

## **Model Design of the Implementation of Corporate Social Responsibility (Csr) Program in Response to Educated Unemployment**

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**Abstract:** *University graduates have very good potential to be developed into self-employment; however, many are not interested to run their own business. They need to be encouraged to have a strong motivation to establish their own business so that they do not expect to be hired by any other companies anymore. Now there is no more reason for shortage of funds if they would like to start a new business since the available CSR funds can support it optimally. A solid partnership in implementing CSR programs involving many parties, especially the ones from the colleges as a mediator and an initiator, is highly required so that the productive, innovative and creative programs are created.*

**Keywords:** *CSR, Entrepreneurship, Policy, Unemployment*

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### **I. Introduction**

Central Statistics Agency said that the rate of Indonesia's open unemployment reached 6.32%, or 7.61 million people. Indonesia, at least, needs some entrepreneurs with a minimum of two percent or 4.8 million of the population to build a developed, national economy. Singapore has 7.2%, Malaysia 2.1%, Thailand 4.1%, South Korea 4.0%, and the United States (USA) 11.5% of the total population. At the moment Indonesian is estimated to have approximately 0.24%. (<http://gagasanherman.wordpress.com/2013>)

The high rate of the educated unemployment actually can become highly prospective opportunities if it is handled properly involving all stakeholders. Act No. 40 of 2007 regulating the obligation of Corporate Social Responsibility (CSR) has been issued so that there are some good opportunities to encourage the educated unemployment to optimize their potential to become entrepreneurs. Therefore, it is necessary to have the right, synergized solution that can manage CSR programs optimally, transparently, accountably, effectively, objectively, professionally involving some related parties.

In a study of Chairil N. Siregar (2007: 288), it was found that each company raised its own interpretation in the implementation of CSR which could be seen from the respective companies in implementing CSR programs. In a research (Dessy Ariyati S, et.al. 2008) Dessy Ariyati indicated that the Application of CSR was seen as a compulsory not as a responsibility. In a study (Rusdin Alaudin, 2012: 335-336) Alaudin had his suggestions that businessmen should run the CSR programs starting from the preparation phase, the implementation, to the extent of reporting involving the stakeholders, especially the public. In addition, it should implement a kind participatory programs that synergize and combine the social capital of the local community and the capital of the company resulting in the Collaborative Working Model.

### **II. Methods**

A qualitative approach with the various disciplines such as Public Administration, Law, particularly Business Law, and Economics, particularly Human Resource Management (HRM) was applied to perform the study. It was expected the problem was investigated comprehensively and holistically. The main sources of information were the enterprises implementing CSR programs, the local governments, the unemployed scholars, as well as the community leaders. The resources were determined by the Bolling Snow with the entry points of the firms implementing CSR policies.

### **III. Results And Discussion**

#### **Some Important Things**

In the era of decentralization the local officials creativity is seriously needed to develop and improve the region. The creativity of the local officials to optimize the existing resources would determine the progress of the region; how to maximize the benefit of the available resources both in the government and in the

community become the key to success in building the territory. One of the opportunities was to utilize the CSR programs that have not been used by both the government and by the society to create the existence of new entrepreneurial opportunities for the educated unemployment. It should be considered that the policy of CSR is made to address the socio-economic gaps that often occur as a result of business activities that are sometimes less sensitive to the people living around the corporate environment. So by empowering the educated unemployment to be the partners of the companies through CSR funds was the perfect solution to boost the economy in the territory. Here are some important things to consider to optimize the implementation of CSR to develop entrepreneurship for the educated unemployment.

**Changing Paradigms.** The implementation of CSR programs cannot be properly understood by the companies, the government and the society. For most companies CSR is considered as a burden because some of the profits must be allocated for the society. The government interpretes that CSR is still as a donation fund for an activity or assistance to the public. During the course of democracy in Indonesia CSR was started to be socialized to the companies and the society, however, its implementation was understood as a safety net program for the company and not to be bothered by the people living around. Thus the meaning of CSR should be changed to a partnership program in which the company and the community or society have an equal position in implementing it. CSR is no longer defined as a company grant but it is a partnership program to help the socioeconomic development. The company and the people should have the same interpretation of CSR – that it is a form of partnership to empower the people and reduce the educated unemployment by establishing new entrepreneurs so that the local economy can be improved resulting in a better condition.

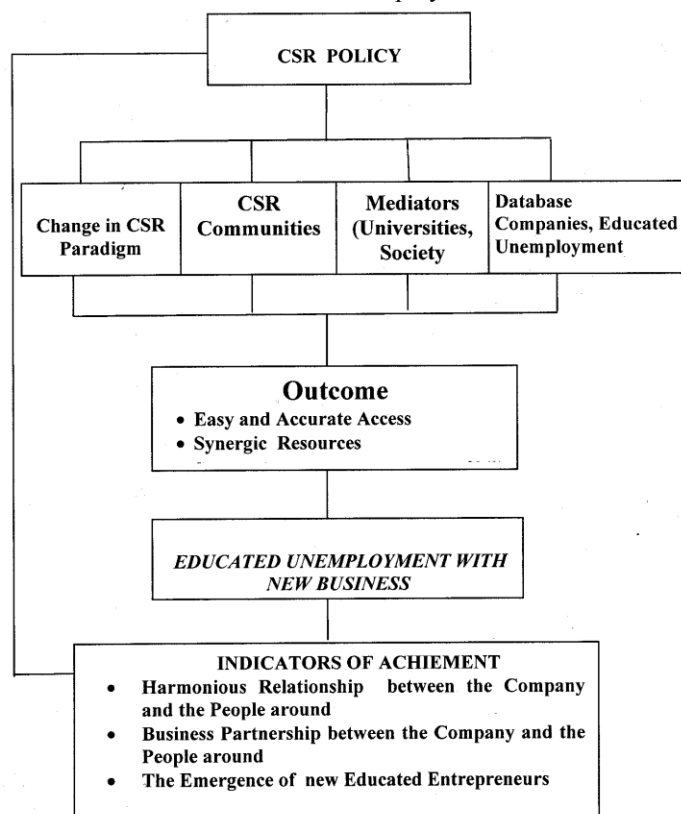
**Role of Mediator.** The mediator's role to initiate the constructive and productive programs was very important so that the CSR policies could be optimally implemented. Besides all related parties had their own limitations and faced some constraints of communication which should be solved integratively and comprehensively resulting in new ideas for the development of CSR. The mediators could come from various backgrounds such as local leaders, university experts or local government officers. It was expected that the program be mutually beneficial and synergic for the company, the people, the government, and the universities. Synergy occurred because the company had high resources in terms of finance, management, or market, whereas colleges had Human Resources (HR) from a variety of disciplines. This motivating alignment would be leading to the enthusiasm of the people and the government to implement the CSR policies optimally so that new, productive entrepreneurs were created.

**Community.** In the modern, reform, and information era, community has an important role in increasing the participation of the community to perform certain activities. Similarly, in the implementation of CSR to combat the educated unemployment, the existance of CSR community is highly required; it is intended to create a closer relationship for all stakeholders. The communities can be derived from the various groups of companies, intellectual persons, employees, government officials and unemployed persons and so forth. There many positive things that can be done synergically to optimize the implementation of CSR, particularly to cope with the educated unemployment to be entrepreneurs.

**Database.** The lack of a database on a variety of information related to the implementation of CSR caused some difficulties for companies, the people, and the government that would implement the CSR programs. They were confused how to start the new business through the funds of CSR. Also the government could not monitor or supervise the related parties participating in the CSR program. The database was necessary to gather all the information related to CSR and entrepreneurship, so it could be constructed as an information system to provide any information needed by the various parties concerned to the development of entrepreneurship through CSR.

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## IV. Conclusion

One of the potential for the economic development in the regions is to optimize the utilization of CSR funds in the form of entrepreneurship development programs, especially for the educated unemployment. The implementation of CSR funds is expected to have a high multiplier effect. There are some important things to note, namely: (a) Changing the Paradigm. For most companies CSR is understood as an expense for the company. (b) Role of Mediator. Through the mediators an integrative, comprehensive solution can be achieved (c) Communities. Communities can be derived from the various groups of companies, intellectual persons, employees, government officials and unemployed persons and so forth. (d) Database. Database can be constructed as an information system to provide any information needed by the various parties concerned to the development of entrepreneurship through CSR.

## V. Suggestion

To improve the effectiveness of the implementation of CSR in entrepreneurial development, especially for the educated unemployment, the role of the mediators from colleges or universities and local community leaders is very important. They are highly expected to be able to look for some proper solutions for each constraint transparently, and comprehensively. In running the new business it would be very appropriate if the related activity (the product) is matched with the partner company so that both parties can take the benefit directly and will facilitate the growth of new entrepreneurs.

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