

Corporate Social Responsibility (CSR) Role PT Astra Auto 2000 Branch of Amplas in Development of Small and Medium Enterprises in Medan

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Abstract: Public awareness of the impact of the company on its social conditions and the environment is increasingly important, so it begins to pressure the company to disclose its corporate social responsibility (CSR). Corporate social responsibility (CSR) is a commitment of the company to build a better quality of life with related stakeholders, especially those around where the company is located. This study aims to look at the role of PT Astra Auto 2000 Branch of Amplas corporate social responsibility (CSR) on the development of small and medium enterprises in Medan. The type of data used is primary data. Data collection techniques using questionnaires, and data analysis techniques used are simple linear regression. Based on the results of the study, it was found that 70.6% of corporate social responsibility (CSR) variables with public participation indicators, small and medium enterprises capital assistance, product promotion partnership assistance, community development partnership assistance, and small and medium enterprises training explained their influence on the PT Astra Auto 2000 Branch of Amplas development small and medium enterprises development, while 29.4 % is another variable that is not examined such as motivation, discipline and so on. And simultaneously public participation, small and medium enterprises capital assistance, product promotion partnership assistance, community development partnership assistance, and small and medium training have a positive and significant effect on the development of PT Astra Auto 2000 Branch of Amplas guided small and medium enterprises.

Keywords: Corporate Social Responsibility (CSR), Small and Medium Enterprises

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I. Introduction

Corporate social responsibility (CSR) becomes an inevitable demand along with the emergence of community demands on corporates. The corporation is aware that its success in achieving its goals is not only influenced by internal factors but also by the community around it. This means that there has been a shift in relations between corporate and community (stakeholders). Corporations that originally positioned themselves as donors through charity and philanthropy activities, now position the community as partners who contribute to the continuity of corporate existence (Notasimediaerni, 2012).

Public awareness of the impact of the company on its social conditions and the environment is increasingly important, so it begins to pressure the company to disclose its corporate social responsibility (CSR). The corporate social responsibility (CSR) program can be carried out in an integrated manner with its business activities in a sustainable manner. Starting from the need to obtain "social permits" from the community, the corporate role is to create a balance of development both economically, socially and environmentally. It also departs from the fact that companies are not only mere business entities but also social entities so that their existence affects and is influenced by the surrounding environment.

Today's corporate social responsibility (CSR) is no longer a popularity slogan for companies, but is already a Government Policy that has been enacted in Law No. 40 of 2007, concerning Limited Liability Companies. Article 74 mandates that a company is obliged to implement corporate social responsibility (CSR). The article states that "the company that carries out its activities / business in the field of and related to natural resources is obliged to set aside funds of 5-10% of net income to be allocated as a concern for the corporate and social environment or in its concept as corporate social responsibility (CSR). The article also states that companies that do not carry out their social and environmental responsibilities will be subject to sanctions in accordance with the laws and regulations. With the issuance of the regulation, simultaneously reaping controversy from the company. There are some companies that object to the decision, but on the contrary there

are also companies that do not feel heavy with the article, including one of them is PT Astra Auto 2000 Amplas Branch.

Auto2000 is one of the companies engaged in the network of sales, maintenance, repair and supply of Toyota spare parts whose management is fully handled by PT Astra Auto 2000 Amplas Branch, also has problems like other companies, such as environmental problems. In dealing with these problems PT Astra Auto 2000 Amplas Branch continues to develop the concept of sustainable development programs (sustainable development) as expected by the government or at the demands of the business world and society today. One form of sustainable development is the existence of a corporate social responsibility (CSR) program. There are 6 (six) corporate social responsibility (CSR) programs implemented by PT Astra Auto 2000 Amplas Branch, namely public participation programs, religious contributions, educational contributions, socio-economic and other contributions.

The largest corporate social responsibility (CSR) funds are allocated to education programs, public participation and religious contributions, while socio-economic contributions and other contributions are still lacking in attention. Even though the socio-economic program is not a prioritization program in the concept of PT Astra Auto 2000 Amplas Branch corporate social responsibility (CSR), it does not mean that Auto2000 ignores socio-economic programs. PT Astra Auto 2000 Amplas Branch said that in the economic program business capital assistance, environmental development assistance and the development of small business programs were distributed. expected to minimize income inequality. Related to the implementation of corporate social responsibility (CSR), there are several efforts that can be made, namely by improving the economy of the surrounding community by developing small and medium enterprises located around the company's environment. The role of companies in small and medium enterprises development can be done by providing assistance to small and medium enterprises, so that small and medium enterprises can form capacity building, financial support and strong marketing channels. With the above conclusions, the authors are interested in researching with the title "The Role of Corporate Social Responsibility (CSR) PT Astra Auto 2000 Amplas Branch in Small and Medium Enterprises Development in Medan ".

II. Theoretical Review

2.1 Definition of Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) is a form of corporate responsibility towards its environment for social care and environmental responsibility by not ignoring the capabilities of the company. The implementation of this obligation must pay attention and respect the cultural traditions of the communities around the location of the business activities. corporate social responsibility (CSR) is a concept that the company has a responsibility towards consumers, employees, shareholders, communities and the environment in all aspects of the company's operations. A company in carrying out its activities must base its decisions not only based on mere financial factors such as profits or dividends, but also must be based on social and environmental consequences for now and long term (Untung, 2014: 2).

Corporate social responsibility (CSR) is basically a need for corporations to be able to interact with local communities as a form of society as a whole. Corporate needs to adapt to social gain from its relationship with the local community, a social benefit in the form of trust. corporate social responsibility (CSR) is certainly very related to corporate culture and business ethics that must be owned by the corporate culture, because to implement corporate social responsibility (CSR) a culture that is based on adaptive ethics is required (Rudito and Famiola, 2013:1).

2.2 Definition of Small and Medium Enterprises

Small and medium enterprises or often abbreviated is one of the important parts of the economy of a country and region, as well as the country of Indonesia. This small and medium enterprises has a very important role in the pace of the economy of the community. This small and medium enterprises is also very helpful for the state or the government in terms of creating new jobs and through small and medium enterprises there are also many new work units that use new staff who can support household income. Apart from that, small and medium enterprises also have high flexibility compared to larger capacity businesses. This small and medium enterprises needs special attention and is supported by accurate information, so that there is a directed business link between small and medium business actors with elements of business competitiveness, namely the market network. Small and medium enterprises is a term that refers to a type of small business that has a net worth of at most Rp200,000,000 excluding land and buildings where the business is located. And a stand-alone business (Dayinta, 2011).

2.3 Conceptual Framework

Development of partnership programs with this corporate social responsibility pattern can be carried out in various patterns, such as community development, capacity building, product promotion, and even

strengthening capital for small and medium enterprises. Specifically mentioning that corporate social responsibility (CSR) can be directed so that small and medium enterprises can be helped in packaging innovation, branding innovation, product innovation, and product appearance. In addition to these matters, other forms of corporate social responsibility (CSR) programs that can also be carried out are the development of business service institutions and other foundations which are essentially directed at the development of small and medium enterprises.

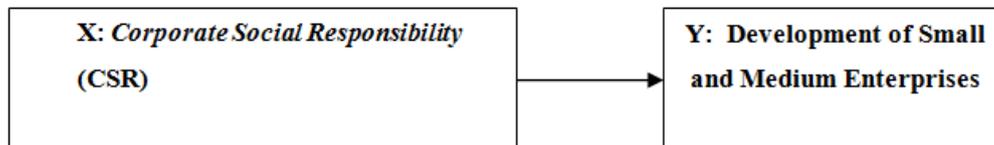


Figure 2.1 Conceptual Framework

III. Materials and Method

In this study the authors used descriptive research methods, namely by means of a quantitative approach to collect data and deeds of the object under study, then analyze it so as to obtain an objective general picture of what problems faced by the company.

The location of the study was conducted at PT Astra Auto 2000 Amplas Branch addressing Jl. Sisingamangaraja Km 9 8 204 Weigh Deli Deli Medan Sandpaper.

The population in this study was guided by PT Astra Auto 2000 Amplas Branch which numbered 40 small and medium enterprises. While the determination of the sample in this study was taken from the number of populations due to the small number.

The analytical method used is descriptive method, validity and reliability test, classic assumption test t test, f test.

IV. Research Results and Discussion

t test

The hypothesis testing states that performance appraisal and career development have a positive and significant effect on small and medium enterprises development. This means that if corporate social responsibility carried out by PT Astra Auto 2000 Amplas Branch for small and medium enterprises assisted by one unit increases, then the development of small and medium enterprises will increase by 0.184.

F Test

Based on Table 4.10, it is found that the value of F_{count} (23.558) is greater than the value of F_{table} (4.00), and sig. α (0.000) smaller than alpha 5% (0.05). This indicates that the results of the study reject H_0 and accept H_a . Thus simultaneously corporate social responsibility (CSR) with indicators of public participation, small and medium enterprises capital assistance, product promotion partnership assistance, community development partnership assistance, and small and medium enterprises training have a positive and significant effect on the development of PT Astra Auto 2000 Amplas Branch guided small and medium enterprises.

V. Discussion

Corporate social responsibility (CSR) in a broad sense is understood as a more "humane" concept in which an organization is seen as a moral agent. Therefore, with or without legal rules, an organization - including business organizations, must uphold morality. Thus, even though there are no legal rules or community ethics that regulate social responsibility, it can be done in various situations by considering the best results or at least harming the stakeholders. The company must also be ethically responsible. This means that a company is obliged to practice things that are good and right in accordance with ethical values. Therefore, the values and norms of society must be a reference for companies in carrying out their daily business activities. More than that, companies also have philanthropic responsibilities that require companies to contribute to society, so that people's quality of life increases in line with the business operations of a company (Nursahid, 2006).

Steiner in Nursahid (2006) states that there are a number of reasons why companies have philanthropic programs or social responsibility programs, namely: first, to practice the concept of "good corporate citizenship", second, to improve environmental quality, and thirdly to improve quality educated human resources. Effendi (2010) states that there are 4 (four) benefits obtained by implementing corporate social responsibility (CSR), that is, firstly, the existence of the company can grow and be sustainable and the company gets a positive image from the wider community, secondly, it is easier for companies to gain access to capital.

third, the company can maintain quality human resources and fourthly, the company can improve decision making on critical matters (critical decision making) and facilitate risk management.

VI. Conclusion

1. In developing small and medium enterprises PT. Astra Auto 2000 pays corporate social responsibility (CSR) in economic programs, which include: public participation, education and training assistance. Budimanta (2002) and Parapat (2012) see the importance of wider marketing access in the development of small and medium enterprises. Concrete steps are taken to access a wider market, one of which is to provide a forum for the promotion of small and medium enterprises products through partnership programs.
2. And based on the results of the study it can be seen that the results of the study reject H_0 and accept H_a . Thus simultaneously public participation, small and medium enterprises capital assistance, product promotion partnership assistance, community development partnership assistance, and small and medium enterprises training have a positive and significant effect on the development of PT Astra Auto 2000 Amplas Branch guided small and medium enterprises.
3. Development of partnership programs with partnerships with patterns, such as community development, capacity building, product promotion, and even strengthening capital for small and medium enterprises. Specifically mentioning that corporate social responsibility (CSR) can be directed so that small and medium enterprises can be helped in packaging innovation, branding innovation, product innovation, and product appearance.

VII. Recommendation

1. In supporting the marketing of products produced by company-assisted small and medium enterprises, PT Astra Auto 2000 Amplas Branch should also schedule assistance for the promotion of small and medium enterprises products separately in the company's corporate social responsibility (CSR) program.
2. In order for the assistance of the environment-fostered partnership to touch all small and medium enterprises around the company, PT Astra Auto 2000 Amplas Branch should increase the quality and quantity of work partners, both from the local community, academics, NGOs and other stakeholders who are competent in the environmental field.
3. To further enhance the skills (skills) of company-assisted small and medium enterprises, companies should apply education and training methods that are simpler, easier to understand/understand (if necessary supported by teaching aids) and on target.

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