



Partnership of State-Owned Enterprises with Micro, Small and Medium Enterprises as a Form of Corporate Social Responsibility

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A B S T R A C T

This study aims to analyze the partnership that occurs between State Owned Enterprises (SOEs) namely PT. Pelabuhan Indonesia III (Persero) with Small and Medium Micro Enterprises (UMKM) as a Building Partner in the Partnership Program. This research uses the theory of William C. McDowell (2009) which has 4 indicators including: 1. Trust (trust) 2. Dependence (dependence) 3. Information quality (information quality) 4. continuous quality improvement (continuous quality improvement). The results show that the partnership formed between the partners, namely PT. Pelabuhan Indonesia III (Persero) as the organizer of the Partnership Program has facilitated development partners for the programs that have been run. The facilities provided are not only soft loan assistance but also training on entrepreneurship, financial processing training, and other facilities in the form of access to exhibitions to promote the products of the coaching partners. The improvement of the surrounding economy is a manifestation of the success of this Partnership Program.

INTRODUCTION

Public Private Partnership (PPP) which is now a very fashionable concept in the discourse on public sector management. For many the focus is on attracting private financing for public projects (Wattenhall, 2003). Public-private partnership (PPP), which is defined as a work arrangement based on a shared commitment (above and below implied in any contract) between a public sector organization and any organization outside the public sector (Bovaird, 2004). Partnership development for sustainable development as a process in which actors from different sectors of society (state, market and civil) restructure and build new social relationships to create more sustainable management practices (Glasbergen, 2010). National societies have formed cross-sectoral partnerships to address the needs of an aging population, especially for the purpose of improving long-term support service systems (Giunta, 2013).

Partnerships are widely discussed; this is because the existence of a partnership pattern is very helpful in improving the community's economy. Several studies that discuss partnerships such as, (Mughtar, 2010; Hodge, 2007; Wattenhall, 2003; Bovaird, 2004; Glasbergen, 2010).

Partnerships are often promoted as a means to increase the effectiveness of government in serving the community such as the concept of New Public Management (Bovaird, 2004). Public services based on partnerships between the public and private sectors will generate positive responses from the community (Mughtar, 2010). And actors develop products and services as well as share the risks, costs, and resources associated with the products and services provided (Hodge: 2007). Partnerships are also required to be carried out proportionally from the role of each actor involved so that the common goal can be achieved.

Partnership work has become an increasingly popular way of delivering public services. However, it is important that working partnerships do lead to better public service delivery and evaluation will be needed to ensure this happens. Research on process issues with partners using partnership assessment tools and interviews shows that these partnerships work satisfactorily (Lamie, Joan & Rob Ball, 2010).

The Indonesian government has begun to innovate to form a partnership with State-Owned Enterprises (BUMN) with the aim of helping the lower middle class to be independent with the assistance of funds/capital provided by the government to the community, therefore, the community will be able to develop their business, recruit and empower the surrounding community by getting easy capital and lower interest than banks. This capital assistance can be referred to as the Partnership between the Government and the Private which is then expected to create sustainable development so that it can improve the economy in the community (Mughtar, 2010). A partnership process that unravels the dynamics of value creation and collaboration results which examines the benefits and costs at various levels. The writer suggested that greater value is created at all levels of analysis, micro, meso, and macro, as collaboration moves from single creation to shared value creation (Austin, 2012). Partnerships and other forms of public participation in decision-making have become central to policy-making. Simultaneously, there is a growing commitment to evidence-based policies and a requirement to demonstrate value for money for the time and resources invested in partnerships (Boydell, 2010: 217-228). Partnerships developed in Indonesia generally involve large and small entrepreneurs with the aim of eliminating the gap in doing business. In principle, partnership cooperation is cooperation between large entrepreneurs and micro and small entrepreneurs

based on the principles of mutual strengthening, mutual benefit, mutual need and mutual sustainability.

The partnership will create Transfer of Knowledge in terms of more efficient and prospective business management experience for small businesses, while for large and medium-sized businesses will obtain continuity of production or increase greater capacity. Therefore, the partnership pattern is one of the elements for achieving development in Indonesia.

METHOD

This research uses descriptive research with qualitative research methods. The researcher must provide an explanation of the analysis in the partnership between PT. Pelabuhan Indonesia III (Persero) with Micro, Small and Medium Enterprises Fostered Partners in Surabaya, the basis of the research is research conducted at PT. Pelabuhan Indonesia III (Persero) and fostered partners, with the aim of obtaining more accurate data according to the problems in this research. The researcher used data collection techniques, namely: observation, interviews, documentation. The research subjects were sources of informants, which means people in the research background who were used to provide information about the research conditions. The informants in this study were: (1) Key informants, namely Senior Human Resources PT. Pelabuhan Indonesia III (Persero). (2) Supporting informants, namely the owners of the MSMEs of the Fostered Partners (Mitra Binaan) in Surabaya.

In the context of the approach, the researcher tried to reveal the pattern of interaction events that occurred during the partnership that occurred between PT. Pelabuhan Indonesia III (Persero) with Micro, Small and Medium Enterprises Fostered Partners in Surabaya with a depth of understanding and interpretation of each on events that determine action. Interviews were conducted to collect opinions, feelings, emotions and other matters relating to individuals in the Corporate Social Responsibility Program, informants are figures and stakeholders involved in the partnership process that occurs, and; data processing was carried out in the form of triangulation (data collection, data reduction, data display, and conclusion drawing and data verification). The validity and reliability of the data were in the form of checking and re-checking aspects of credibility, transferability, dependability, and confirmability of research data up to the stage of writing reports and research results with reference to the elements of trust, dependence, information quality, and continuous quality improvement.

RESULTS AND DISCUSSION

The results of this study in terms of the theory used by the writer, namely according to [William C. McDowell \(2009\)](#) regarding partnerships and the benchmarks for supporting and hindering the implementation of partnerships were used as a reference in analyzing the theory used by the writer.

Trust

Trust is something that is something to be expected coming from honesty and cooperative behavior based on sharing the same norms and values. The concept of trust is in accordance with the conditions in the field that in carrying out the partnership program implemented by PT. Pelabuhan Indonesia III (Persero) 3 there are several rules and norms that must be obeyed by the fostered partners (mitra binaan). The form of trust in this case is

indicated by an agreement agreed by both parties, namely the fostered partner and PT. Pelabuhan Indonesia III (Persero) 3.

One of the important points is about installment payments that must be paid on time. The advantages provided by PT. Pelabuhan Indonesia III (Persero) 3, namely the assisted MSMEs are involved in exhibitions, therefore MSME participants are obliged to participate. As it is known that PT. Pelabuhan Indonesia III (Persero) 3 Tanjung Perak has its own tourist destination, namely Surabaya North Quay, many domestic and foreign tourists with cruise ships visit Surabaya by sea. Partnership program from PT. Pelabuhan Indonesia III (Persero) 3 is not only in the form of loan funds with cheap installments, but also facilitates MSMEs in the form of training, especially training to be able to process funds so that they are maximized which will result in the utilization of funds to be absorbed optimally. A total of 53 fostered partners in the Surabaya and East Java areas ranging from the Industry, Trade, Livestock, Agriculture, Plantation, and other services sectors.

In the description above, it can be concluded that the factor that becomes trust in the Partnership and Community Development Program is the signing of an agreement between the two parties which is carried out when the training of the fostered partners is in progress, where one of the aspects of the agreement is to pay installments on time.

Dependence

Dependency has two components, namely the essence of the relationship and the difficulty of changing supply chain partners. Mutual dependencies will lead to interdependency and play an important role in connecting stakeholders in developing collaborative relationships. Interdependency is a prediction about the creation of contractual relationships and cooperation between organizations. The more dependent the supply chain party on other parties, the more committed that party will be to the relationship that is being established.

Partnership Program organized by PT. Pelabuhan Indonesia III (Persero) 3 as a supply chain while MSMEs as other parties are interdependent between the two, therefore not only with financial assistance, but the form of dependence between the two parties can be seen from the needs of MSMEs to receive training in managing funds and also training in promoting their products. Dependence on the part of PT. Pelabuhan Indonesia III (Persero) 3 is also indicated by the obligation of MSMEs to be able to pay the dues obligations that were initially agreed upon between the two parties. Innovation and efforts are very much needed, it is expected that business continuity will keep going to survive, possessing high profits so that it will not burden MSME actors in paying their obligations to PT. Pelabuhan Indonesia III (Persero) 3.

From the explanation above, the writer can conclude that the dependency factor of PT Pelabuhan Indonesia III (Persero) is the form of business supervision run by MSMEs. Supervision in the form of control over the installment payments of fostered partners to PT Pelabuhan Indonesia III (Persero), in addition to the balance of receivables of each fostered partner will always be updated by PT Pelabuhan Indonesia III (Persero) to be submitted to the fostered partners.

Information Quality

PT. Pelabuhan Indonesia III (Persero) 3 as the organizer of the partnership and community development program will continue to be committed to being able to provide services for all fostered

partners. The quality of the information provided to the fostered partners is a very important factor in order to increase the capacity of the fostered partners themselves. Clear methods of delivering information and uncomplicated procedures will greatly assist the fostered partners in obtaining the required information. The information needed by MSMEs is information related to the installments of fostered partners as well as information about how to market products. Facilities in the form of consultations for fostered partners who need information are a form of concern for PT. Pelabuhan Indonesia III (Persero) 3 to maintain the business continuity of the MSMEs.

The strategy in partnering is that there is a synergy so that each partner gets more profit, the work process and results are faster, the company is more flexible, there is risk sharing, reduces the need for capital because the company will concentrate on effective core competencies, the business ability of each partner will increase, because the existence of the same information can obtain additional benefits and advantages from partners, creating efficiency and effectiveness. Thanks to all forms of training that have been provided by PT. Pelabuhan Indonesia III (Persero) 3, MSMEs have been able to enter the national market and compete with other fostered MSMEs. This is indicated by the achievement of MSMEs which already have many resellers spread throughout Indonesia. The success of this partnership program is also determined by the enthusiasm of MSMEs to take part in the training.

The information quality factor for Micro, Small and Medium Enterprises is the quality of training and effectiveness of training provided by PT Pelabuhan Indonesia III (Persero), therefore the main goal is to increase the expertise of MSMEs to be able to promote their products. Among the variables in the partnership theory by William C McDowell, this information quality factor is the dominant factor or key factor for the success of the fostered partners so that they can be selected as foster partners of PT Pelabuhan Indonesia III (Persero) in 2017.

Continuous Quality Improvement

Continuous quality improvement (CQI) or also referred to as continuous quality improvement on the overall performance of the organization should be used as a permanent benchmark of the organization. The continuous process is the most fundamental basic principle in which quality is the center. This process is complementary and vital to the process, as well as the principle of customer focus. Micro, Small and Medium Enterprises (MSMEs) as foster partners in running their business require innovation to be able to meet market needs, while maintaining quality product quality to be maintained so that they are able to survive and be able to compete. The real form of effort from MSMEs to increase innovation is to maintain hand-made production methods so that the quality of these products will continue to be maintained, because high accuracy is required in their manufacture, besides the existence of a website that is a facility from Pelabuhan Indonesia III as a supporting factor for MSMEs, especially to be able to promote the product.

The continuous quality improvement factor of PT Pelabuhan Indonesia III (Persero) is how to overcome all obstacles that occur during the implementation of the Partnership Program. These steps can be in the form of monitoring MSMEs when they experience obstacles in paying installments, in addition to the various obstacles experienced are stated in the Financial Management Report for the Partnership and Community

Development Program (PKBL) therefore they can be directly discussed at the General Meeting of Shareholders (GMS).

CONCLUSION

Based on the presentation and analysis of the data described above, it can be concluded that the Partnership Program which is one form of corporate social responsibility of PT. Pelabuhan Indonesia III (Persero) with Micro, Small and Medium Enterprises (UMKM) Partners fostered in Surabaya region as a whole is good. This is shown by the data regarding the fostered partners of PT. Pelabuhan Indonesia III (Persero) has experienced an increase, even won several championships not only from PT. Pelabuhan Indonesia III (Persero). The indicators disclosed by William C. McDowell (2009) is one of the four indicators, the information quality indicator which is the main supporting factor in the success of the Partnership Program between PT. Pelabuhan Indonesia III (Persero) with Micro, Small and Medium Enterprises in Surabaya City. The suggestion from the writer is the Partnership Theory by William C. McDowell (2009) suggested 4 indicators in the implementation of partnerships, trust, dependence, information quality, continuous quality improvement, based on the presentation of data by the researcher who are the main supporting factors in implementing the partnership program of State-Owned Enterprises. (BUMN) PT. Pelabuhan Indonesia III (Persero) with Fostered Partners in Surabaya area is information quality, therefore PT. Pelabuhan Indonesia III (Persero) needs to prioritize the quality of information that will be conveyed to MSMEs, such as business processing training intended for MSMEs in order to improve the ability to process finances that have been facilitated by PT. Pelabuhan Indonesia III (Persero), besides that it is easy to be able to access the information needed for MSMEs, especially access to information about MSME exhibitions so that MSMEs are expected to take advantage of the opportunity to be able to promote their products to the maximum and be able to compete in national and even international markets.

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