This is important because PTNs with PK BLU are required to explore various alternative sources of PNBPN in order to help ease the operational burden of their respective universities.

Initially, the implementation of Corporate Social Responsibility was always associated with the company's external factors based on the stakeholder theory which stated that the interests of outsiders also determine the sustainability of a corporate entity (Freeman, 2010). Studies that show the influence of external factors on CSR in various countries include Sadowsky (1999) in Canada which examines external factors such as environmental organizations, customers and society, Amran and Devi (2008) in Malaysia the factor of government share ownership. Siegel's (2006) study proves that the implementation of CSR is also influenced by external factors such as government support and community pressure. Delannon and Raufflet (2021) also explain how the marginal community relates to the company's CSR activities. The same thing was also expressed by P Adamek (2013) that the role of government policy has relevance to the CSR program. However, there are also differing views from Delannon and Raufflet (2021) which state that over a 50-year period, the government has proven to have played a role in inhibiting the emergence of CSR, partnering for CSR, symbolically mandating CSR, and finally, breaking away from CSR, and this research gap is of course interesting to be re-examined academically.

For this reason, this research will make several innovations related to the potential of CSR which has been partially researched so that this research will build a systematic, integrated management model that is mutually agreed upon by Universities, Regional Governments and the Business World as the best CSR management model in Indonesia that focuses on helping universities higher education institutions, especially those who have PK BLU so that they can synergize with the company's CSR program. Then the innovation of this research will create a CSR Management Management System that focuses on the tridarma tertiary education program which can become a pilot project nationally and is closely related to the Merdeka Learning Campus Merdeka program which is being launched by the Minister of Education and Culture, Research and Technology of the Republic of Indonesia. With the management of CSR funds that can help universities, it is hoped that the MBKM program can also be implemented and achieved optimally. This research itself is annually funded and carried out on an ongoing basis and has produced many recommendations and implemented models, including a draft governor regulation for the management of CSR funds related to education in North Sumatra and become one of the role models in dealing with Covid 19 education, so that this year innovation The research is directed at developing a model for managing CSR funds that can synergize with PTNs with PK BLU status. It is hoped that this model can become an innovative recommendation that can be used throughout Indonesia, especially PTNs under the scope of the Ministry of Education and Culture, Research and Technology.

LITERATURE REVIEW

Stakeholder Theory

Stakeholder theory was introduced by Freeman in 1974 with one opinion that companies understand relationships with outside groups such as suppliers, customers, employees, government, environment, and special interest groups to manage company organizations to be more effective and sustainable (Freeman, 2010). . One of the basics of the stakeholder approach is that “companies are actors in the social environment and as such must respond to pressures and demands from outsiders, in order to achieve the organization's strategic objectives. Miles, S. (2017) defines stakeholders as a group or coalition, collective, market, environment, network, public or society, individuals (or actors, agents, constituents, members, participants, partners, parties or vectors) or entities (institutions, company or organization) which can be human (person or citizen) or non-human (environment, natural entity) even anyone or anything. Stakeholders can be allies, beneficiaries, beneficiary providers, beneficiaries, value chain participants, claimants, risk bearers, or risk providers. Freeman (2018) Stakeholder theory is an alternative way to understand how companies and people create value and do business with each other. Stakeholders can also influence (influence or impact) an organization (association, etc.) positively by investing resources to create value, benefit, wealth or to make a difference or by providing assistance (assistance, support or promotion) through their contribution (participation or promotion) joint operation) or negatively by threatening, opposing, damaging, harming, harming or hindering the organization (association, etc.) directly or by imposing critical views or mobilizing opinions. Based on the existing explanations and definitions, it can be understood that stakeholder theory is closely related to parties outside the company's organization.

Sustainability Theory

Sustainability theory seeks to prioritize and integrate social responses to environmental and cultural issues (Anderson, 2016). The economic model looks to maintain natural and financial capital; ecological models look at biodiversity and ecological integrity; political models look to social systems that embody human dignity. Theories on sustainability and enterprise are adopted to study renewable energy in various corporate contexts. This includes government policies that promote renewable energy in enterprises and the energy transition. However, a critical review of the existing studies from an evolving theory perspective reveals that future research opportunities exist in this area of research (Chang, 2017). In fact, it can be stated that the theory of business continuity is closely related to the company's internal and external factors.

Corporate Social Responsibility

CSR is the responsibility of companies in various sectors to return some of the profits they earn to improve the standard of living of the people in the countries where the company operates. The concept of CSR basically encourages corporations to think about the interests of society by taking responsibility for the impact of the company's activities in all aspects of its operations that can be felt by customers, employees, shareholders, society, and the environment. Companies are expected to voluntarily take further steps to improve the quality of life for employees and their families, as well as for the surrounding community and society as a whole (Gondomono 2007).

CSR is a collection of responsibilities that companies have to society (Carroll, 1991). CSR can also be interpreted as an organizational effort to improve the lives of various stakeholders or

create positive changes externally (Dahlsrud, 2008). Corporate social responsibility is the company's overall relationship with all its stakeholders. This includes customers, employees, communities, owners/investors, governments, suppliers and competitors. Elements of social responsibility include investments in community outreach, employee relations, job creation and maintenance, environmental stewardship and financial performance (Khoury et al., 1999). CSR is an act that appears to promote some social good, beyond the corporate and social interests required by law (McWilliams and Siegel, 2001). According to Jackson and Hawker (2001) Corporate Social Responsibility is how you treat your employees and all your stakeholders and the environment. Frederick et al., (1992) Corporate Social Responsibility can also be defined as a principle which states that companies must be responsible for the impact of their every action on their community and environment. Meanwhile, according to Woodward-Clyde. (1999) CSR has been defined as a contract between society and business in which the community gives permission to the company to operate and in return, it fulfills certain obligations and behaves in an acceptable manner.

METHODS

This research is a field/empirical research with a quantitative approach based on primary and secondary data. Then based on the results of primary data processing and secondary data which were analyzed statistically, a Focus Group Discussion was carried out which involved all stakeholders, namely elements of universities and local governments. Then the FGD results were used as a qualitative formulation and recommendations for CSR fund management models as an alternative income generating for Unimed as PK. BLUE.

This research was conducted in North Sumatra Province. This research was conducted for 4 (four) months since the research contract was signed. The sample is 50 BUMN/D and private companies, namely PMA/PMDN operating in North Sumatra.

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 involved
3. Qualitative descriptive, namely based on the data that has been collected then an overview table is made so that it can be used as a discussion in the FGD forum to get a conclusion from the research results.

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

This research was conducted on May 20 to August 20, 2022 with several data dissemination processes, first distributing questionnaires via google forum, delivering questionnaires directly to company offices and sending questionnaires via postal service to companies based in North Sumatra. In this study, the population used were companies operating in North Sumatra, both BUMN, BUMD and private companies. The research sample used is a company that has CSR and operates in the North Sumatra region which consists of 100

companies. Prior to distributing the questionnaires, the research team conducted FGDs as an effort to strengthen the questionnaires to be distributed. Data collection in the study was carried out in several stages, namely, by distributing 100 questionnaires to respondents in the North Sumatra region consisting of companies operating in the North Sumatra region.

Corporate Social Responsibility (CSR) activities according to Schermerhorn (in Suharto, 2009: 102 -103) are corporate social responsibility (CSR) as a concern for companies to act in their own ways in serving the interests of the company and the interests of the external public. CSR activities themselves have a goal to develop the community, besides that it can be used as a bridge in reducing poverty both at the global and national levels. The role of the private sector through Corporate Social Responsibility (CSR) can be a solution to educational problems. Through educational programs or providing scholarships, it is certainly very helpful for the community to create a better quality of education in Indonesia. There are many companies or organizations in Indonesia that focus on CSR programs in the field of education.

Various implementations of CSR programs by the company through the provision of scholarships, construction and repair of facilities and infrastructure, assistance for honorary teachers, and other programs are solutions to problems in the world of education. So this will certainly improve the quality of education in Indonesia. The development of the company will slowly increase without the support of the community. Because of this, it is important to establish a good relationship with the community, especially the people living around the company's area. By carrying out CSR programs in a sustainable manner, it will have a positive impact both from the company and from the local community, so that reciprocity will also be obtained from both parties.

Improving the quality of education in Indonesia is a big responsibility that cannot be done by one party alone. All components of society must work hand in hand, because every child, without exception, has the right to a proper education. The concern of various companies in the field of education from the implementation of this CSR program can certainly provide sustainable benefits for the company and the community around the company's area. Thus, the role of the private sector through the Corporate Social Responsibility (CSR) program is able to help the government, as well as being able to become a solution to various educational problems in Indonesia.

Table 1. Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Support from the Industrial World -> Potential CSR Funds	0,199	0,194	0,079	2,513	0,014
College Support -> Potential CSR Fund	-0,111	-0,100	0,100	1,111	0,269
Partnership -> Potential CSR Fund	0,913	0,911	0,088	10,365	0,000
Government Regulation -> Potential CSR Fund	-0,068	-0,065	0,111	0,612	0,542

Based on the results of hypothesis testing above, it can be seen that of the four hypotheses carried out in this study, two were accepted because each effect showed a P-Values value <0.05, so it can be stated that the independent variable has a significant effect. While the other two hypotheses are rejected because they have a P-Value > 0.05, where the university support

variable has a P-Value of 0.269 and the government regulation variable on the potential for CSR funds has a P-Value of 0.542, it can be stated that university support and government regulations on the potential for CSR funds have no effect.

Discussion

Corporate social responsibility is the company's moral responsibility to the community, both those who live around the company and society in general. The form of social responsibility is carried out by a number of activities by the company. This activity has a social purpose to participate in helping to improve the standard of living of the community and a better environment. One of them is increasing the knowledge and understanding of the community through education and training. A program that implements a strategy by assisting the surrounding community in developing the potential of the recipients of the program by providing educational training to the community. Through link and match universities and the business world, the industrial world is instructed to cooperate with each other to improve human resources or improve performance.

The results of the study indicate that the application of CSR funds cannot be separated from the business world of the industrial world as business actors or companies, it can be seen that the business world and the industrial world have an effect on the potential of CSR funds. Partnership is one of the driving factors in the implementation of CSR funds, where companies prioritize partners as a place for distributing CSR funds. This can be seen from the results of research that Partnerships affect the potential of CSR funds. Universities and the government are still not maximally playing a role in the implementation of corporate CSR funds, this can be seen from the results of research that universities and government regulations have no effect on the potential of CSR funds. Kholis (2022) suggests that stakeholders, both the government and universities, have an important role in putting pressure on companies to strengthen the implementation of CSR in their government areas.

Development is a continuous process that covers all aspects of people's lives, including social, economic, political and cultural aspects, with the main objective of improving the welfare of the nation's citizens as a whole. In the development process, the role of education is very strategic. John C. Bock in Philip et al. (1982) identify the role of education is to: a) Promote the ideology and socio-cultural values of the nation; b) Prepare the workforce to fight poverty, ignorance, and promote social change and c) Equalize opportunities and incomes. The first role is a political function of education and the other two roles are economic functions.

In connection with the role of education in national development, two paradigms emerged that became the direction for policy makers in the development of educational policies: the functional paradigm and the socialist paradigm. The functional paradigm sees that underdevelopment and poverty are caused by people not having sufficient modern knowledge, abilities and attitudes. According to the experience of society in the West, the formal education institution of the school system is the main institution in developing knowledge, training abilities and skills, and instilling the modern attitudes of individuals needed in the development process. The evidence shows that there is a close relationship between a person's formal education and his participation in development. A further development emerged, the human investment thesis, which states that investing in humans is more profitable, has a higher economic rate of return than investments in the physical sector (Zamroni 2009).

The socialist paradigm sees the role of education in development as: a) Developing

individual competencies; b) Higher competence is needed to increase productivity; and c) In general, increasing the capacity of the community members so as to improve the life of the community as a whole. Therefore, based on this socialist paradigm, education must be expanded massively and thoroughly, if a nation wants progress. The functional paradigm and the socialist paradigm have given birth to a major influence in the world of education in at least two ways. First, it has given birth to an analytical-mechanistic educational paradigm based on reductionism and mechanistic doctrines. Reductionism sees education as an item that can be broken down and separated from one another. Mechanistics see that the fractions or parts have a functional linear relationship, one part determines the other part directly. As a result, education has been reduced to small pieces that are separated from one another without any relationship, such as curriculum, credit credit, subjects, enrichment programs, uniforms, homework and exercises. A scoring system has been developed to match these fragments: grades, grades, rankings, grade averages, compliance and diplomas.

Second, government policy makers make education as the engine of growth, driving and loco for development. As a development driver, education must be able to produce invention and innovation, which are the core strengths of development. Education must be organized centrally in a formal educational institution, separate and above the rest of the world, especially the economic world, so that it is easily directed to the interests of national development. Through this single path, educational institutions are expected to be able to produce various workers needed by the world of work. To be efficient and effective, the educational process must be structured in a rigid structure, management is centralized, the curriculum is full of knowledge and theory (text bookish).

However, experience so far has shown that the national education system of the school system cannot act as a driver and loco of development, even Gass in Zamroni (2009) through his writing entitled Education versus Qualifications stated that education has become an obstacle to economic and technological development, with the emergence of various gaps: cultural, social and especially vocational disparities in the form of an abundance of educated unemployment.

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