

## **“Si Peduli” Triple Bottom Line Implementation in Corporate Social Responsibility Perspective**

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### **Abstract**

*This study aims to explain and interpret the Corporate Social Responsibility practices of PT Semen Indonesia (Persero) Tbk., which applied in “SI Peduli” program, one of the pillars of SEMEN INDONESIA BERSINERGI besides SI Cerdas, SI Prima, SI Lestari, which are the company’s interpretation on the triple bottom line theory. This study only interpreted “SI Peduli”, a collaborative program between the company and its partners. This research uses a descriptive qualitative approach. Data retrieval using in-depth interview techniques, observation, and documentaries. The data of this research was obtained from eight key informants: two employees of the company and six SMEs Partners. This study finds that, first, the company conducted a partnership program with the core of the plasma. Second, through “SI Peduli”, the company shows its competence and commitment to move forward with the surrounding community. Third, the company with its CSR program improves the welfare of its partners through trainings, mentoring, and exhibition programs. Therefore, it can be concluded that the company is able to translate the Triple Bottom Line into “SI Peduli” as the implementation of its corporate social responsibility.*

**Keywords:** *Community Development; Corporate Social Responsibility; Triple Bottom Line*

Article History: Received: September 3<sup>rd</sup>, 2020 Revised : December 25<sup>th</sup>, 2020 Accepted: May 21<sup>st</sup>, 2021  
Published: October 1<sup>st</sup>, 2021

How to cite: Diamastuti et al. (2021). “Si Peduli” Triple Bottom Line Implementation in Corporate Social Responsibility Perspective. *Akrual: Jurnal Akuntansi (JA)*, 13(1): 41-55. DOI: <https://doi.org/10.26740/jaj.v13n1.p41-55>

### **INTRODUCTION**

Community development is a part of a company's goal to contribute to the implementation of CSR (Cahyandito, 2017). According to Sulaiman & Muhamad (2017), community development is an effort for community independence through the realization of potential abilities. Community development involves two interrelated groups, the community as the empowered party and the company as the empowering party (Ismail, 2009; Enwereonye et al., 2015; Nwoba & Michael, 2016; Cahyandito, 2017). Furthermore, this effort is followed by strengthening the potential of the community. In this context, more positive steps are needed, apart from just creating a conducive climate and atmosphere (McLennan & Banks, 2019). To that end, the spirit of achieving people's

welfare must go on a path that produces power for the people, often referred to as people-centered development or community independence (Diamastuti & Prastiwi, 2016).

One of the government's efforts to improve community independency is providing leeway for micro and small businesses to compete in national economic competitions (Diamastuti & Prastiwi, 2016). Apart from thousands of obstacles and challenges, in reality, the development of Small and Medium Enterprises (SMEs) in Indonesia is a magnet that can improve Indonesian economy. With regard to the skilled hands of small businesses in Indonesia, we cannot deny that they exist and must exist for Indonesia.

Indonesian government has made various measures, one of them by issuing regulations and laws. However, in fact, SMEs are limited in capital access for their development (Diamastuti & Prastiwi, 2016). Realizing this obstacle, on June 17, 2003, the government, through the Ministry of The State-Owned Companies, issued Ministerial Decree No. 236/MBU/2003 concerning The State-Owned Companies partnership program with small businesses and a comprehensive environmental development according to the economic growth and social and ecological conditions of the communities around them. For this reason, The State-Owned Companies were required to make partnerships. The idea is that all or a significant portion of their capital come from separate state assets (Diamastuti & Prastiwi, 2016).

The partnership program is one way to provide opportunities for SMEs to develop their business. The cooperation between SMEs and The State-Owned Companies is expected to increase production, expand employment opportunities, improve access to capital resources, absorb knowledge and technology, and improve the quality of human resources (Suparno et al., 2013). The partnership might be in form of strategic coaching that can provide opportunities for small businesses to become one of the resilient, independent, and competitive drivers of economic development.

One of the The State-Owned Companies that has conducted partnership programs is PT Semen Indonesia (Persero) Tbk (hereinafter abbreviated as PTSI). The company, currently under the name of Semen Indonesia Group, is one of The State-Owned Companies expected to make a real contribution and become a driving force in economic growth. Its partnership program was implemented in Corporate Social Responsibility (hereinafter abbreviated as CSR), a contribution to the environment and society through economic empowerment and life improvement.

The implementation of various partnership programs by the CSR department at PTSI is an embodiment of the "*SI Peduli*" program. "*SI Peduli*" is one of the pillars used to translate Triple's Bottom Line perspective. PTSI translates the Triple Bottom Line into four pillars, namely *SI Cerdas*, *SI Prima*, *SI Lestari*, and *SI Peduli*. "*SI Peduli*" is the jargon given by the company to describe the company's concern for the surrounding community.

PTSI, through its CSR department, translated all policies and programs in CSR into Partnership and Community Development Program. They are aimed at 1) increasing the community's business potential through soft loans by 30%, trainings, and local and global promotions; 2) increasing the number of foster partners (Diamastuti & Prastiwi, 2016).

In economic sector, PTSI's activities are focused on assistance in distribution, management training, and promoting partner's products through domestic and foreign exhibitions by promoting aspects of equality, independence, professionalism, and ethics. The basic principle of the assistance is *Tridaya*, the three strengths, namely endurance, attractiveness, and competitiveness of community's economy. The main characteristic of

the assistance is its emphasis on endogenous development, using the potential of local people, institutions, and physical resources to achieve independency (Suparno et al., 2013).

Based on the background above, this study looks at the multiplier effects of CSR through partnership programs to answer the research question of **How “SI Peduli” contributes to the CSR program of PT Semen Indonesia (Persero) Tbk.** The results of this research are expected to enrich knowledge related to the practice of the triple bottom line as a form of CSR implementation and serve as a reference for Indonesian government in making regulations regarding the implementation of CSR for all companies in Indonesia. This study aims to explain and interpret the implementation of “SI Peduli” in the CSR program at PT Semen Indonesia (Persero) Tbk. “SI Peduli” practice implemented by PT Semen Indonesia (Persero) Tbk (PTSI) is expected to provide benefits and guidance for further research. Furthermore, this research is expected to provide input for companies in Indonesia so that companies can receive positive value in an effort to improve company sustainability and contribution of the paper.

## **RESEARCH METHOD**

This descriptive research uses a qualitative approach, which interprets data relating to the current situation, attitudes, and views in the community, compares two or more conditions or facts, determines influences, and so on. This study concerns more about the depth of the meaning of certain reality rather than data quantity. For this reason, the data are in the form of words in sentences and images that have meaning beyond numbers.

This research was conducted on PTSI Partnership and Community Development Program, which is a partner fostering in Ring I, II, and III in Gresik regency, East Java, Indonesia. The informants of this research were determined through snowball sampling; they are one bureau head, one program staff, and six partners (SMEs), eight people in total. The data was collected through in-depth interviews, direct observation (participatory observation), and documentation.

Pseudonym or initial is used to refer to the informant's name. This research uses interactive analysis by Miles and Huberman (2007). The analysis is divided into three main components: data reduction (selection process, focus on the reality of practice, simplification, and abstraction of recorded data, which continue throughout the study), data presentation (regarding information in narrated format as results), and conclusion (Hsieh & Shannon, 2005)

Data reduction is summarized data on direct contact with people, events and situations at the study site. This first step includes selecting and summarizing the relevant documents and second step is doing the coding. The third step is to make objective notes. The fourth and fifth stages, making reflective and marginal notes. The sixth and seventh are data storage and data analysis, Eighth and ninth steps inter-site analysis and perform a summary

Data presentation. In this step the researcher tries to compile relevant data so that it becomes information that can be displayed and has a certain meaning. At this stage the researcher is heavily involved in the presentation or display of the data that has been previously collected and analyzed, considering that many qualitative researchers compile narratives. the Display is a format that presents thematic information to readers. Miles and

Huberman (1984) introduced two kinds of formats, namely: context diagrams (context diagrams) and matrices.

The next step is to draw conclusions based on the findings and verify the data. As explained above, the initial conclusions put forward are still provisional and will change if evidence is found that supports the next stage of data collection. This process of obtaining evidence is known as data verification. If the conclusions put forward in the early stages are supported by strong evidence in the sense that they are consistent with the conditions found when the researcher returns to the field, the conclusions obtained are credible conclusions.

## **RESULTS AND DISCUSSION**

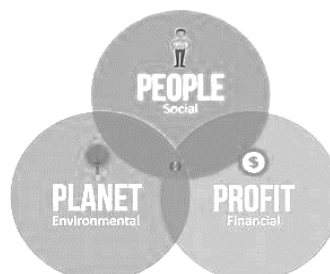
### **Triple Bottom Line: The Door to Enter into CSR Practice**

The development of CSR concepts has led to various theories that underlie CSR implementation; one of them is the triple bottom line theory. According to this theory, if a company wants to survive, then the company must pay attention to the 3Ps; profit, people and planet (Elkington, 1998). That is, besides pursuing revenue (profit), companies must also pay attention to and be involved in the welfare of the community (people) and actively contribute to the environment (planet).

According to Elkington (1998), profit must still be the core of company's economy. It is not surprising that the main focus of all company activities is maximum profit and share price, the most important forms of economic responsibility to shareholders. Profit can be maximized by increasing productivity and cost-efficiency (Slaper, 2011).

Companies focus on getting maximum profits at the smallest possible sacrifice. Furthermore, they have to consider the welfare of the community. If the health of a population becomes an essential consideration for a company, then there will be no imbalance in the process of sustainable living (Norman & MacDonald, 2004). If harmony between the community and the company is created, there will be no exploitation of natural resources and minerals that endanger humans and other living things (Schwartz & Carroll, 2003). Companies that care about environmental sustainability and biodiversity are considered as those having devoted their attention to the planet.

Planet, or the environment, is something related to all fields in human life (Fry & Slocum, 2008). Humans, as living things in every activity, are always related to the environment, such as in drinking water, breathing air, and using equipment, and coming from certain backgrounds. However, most people still do not care about their environment since attention to it does not provide any direct benefits



**Figure 1. The Triple Bottom Line Model** Source: Shnayder et al. (2015)

The picture above explains that the Triple Bottom Line is a real-life harmonization. Linkages in the Triple Bottom Line are efforts to synergize with sustainable development goals that consistently foster social and environmental economic balance.

### **Portrait of Corporate Social Responsibility in Indonesia**

The term CSR in Indonesia was first introduced in the 1980s, and its popularity has been increasing since the 1990s. In Indonesia, CSR activities have been carried out by companies for years, previously known as Corporate Social Activities (CSA). The activities of both terms are similar because their concepts and mindset are almost the same (Anatan, 2009).

Like CSR, CSA is also company's participation in and concern about social and environmental aspects, such as in natural disaster relief, distribution of vacation allowances, and scholarships, through the "seat belt" concept of corporate social investment established in the 2000s. Since 2003 the Ministry of Social Affairs has been a government agency that develops the concept of CSR, where social department is the pioneer of CSR activities in Indonesia (Siregar, 2007). The government suggested company owners to pay attention to the surrounding environment. The suggestion is just a suggestion because there are no binding regulations about it (Diamastuti & Prastiwi, 2016).

In its development, the initial voluntary nature of CSR in Indonesia has changed into Mandatory. All companies must apply CSR principles in their business activities. There are at least four CSR models used by companies in Indonesia (Marnelly, 2012). The first is direct involvement, where companies run CSR program by organizing social activities or making donations to the community without intermediaries. To carry out this task, the companies usually assign one of its senior officials, such as company secretary or manager of public affairs. The second is through a corporate foundation or social organization, where the companies establish foundations under their name or their group. This model is commonly applied in developed countries. Typically, companies provide start-up funds, routine funds, or endowments that can be used regularly for the foundation's activities. The third is partnering with other parties, where the companies organize CSR collaborating with social institutions, Non-Government Organizations (NGOs), Government agencies, Universities, or mass media in managing funds and carrying out social activities.

In carrying out CSR programs with the various models above, several companies have implemented Partnership and Community Development Program. Such program run by The State-Owned Companies is a social responsibility practice that realizes the three main pillars, namely Profit, People, and Planet. It is stipulated in Regulation No. Per-08/MBU/2013, where The State-Owned Companies are required to actively participate in guiding business actors to create independent businesses. It provides soft loans and assistance in increasing business capacity (Diamastuti & Prastiwi, 2016).

### **Social and Environmental Harmonization in PT. Semen Indonesia (Persero) Tbk**

PT. Semen Indonesia (Persero) Tbk (PTSI) is a state-owned company engaged in cement industry. It is relatively new, started in 2013. However, it is a holding company that covers several Indonesian state-owned cement companies. The change of name is a part of the company's transformation process to become a global cement industry player with world-

class governance. The transformation, of course, affects the company and its subsidiaries especially in the joint effort to implement the principle of sustainability for the sake of future business continuity.

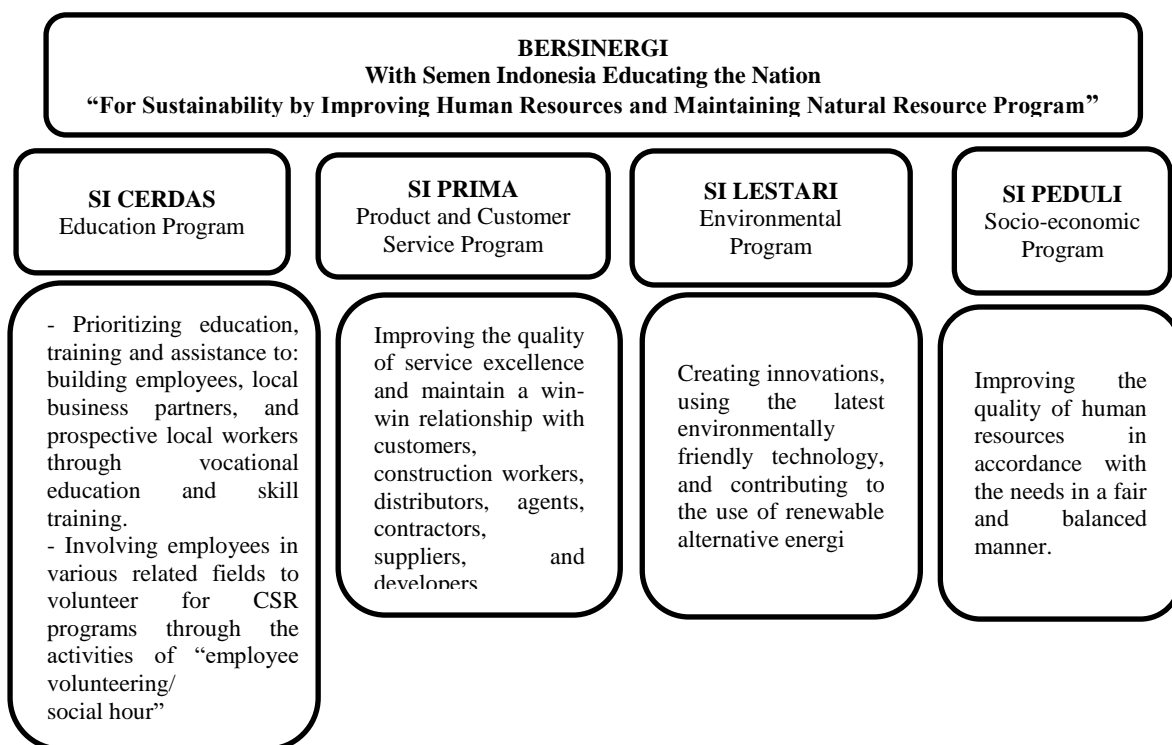
In its development, the transformation in its corporate body positively influenced the company's sustainability performance in economic, environmental, and social aspects. The change is the starting point of growth and development, requiring sustainability reports as a part of the CSR. Sustainability in social aspect is applied through empowerment of communities around the plant and mining sites.

The empowerment program is realized in Partnership and Community Development Program and in the fulfillment of corporate social responsibility. For this reason, the company uses small and medium enterprises (SMEs) to be parts of their development. The company expects that the partnership will benefit both and the partners develop more quickly.

Community development program helps the construction of facilities and infrastructure that can improve the environment and people's welfare. On an ongoing basis, the company and its subsidiaries provide social support by allocating 40% of the CSR funds to improve education through scholarships, teaching and learning facilities, and trainings assistance (PT. Semen Indonesia, 2018).

PTSI conducted several five-year social investment programs, from 2009 to 2018, as their commitment to sustainable business and the fulfillment of aspects in Environmental Impact Assessment Document. During the following five years (2014-2018), PTISI held Community Investment Program (CIP), which refers to the latest provisions at the national level related to social welfare, public services, and social and environmental responsibility. The program was created as a guidance containing corridors for program implementation to provide space for participation and adaptation. It covered the parent program; namely Semen Indonesia BERSINERGI (Educating the Nation with Semen Indonesia) with its four main pillars, namely: 1) *Semen Indonesia Pintar (SI Cerdas)*, which focuses on increasing competence through educational programs, 2) *Semen Indonesia Prima (SI Prima)*, which synergizes marketing and R&D Unit programs, 3) *Semen Indonesia Lestari (SI Lestari)*, which focuses on environmental programs, and 4) *Semen Indonesia Peduli (SI Peduli)*, which is a house that contains social and economic programs.

The four pillars belows (Figure 2) are the manifestations of the seven core subjects of social responsibility following ISO 26000. They are also the translation of the implementation of the Three Pillars in a more down-to-earth language.



**Figure 2. The Four Pillars of Corporate Social Responsibility** Source: Sustainability Report 2018 (PT. Semen Indonesia, 2018).

CIP of Semen Indonesia 2014-2018 answers the critical issues raised in consultancy. Furthermore, various data/information from the company's business plan, study reports, regulations, and plans/priorities of the Central and Local Governments (including AMDAL), changes in politics and social, and learning from the past were taken into consideration. CIP was developed through discussions and consultations on draft documents by involving experts who brought best practices and lessons from the company's operations in other areas. In 2018 PT SI allocated IDR 77,533,833,325 for CSR, 0.01 % lower than the 2017 amount of IDR 77,625,781,000 (PT. Semen Indonesia, 2018).

**Table 1: Partnership Program Realization PT. Semen Indonesia (Persero) Tbk**

Semen Indonesia Group	Number of SMEs Partners			Realization of SMEs Partners Budget (IDR)		
	2018	2017	2016	2018	2017	2016
<b>PT. Semen Gresik</b>	20.409	19.277	17.953	54.809.390.000	55.512.530.000	56.976.500.00
<b>PT. Semen Padang</b>	7.090	6.799	6.466	9.485.443.325	9.148.184.000	9.172.500.000
<b>PT. Semen Tonasa</b>	12.076	11.536	10.902	13.239.000.000	12.965.067.000	12.709.000.000
<b>Total</b>	<b>39.575</b>	<b>37.612</b>	<b>35.321</b>	<b>77.533.833.325</b>	<b>77.625.781.000</b>	<b>78.858.000.000</b>

Source: Sustainability Report 2018 (PT. Semen Indonesia, 2018)

The table above shows that the increase in the number of SMEs partners from 2017 to 2018 was 1,963. The increase in the number of SMEs is not accompanied by an increase in the amount of budget realization. Realization of the company's budget from 2017 to 2018 decreased by 0.01%. This explanation shows that PTSI is able to develop the "*Si Peduli*" program even though budget realization has decreased, so it can be stated that the community investment program run by the company is successful.

The company expected to reach people from all aspects through CIP so the company can grow and develop together with the surrounding community. This means that the rapid development of the company must be followed with the rapid development of the surrounding community through various approaches.

The approaches were broken down into various service programs/activities, fostering relationships, and community empowerment. The target of the program/activity is the development of social and economic environment, which is expected to improve people's welfare according to the Human Development Index (HDI) and the Millennium Development Goals (MDGs). During the period, the Company implemented Sustainable Development Goals (SDGs) and continued and updated MDGs initiative in the late of December 2018.

PTSI expected that their programs are be able to express their deep love for the community and the environment. As the Indonesian expression of *tak kenal maka tak sayang*, their love to the community and environment will not grow without direct contact with them.

### **The Touch of "*Si Peduli*" Cheers the Hearts of the Community**

Implementation is one of the important aspects and stages in a predetermined policy cycle for the achievement of intended goals. To implement the Three Pillars or Profit, People and Planet, companies must be able to realize practices that are easy to carry out and apply. To that end, several companies and The State-Owned Companies in Indonesia have implemented CSR by making partnerships and organizing community development programs.

PTSI ran partnerships and community development program following Law No. 19 of 2003 concerning The State-Owned Companies, Law No. 40 of 2007 regarding Limited Liability Companies, and Regulation No. Per-08/MBU/2013 concerning partnerships and community development program and ISO 26000: 2010. Kriyantono (2015) explained that public policy is a definite form based on the legal basis so that CSR by PTSI is not only implemented but also has a sound constitutional foundation from the central government as the guideline (PT. Semen Indonesia, 2018).

One of the CIP leading program held by PTSI is "*Si Peduli*". It aims at increasing the quality of human resources in a fair and balanced manner. The program enhances community empowerment through partnerships.

Partnership program is a loan assistance program for venture capital aimed at empowering SMEs partners. Regulation No. Per-08/MBU/2013 mentions that the amount of allowance for funding is 2%. Based on the statement, one of the resources is funds that are in accordance with the program. The total loan of 50 million can be obtained by paying administration cost of 6% per year and by handing over collaterals with the same amount of the loan. The accepted collaterals are land certificates or motor vehicle ownership books (Diamastuti & Prastiwi, 2016).



PTSI's partnership program provides not only soft loans but also guidance/assistance for SMEs or partners. It is a conscious attempt to increase knowledge and skills through actions, a development guidance to achieve the expected goals. Therefore, PTSI does not rely merely on capital assistance in improving business competitiveness, which is a partial solution. Instead, the company also organized activities.

### **"SI Peduli" Partnership Program**

Partnership program is a part of corporate social responsibility for the environment (Nurmianto & Nasution, 2004). Thus, the cooperation between SMEs and companies must be based on the principle of synergy, the mutual need and mutual assistance. The collaboration through partnerships will benefit SMEs, cooperatives, and big businesses with business and product marketing and distribution networks.

As stated by Pratama (2015), partnership can be interpreted as trade relationship. Thus, partnership between big business and small business is when small businesses supply goods for big businesses for production. Partnership is an ideal manifestation of increasing community's participation in development and a mutual support between actors who have business ties and a mutual benefit based on equality and togetherness. The partnership is expected to foster and guarantee the sustainability of institutional networks to support local initiatives in local economic development (Nurmianto & Nasution, 2004).

PTSI is expected to make a real contribution and become the motor for economic growth in the surrounding community. Therefore, to realize equitable development and community welfare, they are determined to implement a partnership program that makes a community an independent one. Partnership Program is one of the leading CSR programs in PTSI (Ariefianto, 2015). It is conducted to make PTSI *BERSINERGI* meet the stakeholders' expectation (PT. Semen Indonesia, 2018).

The Partnership Program is carried out by empowering the surrounding community with entrepreneurial spirit so that they participate in local economic development in particular and national economic development in general. This program is legalized by the followings.

1. Regulation of the Minister of State-Owned Enterprises Number: PER-05/MBU/2013 dated May 1, 2013. It is the second amendment of PER-05/MBU/2007 dated April 27, 2007 concerning the Partnership Program of State-Owned Enterprises with Small Businesses and Development Programs for Environment and Society as amended by PER-20/MBU/ 2012 dated December 27, 2012.
2. The decision of the Directors of PT Semen Indonesia (Persero) Tbk Number 007/Kpts/ Dir/2010 dated May 1, 2010 concerning the company's organizational structure for the Functional and Community Development Partnership Section, who are responsible to the Head of the Corporate Social and Environmental Management Division.
3. Regulation of the Minister of State-Owned Enterprises number PER-09/MBU/07/2015 concerning The State-Owned Companies and Community Development Partnership Program, which came into force on July 3, 2015 (PT. Semen Indonesia, 2018).

The legal umbrella above is a way to build relationships between large businesses and small businesses and provide opportunities for SMEs to develop their businesses. Collaboration between SMEs and The State-Owned Companies is expected to increase production, expand employment opportunities, improve access to capital resources, absorb knowledge and technology, and improve the quality of human resources (Suprayogi & Ma'ruf, 2018).

Law Number 20 of 2008 concerning SMEs mentions that there are several partnership patterns. The first is Core-Plasma. In this case, large companies have a social responsibility to foster and develop SMEs as long-term business partners. The second is Subcontracting, which is a partnership between small and medium businesses or large businesses, where partner companies need small companies to produce components of their production. The third is Global Trade, which is a partnership between small businesses and medium businesses or large businesses, where medium companies or large companies markets the products of small companies to supply the needs of medium or large companies from their partners. The fourth is franchise, an agreement in which one party gives the right to use intellectual property rights or the discovery of business characteristics owned by another party at a cost based on specified conditions. The fifth is Agency, in which small businesses gave exclusive rights to market goods and services from medium or large business (Riniwati, 2011).

Based on the above, the partnership program of PTSI focuses on developing SMEs. The program optimizes the potential of small businesses in Gresik regency, East Java, Indonesia, so the community can improve themselves using their own efforts. The cooperation between SMEs and The State-Owned Companies is expected to increase production, expand employment opportunities, improve access to capital resources, absorb knowledge and technology, and improve the quality of human resources. In this concept, the partnership provides opportunities for small businesses to become one of the resilient, independent, and competitive drivers of economic development.

The objectives of PTSI's partnership program are to increase entrepreneurial and managerial capabilities, to provide capital loans, to increase production and marketing capabilities for independent businesses. PTSI's program to improve their partners are the followings. The first is working capital loans (soft loans). It is provided to increase business capital, procure work facilities, and modernize equipment. The amount is IDR 50,000,000 at the maximum according to the minister's regulation. The receiver of the loan is required to pay administration cost of 6% per year. The loan application is limit to three times. The loan limit is based on the type of business, business volume, and collateral. The second one is coaching assistance to improve partner's human resources quality, which is through trainings and apprenticeship for better entrepreneurial abilities. The third one is promotion, which is an effort to increase the strength of small businesses and cooperatives in marketing their products domestically and abroad through exhibitions (Diamastuti & Prastiwi, 2016). Until the end of 2018, PTSI has fostered 39,575 SMEs (PT. Semen Indonesia, 2018).

### **Reality in "SI Peduli"**

This study has managed to collect data from informants and has been able to reduce irrelevant information. The statements below are from PTSI's partners. The first is Mrs. F, a producer of natural-material handicraft since 2005.

*"I received loans from PTSI three times. I used the first loan of six million to buy a sewing machine because I received more goods order. The second was twelve million, and the last one in 2015 is 25 million."*

The second is Mrs. FD. She went bankrupt after Bali bombings, and her spirit was almost gone following the difficult economic condition afterwards. She had her spirit back after meeting her customers who turned out to be PTSI staff and advised her to become the company's partner.

*"My company is currently hiring 60 people and reaching 150 million of turnover each month."*

According to Mrs. FD, loans provided by PTSI is second after good relationships with large companies such as PTSI since it opens a wider network of markets. During her partnership with PTSI, she was often invited to join exhibitions in major cities. The same was told by Mrs. WT, who teamed with PTSI in Muslim clothing business in 2003 with an initial loan of IDR 20 million.

*"Now in a month we are able to produce 1000 sets of clothes, and the design is always changing. Usually we only produce 200 sets per design."*

Two stories are from three informants with extraordinary spirit to not only provide for their families but also help their neighbors. What was described by the two great women certainly made PTSI proud because they are able to bring hope for other people amidst crises that hit Indonesia.

What was expressed by life fighters above is also expressed by the head of PTSI's Partnership Bureau, Mr. FB. He said that PTSI's partners came from various business clusters such as industry, trade, agriculture, and livestock.

*"The company admires the spirit of the partners. They did not give up with difficult conditions. There are many successful partners. Although they are now successful, they are still willing to be invited for exhibitions, trainings, and coaching."*

*"As a form of social responsibility to the community, the company strives continually to improve the community's socio-economic condition and educate and improve its independency. With the principle of Triple Bottom Line, profit growth remains the main goal of the company".*

Based on the above statement, the company has already had a tremendous impact on the development of the partners. However, there are still unsolvable problems in fund distribution. One of them is that their partners have to wait for quite a long time before they receive the loan. The small number of program staff has to process numerous applicants. In addition, they have to consider many things before approving applications to make sure that they approve the correct loan applications. They set strict procedures so that the approved applicants can grow their business well and return the loan on time.

At the next meeting, Mr. FB said that PTSI often includes its partners to participate in exhibitions to assist them in marketing. His statement is confirmed by Mr. PIA, the Promotion Officer of PTSI Partnership Program as follows.

*"The partner SMEs, in addition to receiving soft loans, which are 6 percent in interest, can also participate in trainings related to their business, for example marketing, management, and batik coloring. They are also assisted in marketing through exhibitions".*

The statement above is also confirmed by one of PTSI's partners, Mr. AF of ARF collection and Mrs. HR, the winner of 2014 Karya Cipta Adhi Nugraha award from Surabaya government. She joined PTSI in 2014 with a loan of IDR 20 million, as follows

*"We usually get order during the exhibition, although the order is not too big. There is an increase in sales volumes since becoming PTSI's partner. Our marketing area also expand because more people know about our products."*

*"I was invited (to join exhibitions) several times by the company. Our turnover is higher now compared to when I was only waiting (for buyers) in my store. I hope I can have exhibitions abroad. The exhibitions are frequently held here. I hope I can bring my products to exhibitions abroad someday."*

The statements above indicate that PTSI does not only organize revolving fund but also provide assistance in marketing based on the partnership agreement with their partners. Furthermore, Mr. FB also stated that in addition to assisting in promotion, the company also improves the knowledge the partners in producing competitive and widely available products. The following is the transcription of an interview with Mr. FB.

*"The company also conducts training and mentoring for partners, from financial management, branding and promotion, to marketing strategy. The trainings also involve reputable colleges. The objective is to gear partners with sufficient skills and expertise by increasing market competitiveness in the face of the increasing competition".*

The statement above shows that the company is also interested in improving partners through training and mentoring. That is, after receiving loans, the development of partners is still monitored by the company. It is expected that partners can improve their skills and knowledge through this training and mentoring so that they have better competitiveness, attractiveness, and selling power. To clarify Mr. FB's statement, Mrs. MZ, a local food business owner, was interviewed. She answered as follows

*"The company responds to the progress of our business, but for coaching, I cannot see why A is invited for trainings and why B is not".*

Based on the statement above, the company was present in the development of their partners, but they did not specify which partners who can and cannot participate in trainings and mentoring. This means that the company made random selection instead inviting all partners.

According to the above statements, "SI Peduli" has been conducted according to its objectives. It means that the company covers the surrounding society. The partners mentioned above are only some of several thousand successful PTSI's partners

### **Collection of Realities in a Description**

Based on the various informant's statements above, this section brings the different stories of the partners altogether to form a well-framed image. First, PTSI conducted the Plasma-Core partnership program, a relationship between partners and the company where, the partner group acts as the core. The company fosters the partner groups by a) providing capital, b) providing technical guidance on business management and production, c) helping technology acquisition, mastery, and improvement, and d) providing other assistance such as business efficiency and productivity (Kusumadewi et al., 2013).

Second, the partnership program is generally aimed at helping partners who previously did not have strong business skills to be able to manage the business and compete with other companies. This is related to the regulation No. PER-05/MBU/2007 concerning The State-Owned Companies and Small Business in terms of Partnership Program and Community Development Program. It mentions that Partnership Program is a program to improve the ability of small businesses to become resilient and independent

ones through the use of The State-Owned Companies' profit share. This program aims to enhance the ability of small businesses to become resilient and independent through capital support and professional and human resources training to help in marketing and future business continuity.

PTSI's corporate social responsibility through "*SI Peduli*" shows the company's competence and commitment to move forward with the community. This means that the partnership is able to alleviate poverty in the surrounding community through revolving funds. The number of SMEs partners who have been successful and the feeling that they are still guided by PTSI indicate that the company has never run away from any problems that they face. The nature of "ngemong" or leading to success is the key for PTSI to manage the program.

Third, PTSI improves the welfare of its partners by holding partnerships and community development programs through training, mentoring, and exhibitions. This encourages the community to strive for success together. Partners who have participated in exhibitions stated that wider public becomes aware about their product, that their turnover increases, and that they can involve people around them to develop regional economy. PTSI needs to develop and focus on "*SI Peduli*" so that all partners can take benefit from not only revolving fund but also trainings.

## CONCLUSION

Partnership is one of the programs that are directly in contact with SMEs. Although PTSI works in a wide area, this study only focuses on Gresik. The partnership provides an opportunity for anyone to become an entrepreneur by providing revolving funds. People around Gresik received this program well. This success is observable from the fact that by the end of 2018 PTSI had fostered 39,575 SMEs spending IDR 77,533,833,325 to strengthen the capital and expand the marketing base of the partners. With a substantial funding aids and increased product demand, they will 1) increase their productivity and add the economic value of local businesses, (2) encourage job creation in rural areas, especially in the non-agricultural sector, and (3) improve linkages between agricultural industry and local resource-based goods and service industry.

Based on the acquired data, this study can draw a common thread as a conclusions. Through "*SI Peduli*", the implementation of CSR programs at PTSI has a remarkable development. This is evidenced by increases in the number of partners and in the amount of partners turnover. The increased number of partners is a proof that the company is reliable to become the shelter for entrepreneurs with various potential expertise. They make the company as an "umbrella" for their business growth and progress. Not only do they depend on the revolving fund provided by the company, they also rely on technology taught by the company.

In addition, the company continues to make several breakthroughs; one of which is helping their partners to have patent rights. The author gives PTSI a very extraordinary appreciation. Steps taken by the company show that PTSI is the protector of their partners. The company cares about the surrounding community, as mentioned in *BERSINERGI*. The company believes that SMEs are an inseparable part of the company's sustainability. The success of SMEs partners is a pride for PTSI. Thus, PTSI is determined to make SMEs partners as partners in achieving harmonization between the company and the community.

This research was only conducted at PT. Semen Indonesia Tbk, so it cannot be generalized. Therefore, the suggestion for further research is to focus on existing CSR practices in companies that may have different practices.

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