



THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON BUSINESS SUSTAINABILITY (GOING CONCERN) (Case Study at PT. TELKOM Surabaya)

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Abstract — This study aims to examine the effect of corporate social responsibility on corporate business sustainability (Going Concern). The sustainability of the company's business will only be guaranteed if we pay attention to the social and environmental dimensions. In fact, the substance of corporate social responsibility is in the context of strengthening the sustainability of the company's own business by building cooperation between stakeholders which the company facilitates by compiling programs for the surrounding community. This study uses primary data obtained through questionnaires distributed to respondents and also secondary data. The population in this study is the CDC unit (Community Development Center) PT TELKOM Surabaya branch. The number of respondents was 20 respondents who were used in the analysis. The analytical method used is simple regression analysis to analyze the effect of independent variables on dependent variables. Based on the results of the analysis, it was found that Corporate Social Responsibility (Corporate Social Responsibility) Affects the Sustainability of the Company (Going Concern).

Keywords — .Corporate social Responsibility, Going Concern

I. INTRODUCTION

In response to new business developments, it is recognized that corporate social responsibility known as Corporate Social Responsibility (CSR) is a company obligation. If this obligation is related to the company's function, CSR must be carried out voluntarily, not because of external coercion.

Corporate social responsibility is the theoretical basis of the need for a company to build harmonious relationships with local communities. Theoretically, corporate social responsibility can be defined as the moral responsibility of a company to its strategic stakeholders, especially communities or communities around its working area and operations.

For the sake of running CSR, the government also issued a law on CSR. In Indonesia, the debut of CSR is getting stronger, especially after it was clearly stated in the PT Law No.40 of 2007 which was passed by the DPR. It is stated that PT which runs a business in the field and / or is related to natural resources is obliged to carry out social and environmental responsibility (Article 74 paragraph 1). The PT Law does not specify how much the company must pay for CSR and sanctions for those who violate it. paragraphs 2, 3 and 4 only state that CSR is "budgeted and calculated as a company cost, the implementation of which is carried out with due regard to appropriateness and reasonableness." PTs that do not carry out CSR are subject to sanctions in accordance with laws and regulations.

Another regulation that touches on CSR is Law No.25 of 2007 concerning Investment. Article 15 (b) states that "Every investor is obliged to carry out corporate social responsibility." Although this law has regulated detailed sanctions against business entities or individual businesses that ignore CSR (Article 34), this law has only been able to reach foreign investors and has not explicitly regulated CSR for national companies. If we look closely, the regulation regarding CSR which is relatively more detailed is Law No. 19 of 2003 concerning BUMN. This law is further elaborated by the Regulation of the Minister of State for SOEs No. 4 of 2007 which regulates starting from the amount and up to the procedures for implementing CSR. know, CSR owned by BUMN is the Partnership and Community Development Program (PKBL). In the BUMN Law it is stated that in addition to seeking profit, the role of BUMN is also to provide active assistance guidance to weak entrepreneurs, cooperatives and the community. Furthermore, the Regulation of the Minister of State for BUMN explains that The source of PKBL funds comes from the company's net profit allowance of 2 percent (2%) which can be used for the Partnership Program or Community Development.

The principle of sustainability must prioritize growth, especially for the poor in managing their environment and institutional capacity in managing development, and the strategy is the ability to integrate economic,



ecological and social dimensions that respect ecological and socio-cultural diversity. Then in the development process three core stakeholders are expected to fully support, including; companies, government and society.

In the implementation of corporate social responsibility programs, it is hoped that the three elements above will interact and support each other, therefore it requires active participation of each stakeholder in order to work together to create a comprehensive dialogue. Because with the active participation of stakeholders it is expected that decision making, implementing decisions, and the accountability of the implementation of corporate social responsibility will be shared together.

As an idea, corporate social responsibility is no longer faced with responsibilities that are based on a single bottom line, namely corporate value which is reflected in its financial condition (financial) only. But corporate responsibility must be based on triple bottom lines. Here the other bottom lines besides financial are social and environmental. This is because financial conditions alone are not sufficient to guarantee the value of the company to grow in a sustainable manner. The company's sustainability will only be guaranteed if the company pays attention to the social and environmental dimensions. It has become a fact that the persistence of the surrounding community in various places and times has emerged on the surface of companies that are considered to have paid no attention to social, economic and environmental aspects.

For PT TELKOM itself, Telkom CSR strategies and policies are integrated in a decision of the Board of Directors No. 41 / PR000 / SDM-20/2006. This decision becomes the basis for the management of CSR at TELKOM, which ensures that its implementation is in line with the company's vision and mission and complies with the prevailing laws and regulations, especially Law no. 40 of 2007 concerning Limited Liability Companies, article 74 Social and Environmental Responsibility, and consistent with the norms prevailing in society.

In the Sustainability Report of PT TELKOM Indonesia (2015; 25) it is stated that: "TELKOM has shown healthy financial performance from year to year."

TELKOM's ability to create financial value enables the company to provide benefits to all stakeholders and also strengthens its triple bottom line principle. At the same time, the company implements a check and balance system in the form of a corporate governance framework and ethics and CSR policies to ensure that economic growth and business sustainability are carried out without sacrificing social responsibility and environmental responsibility. One form of CSR activities that have been carried out by PT. TELKOM is a programmaker for environmental development such as training activities to broaden people's insights about IT.

II. METHOD

This study uses a quantitative approach, in this case the population is the employees of PT TELKOM Surabaya branch. All members of the population are used as samples. The samples in this study were employees of PT. Telkom Surabaya branch, amounting to 20 people. Structured data collection techniques that contain questions that are asked in writing to a person or group of people to get answers or responses and information needed by researchers that logically relate to research problems regarding the effect of corporate social responsibility (CSR) on the company's business sustainability (going concern), and each question is the answers that have meaning in testing the hypothesis.

Simple Linear Regression is a statistical method that functions to test the extent of the causal relationship between the causal factor variable (X) and the effect variable.

The Simple Linear Regression equation model is as follows:

$$Y = a + bX$$

Where:

Y = Variable Response or Variable Effect (Dependent)

X = Variable Predictor or Variable Variable Cause (Independent)

a = constant

b = regression coefficient (slope); The amount of response generated by the predictor values a and b can be calculated using the formula below:

$$a = \frac{(\sum y)(\sum x^2) - (\sum x)(\sum xy)}{n(\sum x^2) - (\sum x)^2}$$

$$b = \frac{n(\sum xy) - (\sum x)(\sum y)}{n(\sum x^2) - (\sum x)^2}$$

III. RESULT AND DISCUSSION

Hypothesis testing is done using a simple linear regression test. This regression aims to determine whether the corporate social responsibility variable has a significant effect on business sustainability.



Table 1
Simple Linear Regression Analysis Test Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	23,85714	7,087404		0,80178	0,043535
	Business continuity	0,285714	0,122952	0,80178	2,32379	0,102728

a. Dependent Variable: Business continuity
 Source: primary data processing results with SPSS 18

Based on the table above, the results of the data processed by SPSS 18 show the value of the simple regression equation for social responsibility for business continuity at PT. TELKOM is $Y = 23.857 + 0.285X$. The regression equation shows that if the effect of social responsibility limits has a positive effect on business continuity, in other words, a one-unit increase in social responsibility will increase business sustainability by 0.285.

Table 2
Simultaneous Test (Test F)
ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	579,883	1	377,511	25,346	,001
	Residual	845,517	16	17,766		
	Total	1425,400	17			

a. Predictors: (Constant), X
 b. Dependent Variable: Y

Source: primary data processing results with SPSS 18.0

Based on table 2, it can be seen that in the test, the results of $f_{count} = 25.346 > F_{table} 4.50$ with a significant value of 0.001 which is smaller than 0.05, so H_0 is rejected and H_a is accepted. It can be concluded that there is a simultaneous influence of the corporate social responsibility variable on the business sustainability variable.

Thus, the results of this study indicate that properly implementing corporate social responsibility (CSR) will be able to improve the sustainability of the company's business.

From the results of the research that has been done, the authors discuss the effect of corporate social responsibility on the sustainability of PT. TELKOM as follows:

The influence of corporate social responsibility on business sustainability

Based on the results of hypothesis testing that has been carried out related to the influence of corporate social responsibility on business sustainability, it shows the value of $f_{count} 25.436 > t_{table} 4.50$ with a significance value of $0.001 < 0.05$ and the results of the regression test show a coefficient value of 0.285 in a positive direction, indicating that the hypothesis (H_a) accepted. Thus the corporate social responsibility variable has a positive and significant effect on the business sustainability variable.

The results of this study are in line with research conducted by Dani Ali Hamdani (2013), the results of his research indicate that the effectiveness of corporate social responsibility has a positive and significant effect on business sustainability. Thus it can be concluded that the better the implementation of corporate social responsibility, the more beneficial it is for the sustainability of the company's business.

VI. CONCLUSIONS

Based on the results of research and discussion carried out on the influence of corporate social responsibility on the sustainability of PT TELKOM Indonesia's business (going concern), the authors draw the following conclusions. Based on the results of research conducted at PT. TELKOM, it can be concluded that the implementation of corporate social responsibility has a positive effect on the sustainability of the company's business. Corporate social responsibility has a very strong influence on business sustainability. The better the implementation of corporate social responsibility, the more beneficial it is for business sustainability. It is



recommended that the next researcher not only examine the variables of corporate social responsibility but also the image of the company so that the research becomes more relevant.

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