

Campus Social Responsibility Implementation in Palembang City

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Keywords: Campus Social Responsibility, Management.

Abstract: Higher education is obliged to hold campus social responsibility (CSR) which is synergized with the implementation of community service. One of realization of community service in higher education is the empowerment of micro small and medium enterprises (MSMEs). This study aims to analyze the policy and the social awareness level of higher education on the management of MSMEs in Palembang as a form of social responsibility. The method used is descriptive qualitative method. CSR implemented in large majority of higher education in Palembang is still in the form of corporate philanthropy, not yet based on a policy which regulates it clearly and become a special responsibility regarding the program. The implementation of CSR is incidental and partial, incorporated in a community service program. The contribution of CSR activity has not maximum yet and has not given any positive impact on the management of MSMEs. The pattern of CSR activity has not also been adjusted with the type of needs in managing MSMEs.

1 INTRODUCTION

Campus social responsibility (CSR) can be considered by many universities today as one of the key factors of their action in the marketplace and, in a broader sense, in the society of which they comprise. The university has to seek to be considered a good competitor, a good client, a good provider, a good employer, a good contributor and also a good citizen, in addition to being accepted and integrated in its local community. If it is obtained, it will have added to its resources portfolio an intangible asset that can have a great value as a differentiation factor, because of its capacity of generating confidence (Youness, 2013) and (Gulavani, et al., 2016).

Institutions that organize higher education is a public organization. As an organization, higher education institutions have an obligation to implement CSR. The implementation of CSR is a form of commitment established by higher education to give contribution in improving the quality of life of society. Higher education institution has a social responsibility to society and the environment (Dima, et al., 2013) and (Darwish, 2014). Higher education is also responsible on the education world and to organize a social responsibility which is associated with the implementation of three pillar of higher

education, which becomes a unity integrated on the prosperity of society.

One of parts of society around the campus is MSMEs. MSMEs have absorption level of labour approximately 97% from national labour and contributed on gross domestic product approximately 57% (Indonesia, 2015).

Economic census showed the amount of micro small and medium enterprises in South Sumatra grew 20.5% from 545.000 entities to 656.700 entities in the last ten years. Head of central bureau of statistics of South Sumatra, said the growth of entity was relatively high for the period of ten years. "20% growth is relatively high, because lots of other regions whose growths were below that. Palembang city, the growth of entities was precisely stagnant, only 3% since economic census was done in 2006. "20% growth could be several buildings of entity which is evicted for other buildings, such as mall and hotel (<http://finansial.bisnis.com>, 2016).

Indonesia's weakening economy because of the depletion of rupiah's value didn't seem influential on the growth of MSMEs in Palembang. The head of MSMEs sector of trade and industrial agency of Palembang said, "every year the number of MSMEs entrepreneur increases. The amount of MSMEs in Palembang currently is 32.706 in various sectors. MSMEs entrepreneur number 27.849 meanwhile total of middle entrepreneur is 4.857. The growth of

MSMEs increases approximately 3.66% every year (<http://www.kompasiana.com>, 2017).

MSMEs in Palembang in the development of the enterprise often face various obstacles. The obstacles faced are not only external, but also internal obstacles. The obstacles faced by MSMEs generally related to the capital aspect, permission obstacle, business opportunity, marketing, the quality of manufactured product, and the weakness in terms of management, experience, and technology which were used (<http://trijayafmplg.net/berita>, 2015).

Higher education as an institution which produces intellectual community which has various resources is expected to actively contribute in overcoming the obstacles faced by the MSMEs. There are 20 universities with various faculties and study programs in Palembang (<http://www.dikti.go.id>, 2017), which are expected to help overcoming the problems in managing MSMEs.

The theory used in this research is that Stewardship theory views management as a party that can be trusted to act as well as possible for the public interest or stakeholders, for the interests of the principal (community and government). Stewardship theory describes a situation or condition in which management is not motivated by individual goals but rather prioritizes the interests of the organization (Davis, et al., 1991). The theory assumes that there is a strong relationship between organizational (higher education) satisfaction and success. Organizational success describes maximization utility of principals and management groups. The utility maximization of this group will ultimately maximize the interests of individuals within the group of organizations.

There are several studies related to corporate social responsibility in higher education (Dahan & Senol, 2012), especially in terms of the association between campus social responsibility to society and the environment (Widyantoro & Subhan, 2009), (Ekadjaja & Bunadi, 2012), (Youness, 2013), (Chen, et al., 2015), (Gulavani, et al., 2016). Previous studies have found that higher education institution has a social responsibility to society and the environment (Reinhard, et al., 2010) and CSR implementation for MSMEs management (Darwish, 2014).

Overall, this paper begins with a brief explanation of the problem and the research context that is described in the introduction. After that, it is followed by an explanation of the theoretical framework used, research method, evaluation results and discuss the findings research. The final section of this paper explains the conclusions, implications, and suggestions for further research

2 RESEARCH METHODOLOGY

This research used qualitative descriptive method. The process of qualitative research involved prominent efforts, such as asking questions and procedures, collecting specific data from participant, analyzing data inductively starting from the specific themes to general themes and interpreting the meaning of data. The final report of this research has flexible structure or framework. Whoever involved in this research must implement the point of view of the researcher which is inductive styled, focused on individual meaning, and translated the complexity of a problem (Creswell, 2007).

The object of research was thirteen higher education in Palembang, which was divided into 12 universities and 1 polytechnic. The criteria refer to the accreditation ranking of higher education and study program which is dominantly "B" (<http://www.dikti.go.id>, 2017).

This study uses a survey method with a questionnaire instrument. Filling out the questionnaire requires the availability of time and opportunity and the ability of the respondent to be willing to answer the questions actually. The information was selected using purposive sampling technique in which the informer has characteristics according to the purpose of research. All the population was made as the sample of this research. Observation unit was 97 people, in university namely rector, vice rector, head of research centre and community service, dean, and head of department/head of study program. In polytechnic, including director, vice director, head of research centre and community services, and head of department/head of study program.

Type of data collected was primary data, which was data obtained from the result of deep interview with parties related to the implementation of CSR in research location, observation notes, and then completed by secondary data which was formal document.

The data analysis in this research used Derrida deconstruction. (Muhajir, 2011) tried to explain five steps of deconstruction done by Derrida: 1) to transform concepts, 2) to display them, 3) to turn them again their presupposition, 4) to rein scribe them in other chains, and little by little to modify the terrain of our work, and 5) thereby produce new configuration.

3 RESULT AND DISCUSSION

3.1 Result

This research has distributed questionnaires to 97 respondents. The response rate for returning the questionnaire was 67.37 percent. The 30% response rate includes an adequate category (Sekaran & Bougie, 2010). Referring to the statement above, the response rate in this study was 67.37 percent, so it was included in the adequate category.

Most of higher education in Palembang does not have a binding policy about CSR which directly related with the management of MSMEs. CSR implemented by most of higher education was still in the form of corporate philanthropy, only on the level of generosity or willingness, not yet into a policy which clearly regulates and becomes specific responsibility regarding the program.

The implementation of CSR on most of higher education in Palembang is incidental and partial, still incorporated in the community service program. The contribution of CSR activity is not maximal and has not given any positive impact on the management of MSMEs. The pattern of CSR activity has not been adjusted with the type of necessities in MSMEs management.

Sriwijaya University was not maximal in implementing CSR as a MSMEs empowerment. Lecturer and student often organize coaching activity for local community, in the sector of MSMEs development, or the utilization of technology every year. CSR implemented is still in the form of corporate philanthropy just like what companies implement because it's only on the level of generosity or willingness, not a policy which clearly regulates and becomes special responsibility about the program. This responsibility is usually shaped into a charitable activity, donation or other activities may not directly relate with the activity of the enterprises (Harahap, 2007).

State Polytechnic of Sriwijaya did not have any specific policy about CSR yet. The reason was because lack of understanding, lack of participation from human resources, and lack of funding sources. Currently it is still in the process of preparing the policy formulation about CSR, where the obstacles faced are lack of reference/information, less motivated, and lack of participation from human resources. It is expected to allocate special fund to organize CSR program. The allocation of CSR fund should come from 'PNBP' fund, and partnership fund. CSR activity particularly in managing MSMEs hasn't been recorded and executed maximally, hasn't

been integrated and has not been sustainable. CSR implementation is incidental and partial, for instance in 'dies natalies' commemoration or incorporated in the community service program. This condition causes the contribution of CSR activity less useful and does not yield positive impact on the management of MSMEs. The pattern of CSR activity should be adjusted and related with the type of needs in managing MSMEs. CSR implemented is in the form of corporate philanthropy.

CSR implemented by Muhammadiyah University is a form of corporate philanthropy. The obstacles in making specific policy about CSR, is lack of understanding, lack of reference/information, and lack of participation of human resources. Lecturer and student every year often organize activities which are part of community service program with the funding from ministry of higher education and research and partnership. The activity is coaching for local community, and in the sector of MSMEs development. The scope of CSR activity contribution limited, the impact is not maximal on the management of MSMEs in Palembang. The pattern of CSR activity needs to be adjusted with the type of necessities in the management of MSMEs.

Bina Dharma University has implemented the CSR concept just like what is in companies, which is a written and binding policy. Specific policy of CSR is in the vision of university. CSR program or community service is categorized as a form of corporate responsibility, because it has been a responsibility and obligation based on the condition of the third three pillars and the willingness from the higher education side. Corporate responsibility, responsibility activity is part of company responsibility because of the condition of constitution or part of the willingness or readiness of company (Harahap, 2007). The allocation of fund for CSR activity comes from government fund, university fund, and partnership fund. UBD has formed business consultation unit named Bina Dharma Education Centre (BDEC) which organizes workshop and coaching for the entrepreneurs to help them in managing MSMEs.

Tridinanti University is in the process of preparing specific policy formulation about CSR. The obstacles faced in the preparation of CSR policy is lack of motivation from academic studies. CSR implemented is only as generosity or willingness. The contribution of CSR activity is on limited scope, so the impact is not maximal yet on the management of MSMEs. The pattern of CSR activity is not adjusted yet with the type of MSMEs necessities.

CSR implemented by PGRI University is corporate philanthropy. The obstacles of formulating specific policy about CSR, is lack of understanding and less fund in private higher education. CSR activity related to the management of MSMEs hasn't been maximally implemented. There should be an adjustment of CSR activity pattern with MSMEs management.

Palembang University is in the process of preparing specific policy formulation about CSR, which later on will be poured in the vision of higher education. In preparing CSR policy, the obstacles faced are lack of understanding and less participation from academic studies. CSR activity funding is expected to come from partnership fund. CSR implemented is still in the form of corporate philanthropy. CSR implementation has not been maximal yet in distributing the welfare of society. The contribution scope of CSR activity still limited, the impact has not been visible on the management of MSMEs. The pattern of CSR activity has not been adjusted with the needs of MSMEs.

CSR implemented by Khatolik Musi Charitas University is still in the form of corporate philanthropy. The obstacles in making specific policy about CSR is lack of understanding, lack of reference/information, and less participation of human resources. Lecturer and student every year often organize activities which are part of community service program with the funding from ministry of higher education and research and partnership. The activity is coaching for local community, and in the sector of MSMEs development. The scope of CSR activity contribution still limited, the impact is not maximal on the management of MSMEs.

Taman Siswa University is in the process of preparing special policy formulation about CSR, which later will be poured in the vision of university and foundation. Funding for CSR activity is expected to come from partnership and foundation fund. CSR implemented is in the form of corporate philanthropy. The implementation of CSR is not maximal yet and the scope is still limited. The necessities in managing MSMEs need to be inventoried and adjusted with the pattern of CSR which will be performed.

IBA University does not have specific policy about CSR. Lack of understanding and lack of reference/information, are the obstacles faced in preparing CSR policy. The funding of CSR activity is expected to come from government budget (state budget of income and expenditure) and partnership fund. CSR implemented is in the form of corporate philanthropy. It performs CSR activity cooperating with the government which are workshop and

coaching, and helping the management of MSMEs in the sector of administration. CSR activity is limited in scope, thus the impact is not visible yet and the pattern has not been adjusted with the necessity of MSMEs management.

STIE & STMIK MDP does not have specific policy about CSR yet. CSR implemented is still in the form of corporate philanthropy. CSR implementation is not maximal yet and still incorporated as part of community service program. The example of CSR activity performed by STMIK MDP cooperating with agency of industrial, trading, and cooperative of Palembang was workshop of information technology (IT) on MSMEs entrepreneur. Workshop IT program held on 10-11 November 2014 was expected to prepare the competitiveness of MSMEs in the implementation of AEC 2015. IT could be a promotion facility of every MSMEs featured product. The participants were 80 MSMEs from 16 sub-districts. They moved in every sectors of business such as fish culinary. MSMEs could utilize available technology to market their product wider. The head of STMIK MDP said, his party previously received sharing from the government of Palembang related to the promotion obstacles of MSMEs entrepreneur until now. The need of marketing through internet is necessary in the era of technology currently. Lots of creative method of marketing in internet can be used, not necessarily always through social media. Team taught how to create a simple website, the ethics of sending email, and other technical procedures for MSMEs. The development of promotion through internet currently has already become very positive, proven from the growth of online shop in society. The support of city government including the increase of hotspot point can be utilized by the entrepreneur (<http://ekbis.sindonews.com>, 2017).

Sjakhyakirti University is still in the process of preparing policy formulation about CSR, where the obstacles faced are lack of motivation, and lack of participation from human resources. The funding allocation of CSR program is expected to come from government and partnership fund. CSR implemented is in the form of corporate philanthropy. The implementation of CSR is incidental and partial, or incorporated in the community service program. CSR activity is not maximal and has not given any positive impact, and the pattern is not adjusted with the necessities in managing MSMEs.

STIE and STMIK IGM do not have specific policy about CSR. CSR implemented is in the form of corporate philanthropy. The implementation of CSR is still incorporated as a part of community service program. The scope of CSR activity is

limited, thus the impact is not visible. The pattern of CSR has not referred to the necessity of MSMEs.

3.2 Discussion

Corporate social responsibility is divided into three forms namely: corporate philanthropy (willingness or charity, not yet a responsibility), corporate responsibility (is the responsibility of the company can be due to legislation or initiative), and corporate policy (corporate responsibility is already part of company policy) (Harahap, 2007).

In line with the development of social responsibility concept, from philanthropy to community development and now become sustainable development (Widyantoro & Subhan, 2009) and (Baried & Septarini, 2012). Higher education is expected to have awareness in implementing its social responsibility on society around the campus, not only on the level of compassion or generosity, but should reach the problem of sustainable development so higher education will act as an agent of prospering society around the campus through improvement and development of social and economical order, health of society, education, and environmental condition in order to sustain the preservation of environmental function (Darwish, 2014) and (Gulavani, et al., 2016). Higher education can be the pilot project or an exemplary project for corporation in implementing CSR considering that higher education is an institution producing intellectual community which has various resources.

The policy of each higher education in Palembang particularly related to CSR for MSMEs entrepreneurs generally is not yet available, only implicit on the mission of higher education and department/study program. Policy about CSR is poured in the three pillars of higher education. Higher education encourages academic studies to create activities related with CSR for the prosperity of local community.

In running CSR activity, there is no standard or particular practice which is deemed as the best. Higher education has different characteristics and situations, and influential on how they view social responsibility. Higher education has different condition in the implementation of CSR. CSR implementation done by each higher education depends on mission, culture, environment, risk profile, and operational condition of each higher education (Susiloadi, 2008).

The execution of CSR program in higher education in Palembang principally obtains support

from leader as motivator and facilitator to create cooperation with various parties. Form of higher education cooperation is by doing partnership with local government as well as investor to support resources for the smoothness and success of community service. The execution of social responsibility is expected to give positive impact and useful output, can produce quality of life, and prosperity of society. CSR won't run well if it's not seen as something important by all the higher education, including leader, lecturer, employee, as well as student. If every individual has equal sensitivity on the changes of local community, then whatever the form of program, it will be executed well (Dahan & Senol, 2012), (Baried & Septarini, 2012) and (Gulavani, et al., 2016).

CSR implementation in higher education in Palembang has been done based on the conditions of three pillars of higher education. The role of higher education related to three pillars as a form of community service is acting as CSR performer, informer, mediator and motivator. The interesting phenomenon in this research is about the policy and CSR implementation for MSMEs management, because most of higher education has not had any policy and CSR program which directly relates with the management of MSMEs.

The CSR program is synergized by universities through the implementation of the third 'Tridharma', namely community service. Community service is the 'civitas academica' activity by utilizing science and technology. The activity is done to improve the welfare of the people and the intellectual life of the nation. As a form of CSR, the social aspect of community service is aimed at internal campus and external campus community. CSR is also interpreted as a social responsibility to the community around the campus. These responsibilities relate to options for the poor such as helping the poor around the campus. Students and lecturers are given the opportunity to share their knowledge through various community service program.

One of the main innovations is the brief to realize cooperative research projects. That means that collaboration with partner enterprises and universities can be intensified, and steps can be taken to make academic studies more up to date (Reinhard, et al., 2010). CSR facilitates continuous improvement in higher education institutes with external impact and internal capacity, performance and management (Gulavani, et al., 2016).

Palembang city need to address the following issues to promote the SME sector through higher education (Darwish, 2014): 1) poor coordination and

lack the capacity for continuation; 2) SME support programs lack effective implementation; 3) Lack of effective policy environment for SME formation and growth is difficult for SMEs to survive; 4) adequate educational programs are crucial to make SME's a success; 5) lack of education may lead to poor management on part of the entrepreneurs; 6) the lack of prior proper training to the SMEs projects owners; 7) limited access to financing; higher borrowing cost, limited collateral resources, poor book keeping and accounting practices; and 8) none of the missions of private universities shows special interest in entrepreneurship.

The role of MSMEs in world economy has been momentous, especially in increasing GDP and enhancing employment opportunities. They have played and are still playing an outstanding role in the development of several developed and developing countries mainly due to the fact that it comprise a major part in the industrial and economic activities in the economies (Darwish, 2014).

CSR needs to be a component of each institution's strategic planning process. Strategic planning is a complex and time-intensive process. It is a process that should allow access for stakeholders from all level of the higher education system (Chen, et al., 2015). The potential of strategic planning will not be realized until there is a strong and realistic strategic plan for the future. Such a plan must focus quite strongly on the details of how reform can and will be implemented, along with realizing the CSR impact for not only the university, but also for the community and global society.

Higher education commitments will be CSR at the operational level as well as the academic level, mostly by curricular activities. This will not only be beneficial to the institution itself but also will be beneficial to the society in general (Dahan & Senol, 2012) and (Gulavani, et al., 2016).

4 CONCLUSIONS

Every higher education should be make a specific policy about the condition and implementation of CSR clearly and binding. CSR strategy should be implemented with the mission of higher education institutions. CSR action has to be internalized and must be supported by the management.

Collaborations between government, educational institutions and corporate will accelerate educational reform and thus bring about the desired social development. Program of MSMEs empowerment should be held routinely, not just once in a while but

continuously held to improve the quality both in skills aspect as well as income.

Higher education which already has special policy regarding CSR is Bina Dharma University. The special policy is poured in the vision of higher education. CSR implementation is done by holding routine meeting with MSMEs entrepreneurs in every beginning of the year. This opportunity is used to accommodate and collect data/information related to the development and problems faced by targeted MSMEs. Their programs are focused in the empowerment of micro small and medium enterprises.

ACKNOWLEDGEMENT

We want to deeply thank the Directorate of Research and Community Service, Directorate General of Strengthening Research and Development, Ministry of Research, Technology and Higher Education of The Republic of Indonesia who have provided funding for our research. Sincere thanks are also rendered to the Center of Research and Community Service of State Polytechnic of Sriwijaya that has facilitated our research.

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