



Analysis of the influence of Corporate Social Responsibility Programs on Increasing the Income of assisted SMEs Indonesian

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ABSTRACT

Corporate social responsibility (CSR) is expected to benefit the company and also provide an increase in the income of the assisted SMEs. Expanding on the income growth literature of PT "X" assisted SMEs, we conceptualize the involvement of SME owners in CSR programs organized by PT "X" as a form of "SME income growth". Companies as organizers who are involved in CSR and various forms of growth efforts to increase SME income (for example, providing credit, providing training and seminars). In Study 1 (N = 104 SMEs), we focused on 4 CSR program activities covering credit distribution, education level, marketing outreach and training. In total, our study results show that CSR programs affect the income growth of SMEs. We conclude with a guide for future research with a gender focus on SME owners.

Keywords: corporate social responsibility (CSR), fostered SMEs, and SME owners

INTRODUCTION

Referring to Law no. 40 of 2007, PT. "X" as a state-owned company and PT "X" has a social responsibility as a company, besides that it also has social responsibility to the community and the environment such as the surrounding community, namely SMEs.

SMEs itself is a business founded by the community, both individuals and groups with small capital. The SME formation program is very developed in Indonesia, especially during the Covid-19 pandemic. The government is promoting and facilitating entrepreneurship programs for the community. The government's concern for SMEs is to provide financial assistance in the form of loans that are easy to apply for with the aim of helping people develop their businesses.

Through entrepreneurship programs such as SMEs, they are able to contribute to job creation which indirectly helps the government in reducing unemployment during the covid-19 pandemic. In addition, it will create equity and increase people's income, encourage economic growth so as to realize national stability. In some cases it was found that the company's CSR practices have been considered as elements that are applied purely by most of the company's people (Perrini, Russo and Tencati, 2007). Another opinion is that small and medium enterprises (SMEs) naturally cannot take social responsibility actions, due to the costs that must be incurred as additional costs that must be incurred (Lepoutre and Heene, 2006).

Small and Medium Enterprises (SMEs) playing a role in the national economy have become one of the sources of national economic growth. According to data from the Central Statistics Agency (BPS) for 2016-2018, the role of SMEs has shown a significant increase significant each year to the contribution of national income and employment. In 2017, the number of SMEs was 48,936,636 business units consisting of 48,822,926 small business units and 106,711 medium business units, which absorbed more than 85,416,493 workers. The number of business units and the absorption of this workforce increased by 3.88 percent

each year on average. The contribution of SMEs to Gross Domestic Product (GDP) in 2017 was 7.17%. To clearly illustrate the development of the contribution of SMEs to the national economy, it is presented in Table 1 below.

Table 1. General Development of SMEs 2014-2017

Development Type	Year			
	2014	2015	2016	2017
Business unit	41.763.433 units	43.707.412 units	47.102.744 units	48.936.636 units
Labor	73.967.653 person	75.490.523 person	83.233.793 person	85.416.493 person
GDP	1.087.764 billion	1.387.099 billion	1.491.061 billion	1.773.745,7 billion
Investment	239.679.385 million	258.457.937 million	302.499.467 million	369.823.463 million

Source: Central Bureau of Statistics 2014-2017 processed

Indonesian SMEs are able to absorb a lot of workers. In addition, the local content of SME products is quite high, so that the national profit from SME products is also high. The position of SMEs in Indonesia is strategic in various aspects such as aspects of capital, aspects of labor, aspects of location and aspects of resilience. The first aspect of capital, SMEs do not require large capital so that the formation of this business is easy and not as difficult as large companies. The second aspect of labor, required by small industries, does not require certain formal/higher education. Most of the workforce required by small industries is based on experience (learning by doing) related to historical factors (path dependence). This is often found in the handicraft, carving, and batik industries. The third aspect of location, most small industries are located in rural areas and do not require infrastructure like large companies. The last aspect of resilience, capability and independence of small industries has been proven that small industries have strong survival when Indonesia is hit by an economic crisis. In the Indonesian economy, SMEs occupy a strategic position. This is because of its role as a means of growth as well as equity and also as the main goal of development. Therefore, researchers are interested in examining whether the role of CSR from PT."X" is able to increase the income of SMEs?

LITERATURE REVIEW AND HYPOTHESES

Corporate social responsibility

Aguilera et al., (2007) CSR is an activity that is carried out not under pressure or coercion by the company which aims for social change and the sustainability of the company's environment and has a positive impact on the company's environment. Companies engaged in business cannot be separated from the influence of the community to achieve economic goals (Crane et al., 2008), the role of CSR in improving the company's business is very important. Currently, the role of stakeholders is increasingly dominant in implementing CSR as discussed by Peter Drucker (Lee, 2008). The definition of CSR as corporate responsibility that has an impact on society (European Commission, 2011). CSR is important to build responsible and sustainable business growth (Moir, 2001).

CSR is a company activity that aims to achieve balance or integration between economic, environmental and social aspects without ignoring the expectations of shareholders (profit oriented). CSR is also a significant determinant of economic growth (Skare and Golja, 2014). Within the CSR category, several categories involve employees and the community, including charitable giving and voluntary programs (Riskmetrics Group, 1990).

In Indonesia, the term CSR appeared in the 1980s, but was only known in the 1990s. Just like the emergence of CSR in the world where the term CSR appears when CSR activities have actually occurred. This CSR activity in Indonesia has been carried out by the company many years before. But at that time CSR activities were better known as CSA (Corpoate

Social Activity) or corporate social activities. After 2007, to be precise, Law Number 40 of 2007 concerning Limited Liability Companies (UUPT), CSR became the obligation of the Company. Legally in the Company Law, which is emphasized only for companies that operates in the field of natural resources, but refers to the provisions of Article 15 letter b of Law no. 25 of 2007 concerning Investment (Investment Law) which states, "Every investor is obliged to carry out CSR." In fact, the Investment Law has already enacted it.

CSR can be divided into 3 types (Lantos, 2001), namely:

1. Ethical Corporate Social Responsibility means that the company has the responsibility to avoid environmental or social damage due to the company's business activities.
2. Altruistic Corporate Social Responsibility is a corporate social activity that aimed at improving the quality of life and welfare of the community without being directly related to company decisions.
3. Strategic Corporate Social Responsibility is a company activity aimed at improving the company's image in its target market in order to increase company revenue.

In practice, CSR has different meanings for each person, depending on the context and each person's perspective (Saeidi et al., 2015; Van Beurden & Gossling, 2008). Corporate social responsibility is often referred to as corporate social performance. Corporate social responsibility is defined differently by different authors with different contexts and perspectives.

CSR activities which are classified into two dimensions of approach, namely internal and external, must be implemented covering three areas, known as the triple bottom line, namely economic, social, and environmental (Hsu, 2012). This reflects the ability of companies engaged in CSR to effectively understand their customers and translate this knowledge into increased customer satisfaction. CSR policies lead to high levels of identification of consumer companies that help to meet customer needs. Third, companies must take a balanced perspective on all stakeholder interests and address their demands.

Small and Medium Enterprises (SMEs)

Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities, which are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly of a medium or large business, which fulfills small business criteria as referred to in the Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small and Medium Enterprises.

According to the Ministry of State for Cooperatives and Small and Medium Enterprises (Menegkop and UKM), Small Business (UK) including Micro Enterprises (UMI), is a business entity that has a net worth of at most Rp. 200.000.000, excluding land and buildings for business premises, and has annual sales of a maximum of IDR 1.000.000.000. Meanwhile, Medium Enterprises (UM) are business entities owned by Indonesian citizens who have a net worth of more than Rp 200.000.000 up to Rp. 10.000.000.000, excluding land and buildings.

Meanwhile, according to the Central Bureau of Statistics, SMEs are based on the quantity of work, namely small businesses are business entities that have a workforce of 5 to 19 people, while medium businesses are business entities that have a workforce of 20 to 99 people.¹⁵ According to Law Number 9 of 1995, what is meant by small business is: Small business according to Law No. 9 of 1995 is a small-scale productive business and meets the criteria for a net worth of a maximum of Rp. 200.000.000 (two hundred million rupiah) excluding land and buildings where business or have sales of a maximum of Rp.1.000.000.000 (one billion rupiah) per year and can receive credit from a bank a maximum of Rp.50.000.000 (fifty million rupiah) to Rp.500.000.000 (five hundred million rupiah). What is meant by Medium Enterprises according to Presidential Decree No. 5 of 1998, is a productive business that meets the criteria for a net business asset of more than Rp. 200.000.000 (two hundred million rupiah) up to a maximum of Rp. 10.000.000.000 (ten billion rupiah) excluding land and buildings for business premises and may receive credit

from banks in the amount of Rp. 500.000.000 (five hundred million rupiahs) up to Rp. 5.000.000.000 (five billion rupiahs).

Development of Small and Medium Enterprises (SMEs) has several obstacles or problems that hinder the development of SMEs. SMEs become the center of attention because of the level of the economy and the "less advanced" knowledge in doing business. SMEs face obstacles in maintaining or developing a business (business), including lack of knowledge of business management, lack of capital, and weakness in the field of marketing. The market condition faced by SMEs is monopolistic competition, besides that it is a fact that needs to be considered. To overcome this, SMEs must plan the right business strategy.

Income

Revenue is an important part of doing business. Increased income will encourage the business to improve and need to be maintained in order to continue to gain profits through innovative, efficient and effective actions. Innovative products will be more accepted by the market than ordinary products without any changes. High income is the hope of entrepreneurs in running their business. According to the Indonesian Accountants Association in the Statement of Financial Accounting Standards (PSAK) No. 23 states that the definition of income is as follows: "Revenue is the gross inflow of economic benefits arising from the normal activities of the company during a period when the inflow results in an increase in equity that does not come from contributions from investors".

In business, revenue is the most important part of the business process. A successful business can be said if the business is able to provide profits or income for entrepreneurs, without any business profits lacking or it can be said to be a failure. According to PSAK No. 23 revision 2015, Revenue is income that arises from the normal activities of the entity and is known by different names such as sales, service income, interest, dividends, royalties, and rent. Santoso (2013: 90) states that income is an inflow or addition of assets or the settlement of an obligation or a combination of both originating from the delivery or production of goods, the provision of services or other activities that constitute the main operation or core operation (major/central operation). That is sustainable (regular) of a company.

According to Mardi (2014: 83) the revenue cycle is everything related to a series of business activities and information processing activities that occur repeatedly related to the delivery of goods and services to customers and receiving all forms of payment received from customers. This cycle aims to and is the amount of money received by the company from its activities, mostly from selling products and/or services to customers. For investors, income is less important than profit, which is the amount of money received after deducting expenses. Meanwhile, revenue growth is an important indicator of market acceptance of the company's products and services. Consistent revenue growth, as well as profit growth, is considered important for companies sold to the public through shares to attract investors (Wikipedia).

Loans

In the partnership program between PT. "X" and SMEs, the reference for lending to SMEs is the Regulation of the Minister of State-Owned Enterprises No. PER – 05 / MBU / 2007 in article 12 (twelve) paragraph 2 (two) which reads: "The amount of administrative services for the Partnership Program loan funds per year is 6% (six percent) of the loan limit or determined otherwise by the Minister". The provision of loans to SMEs is subject to an administrative fee of 6% per year to PT."X" fostered partners in accordance with the regulations of the State Minister for State-Owned Enterprises.

In accordance with equation (2.1) above, lending to SMEs can increase the capital stock of SMEs (variable K), so that it can increase the production of SMEs and have an impact on increasing the income of SMEs.

Level of Education

In general, SMEs in Indonesia are led directly by their owners. This is due to efficiency and also facilitate the operation of SMEs. Considering that SME leaders are led directly, it will depend on the level of education. The higher the level of education, the higher the managerial ability and vice versa, the lower the level of education also has an impact on the lower managerial ability. In other words, the higher the education level of SME leaders, the better their managerial abilities, having broad insight and knowledge, and this has an impact on the ability to adopt production technology to increase production, as shown in equation (2.1).

Reach of Product

According to the American Marketing Association (2013) in Dzisi and Ofosu (2014) marketing. as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Marketing as the process by which companies engage customers, build strong customer relationships, and create customer relationships, and create customer value in order to capture value from customers in return (Kotler dan Armstrong, 2018:29). The core of marketing activities is product development, communication research, distribution, pricing, and service. In marketing there is one strategy, namely the marketing mix. The marketing mix is a set of controllable marketing variables used by the company to produce the response the company wants from its target market (Kotler dan Armstrong, 2018: 29). The marketing mix consists of everything a company can do to influence the demand for its products.

Training

The training provided by PT. "X" to SMEs is in the form of managerial training and seminars. The training aims to increase the ability and insight of SME leaders so as to increase the productivity of SMEs. The form of training is carried out by bringing in qualified trainers in the fields of production, management and marketing as well as human resource management. The training is organized by PT. "X" in collaboration with related parties such as the Cooperatives Service, the trade office. Free or free training. A form of partnership built by PT."X" as a funder for SMEs through training that is consistently carried out for all fostered SMEs.

The training is entirely the responsibility of PT. "X" or it can be said that the SME development training is free of charge. Providing training and seminars to SMEs can provide knowledge about good business management, development of production techniques and marketing of SME products, so as to increase company income. In accordance with the company's revenue or revenue function, such as equation (2.1) above, this SME development activity is part of variable A (production technology), which has a positive effect on SME revenue growth.

Hypothesis

Hypothesis 1 The number of loans obtained by SMEs through the CSR Program PT."X" is more likely to be able to increase its operating income.

Hypothesis 2 The last education level of SME owners through PT."X" CSR program is more likely to be able to increase their business income.

Hypothesis 3 The marketing reach of SME products through PT."X" CSR Program is more likely to be able to increase its business income.

Hypothesis 4 The number of frequencies participating in SME training through PT."X" CSR Program is more likely to be able to increase its business income.

RESEARCH METHODS

The study was conducted through a questionnaire with participants identified through research. Through several questions from all participants and screening, it can be determined the number of SME participants who are assisted by PT. "X". Of the total participants who took part in the selection of 125 SMEs, 104 SMEs were found to be eligible to meet the criteria to become PT. "X" fostered SMEs. The types of SME businesses include agriculture, services, motorcycle repair shops, home businesses and batik businesses, furniture, livestock, photocopies and meatballs, batagor, food vendors, LPG agents, mineral water agents.

In the initial stage, participants must first fill in identification such as full name, address, type of SME business, length of business. The majority of the samples were 52.9% male, and the majority of respondents aged between 26-40 years were 51.9% and completed high school education of . 45.2% and the majority of respondents received a loan of IDR 5.000.000. .

Measurement

Income

Research participants were asked, "Changes in SME income after participating in the PT."X" CSR Program? Respondents were given three answer choices, namely a. Income decreased b. Fixed income and c. Income increased

Credit Loans

Research participants were asked, "Do you need a credit loan from PT. "X" to develop SMEs? Respondents were given the choice to answer between IDR 2,000,000 to IDR 14,000,000 for the question. Before answering, PT. "X" has given directions to be adapted to the SME business.

Level of education

Research participants were asked, "What is your final education as an SME owner to develop SMEs through PT. "X" CSR program? Respondents were given four answer choices, namely a. Elementary School Education b. Middle school education c, SMA/SMK and c. College.

Product marketing reach

Research participants were asked, "Where is the position of product marketing coverage for PT. "X" m CSR Program participants? Respondents were given a choice of answers with two answer choices, namely a. Local (within the city/district) and b. between cities/regencies within the province.

Number of training frequencies

Research participants were asked, "How many times have SMEs participated in the training frequency through PT. "X" CSR Program? Respondents were given answer choices a once and b twice.

ANALYSIS AND DISCUSSION

Hypothesis 1, which predicts whether there is an effect of the number of loans obtained by SMEs through PT. "X" CSR Program to increase the income of SMEs?. To be more successful, the success of SMEs is largely determined through the management method (managerial of SMEs by the owner. Due to poor management, the loans received cannot provide optimal results. By using multiple linear regression analysis (see Table 1, Model 1) and finding support for this hypothesis ($B = 0.105$, $SE = 0.045$, $t = 2.328$, $p < 0.022$), with an adjusted R^2 of 0.440.

Hypothesis 2, which predicts whether there is an effect of SME owner education through PT. "X" CSR program on increasing SME income? To be more successful, it can be done

starting from the selection of SMEs that will be fostered partners, at least high school education or equivalent, so that the management of SMEs is better and the provision of guidance can be more effectively accepted by SME owners, for the development of their SMEs and of course have an impact on increasing the income of SMEs. Using multiple linear regression analysis (see Table 1, Model 1) and finding support for this hypothesis 1. We use multiple linear regression (see Table 1, Model 2), and find that education has a positive and significant effect on business income in PT. "X" CSR Program and find support for this hypothesis ($B = 0.288$, $SE = 0.136$, $t = 2.122$, $p < 0.036$) with an adjusted R^2 of 0.440. So, we find support for Hypothesis 2.

Hypothesis 3 predicts that whether there is an effect of product marketing reach through the CSR program of PT. "X" can increase the income of SMEs? The results showed that marketing reach had a negative effect on the income of SMEs. To be successful, the news about SMEs must continue to be carried out through news in the mass media and on PT."X" portal, but this needs to be increased the capacity of the information conveyed, for example by loading advertisements or promotions about the products of the SMEs they support, through an SME community site online. We use multiple linear regression (see Table 1, Model 2), and find that education has a positive and significant effect on business income in PT."X" CSR Program and find support for this hypothesis ($B = -1.091$, $SE = 0.881$, $t = -7.050$, $p < 0.000$) with an adjusted R^2 of 0.440. So, we find support for Hypothesis 3.

Hypothesis 4 predicts that whether there is an effect of training through the CSR program of PT. "X" can increase the income of SMEs? The results showed that training had a positive effect on the income of SMEs. This is because so far PT. "X" has indeed often conducted training and seminars for his fostered SMEs, at least 4 times a year, with priority for SMEs that will receive loans and taking into account the capacity of the training or seminar venues.

We use multiple linear regression (see Table 1, Model 2), and find that education has a positive and significant effect on business income in PT."X" CSR Program and find support for this hypothesis ($B = 0.436$, $SE = 0.317$, $t = 2.622$, $p < 0.010$) with an adjusted R^2 of 0.440. So, we find support for Hypothesis 4.

Table 2. Linear regression analysis of loan amount, education level, reach of product and training attend on Income in study 1

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.954	.170		5.614	.000
	Loan amount (LA)	.105	.045	.471	2.328	.022
	Education Level (EL)	.288	.136	.374	2.122	.036
	Reach of Product (RP)	-1.091	.155	.881	-7.050	.000
	Training Attend (TA)	.436	.166	.317	2.633	.010

a. Dependent Variable: IC

Discussion

The findings of study 1 on hypothesis 1 indicate that credit loans in PT."X" CSR program are able to increase the income of SMEs. This shows that PT."X" CSR program contributes to the development of SMEs so as to improve the performance of SMEs and ultimately provide increased income.

Hypothesis 2 shows that the education level of the owners or leaders of SMEs in PT."X" CSR program has an effect on increasing the income of SMEs. The success of SMEs is strongly influenced by the level of education of the owners of SMEs.

The findings in hypothesis 3 indicate that the reach of product marketing has a negative effect on increasing the income of SMEs, so PT."X" can assist SMEs in expanding product marketing. Through PT."X" CSR program, it is necessary to improve, for example, to include advertisements or promotions about the products of its fostered SME with an online SME community site.

Hypothesis 4 shows that training in PT."X" CSR program and seminars has a positive effect on increasing the income of SMEs. This is because PT."X" has often conducted training and seminars for its fostered SMEs, at least 4 times a year, with priority for SMEs that will receive loans and taking into account the capacity of training or seminar places. Based on hypothesis 1 to hypothesis 4 all of PT."X" CSR programs will be more successful optimally when the leaders of SMEs have sufficient education. The higher the education level of the SME leaders, the better their managerial abilities, broad insight and knowledge, and the impact on the ability to adopt production technology to increase production. So that the SME development program is prioritized for SME owners with a minimum educational background of high school or equivalent so that the SME development program can be more optimal.

Discussion

In study 1, we provide evidence that PT."X" CSR program in the form of providing credit to fostered SMEs has increased the income of SMEs. In our first study, we tested our theory with a large sample of PT."X" assisted SMEs involved in CSR and found SMEs that the marketing reach of SME products had a negative impact. This means that even though the product has been marketed to out of town in one province, it actually reduces the income of SMEs. This is due to the lack of promotion or infrastructure is still minimal, such as inadequate roads so that transportation costs are quite expensive. Another factor is the lack of online promotion, so that the products to be marketed in the destination city are already available. The findings of our study make several important contributions.

First, we expand our research on CSR programs and income generation of fostered SMEs to consider more specifically service and production SMEs. More specifically, we focus on an area of research that has not been researched yet: how PT."X" CSR program is delivered to female SME owners. Understanding this relationship helps evaluate CSR programs assisted by SMEs.

Second, we design the study using the education level of SMEs owners which suggests a causal relationship. The more you have a high level of education, the more you are able to manage existing resources managerially so as to increase the income of SMEs.

Third, we expand our research on SME income growth to include CSR and link it to gender. While previous research has considered the role of CSR as a way to increase the income of SMEs, this study did not consider gender with the CSR programs of the SME owners. In the following sections, we consider our findings relative to the existing literature, managerial implications, limitations, and propose future avenues for research in this area.

SME revenue growth

Previous research has shown that PT."X" CSR program attracts SME owners, because the CSR program is expected to increase the income of SMEs. Income is also the most important element for SMEs because income will determine the progress of SMEs. Therefore, SMEs must make every effort to obtain the expected income by using all available sources as efficiently as possible. Income is something that is very important in every SME. Without income it is impossible to get income. Income is income arising from SME activities commonly known as sales, fees, interest, dividends, royalties and rent. Through the CSR program, it is also able to provide product innovations that have an impact on increasing sales so as to contribute to the income of SMEs. It can be said that the CSR program is a technological innovation in corporate management. Given that innovation is usually correlated with improvement of products, services and management processes (Burlea-Schiopoiu, 2009 and Penalver, Conesa and Nieta, 2018). This is because CSR can be considered as a non-technological innovation in corporate management and also because it involves the introduction of new changes in defined processes. Bansal (2005) found a significant correlation between innovation spending (R&D) and CSR.

Credit loan

Previous research has shown that PT."X" CSR program attracts SME owners, because the existence of a CSR program through lending to fostered SMEs is expected to increase the amount of SME capital to develop SME businesses. Through the CSR program, it is also able to provide product innovations that have an impact on increasing sales so as to contribute to the income of SMEs. It can be said that the CSR program is a technological innovation in corporate management. Given that innovation is usually correlated with improvement of products, services and management processes (Burlea-Schiopoiu, 2009 and Penalver, Conesa and Nieta, 2018) . This is because CSR can be considered as a non-technological innovation in corporate management and also because it involves the introduction of new changes in defined processes. Bansal (2005) found a significant correlation between innovation spending (R&D) and CSR.

Level of education

Previous research has shown that PT."X" CSR program attracts SME owners, because the existence of a CSR program through education is expected to increase the income of PT."X" assisted SMEs. Fitria (2014) states that the higher the education of a trader, the greater the income earned. Amnesi (2013), Nugraha (2013), Tua (2013) stated that education has a positive effect on increasing income

Education is the most important element for SME owners because income will determine the progress of SMEs. Therefore, the level of education in general will definitely increase the income of PT."X"-assisted SMEs because the higher the level of education a person will certainly be able to increase the income from his business with various income-increasing strategies, both in terms of marketing, improving services, or improving the quality or quality of goods traded.

Product marketing reach

Previous research has shown that PT."X" CSR program attracts SME owners, because with the CSR program in the form of product marketing coverage, it is hoped that SME owners will be able to gain new insights about marketing strategies. Through a marketing strategy, it is hoped that SME owners will always try hard to find opportunities with the aim of being able to sell products. The strategy is carried out by bringing the product closer to the consumer so that it is easy for consumers to make a purchase of the product. This step is taken to increase sales volume which has an impact on increasing the income of SMEs. However, it needs to be re-examined if opening a new market share actually increases the costs incurred so that it burdens SMEs which can reduce income. The decision to open a new market share is highly dependent on the instructions of the SMEs owner. The SMEs owner's instructions are very important for the success of the SME business. Because instructions that still hold to ethics in doing business are important (Priddle 1994; Shannon & Berl, 1997).

Training and Seminar

Previous research has shown that PT."X" CSR program attracts SME owners, because with the CSR program in the form of training, it is hoped that SME owners will be able to gain new insights about production process techniques, how to make financial reports and be able to manage existing resources. Through training as a CSR program, SME owners can practice more efficient product processes and produce innovative products and are able to produce products that are competitive with similar products. In relation to the results of research that found a positive relationship between training time and organizational performance, Lengermann (1996), Schonewille (2001) analyzed the impact of training time on performance by measuring training time as the average hours of training per employee over a certain period of time. (usually one year). Other researchers supported Lynch (2002) using training weeks, Bartel (1994) using the year in which training was developed, Bartel (1995) measuring training time as the number of days spent in training in one year for each employee,

CONCLUSION AND SUGGESTION

Conclusion

Is the CSR program carried out by PT. “X” makes SME owners experience better revenue growth? Here, we tackle this question using one study and find evidence that the education level of SME owners strongly influences the success of CSR programs. Although the CSR program which includes credit loans, education level, training has a positive effect on the income growth of SMEs. However, the range of product marketing has a negative effect on the income growth of SMEs.

Limitations

Meanwhile, we found that SMEs revenue growth was still not optimal, which decreased by 11.5% (12 SMEs), remained at 36.5% (38 SMEs), experienced an increase of 51.9% (54 SMEs). This result is because there are owners of SMEs with low education (elementary school) as much as 32.7%. Future research factors might collect data directly on education levels higher than elementary school as a prerequisite for SMEs owners to participate in CSR programs.

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