

IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY BY MICRO, SMALL AND MEDIUM ENTERPRISES CASE STUDY IN SEMARANG CITY

Indarto*

Abstract: Due to relatively little attention being given to CSR in relation to small medium enterprises until recent years, the knowledge of social activities in this sector, particularly in Indonesia, has remained unexplored and amorphous. This study was conducted to determine the application of CSR in small and medium-sized companies. The aim of this study is to advance understanding of how small medium enterprises perceive CSR and their approaches to social responsibility. The study was conducted in the city of Semarang, the capital of Central Java province that perpetrators economy is dominated by small and medium businesses. Research using primary data obtained through in-depth interview to small and medium businesses. The population in this study was non agricultural small and medium businesses operating in the city of Semarang. The research was based on a random sample of small and medium-sized companies that have been operated minimum one year. The Depth interview covering small business motivation to undertake corporate social responsibility that oriented on profit, people and the planet, and the impact of its implementation on the performance and reputation of small and medium enterprises, standar of social life and the regional economy. Data analysis of this research is qualitative analysis. The results of this study contribute to the existing knowledge of business management, particularly in ethical business. The Small medium enterprises and policy makers can use the results of this study to improve and reorient their plans in implementing corporate social responsibility.

Keywords: small medium enterprises, corporate social responsibility, long term sustainable growth and development, ethical business.

1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) grow rapidly in recent years. Based on data from the ministry of cooperatives and Micro, Small and Medium Enterprises, In 2014 there are 57.9 million units of SMEs, which means 99.99% of the total number of business units. MSMEs can create jobs as much as 97.30 from across our workforce. Micro , Small and Medium Enterprises accounted for 58.2% of Gross Domestic Product (GDP). MSMEs in Indonesia became the mainstay of our government to the nation's economic growth.

* Semarang University, Indonesia, E-mail: authors email: bali@ssbrn.com

Increasing MSMEs will be opening more new jobs, improve the quality of people's welfare and ultimately improve the country's economy. As such, they play a fundamental role in society and can potentially have a huge impact on social welfare. As micro, small and medium enterprises have stakeholders and an impact on society, the concept of CSR is just as valid for small companies, as large companies. In order to achieve competitive edge for themselves, micro, small and medium enterprises also have to address the social responsibility aspect of their businesses.

Micro, small and medium size enterprises should not ignore the growing connection between corporate reputation and social responsibility (Sotamenau, 2014). They have to balance their operations with the concerns of internal and external stakeholders such as employees, customers, suppliers and business partners, labour unions, local communities, non-governmental organizations and governments. By its very nature CSR is a complex, multiform phenomenon emerging as the interface between enterprises and society, moreover for micro, small and medium enterprises. Social and environmental consequences have started to be weighed against economic gains and short-term profit against long-term prosperity by the businesses in order to maintain long-term sustainable growth and development. The foundation of philosophy as a fundamental concept of CSR is guided by moral arguments. No company lives in a vacuum space and isolated life. Companies live together in an environment and they can live and grow due to the communities in which they live. Today, corporate behaviour demonstrates that the protection of the environment is an essential part of its production strategy and realisation of profits (Prabowo, 2014).

Today more and more MSMEs are concerned about the state of the economy, social and environment. Those with limited skills are able and willing to share for others to show his concern. Corporate Social Responsibility (CSR) to be implemented by MSMEs is an action taken by the company (according to the ability of the company) as a form of their responsibilities towards the social / environment in which they operate. Examples of responsibilities is diverse, ranging from activities that can improve people's welfare and improvement of the environment, providing scholarships for children are not able to, provision of funds for maintenance of public facilities, donations to the village / community facilities that are social and useful to society at large, especially people residing around the company is located.

2. THEORITICAL REVIEW

2.1. Definition of MSMEs

Based on Law No. 20 of 2008 on Micro, Small and Medium Enterprises, which is classified as MSMEs are businesses with a net worth of up to Rp 10 billion, excluding

land and buildings or have a turnover of up to Rp 50 billion per year. If a business has a wealth of over USD 10 billion or turnover over USD 50 billion, then the business is classified as a large company or corporation.

2.2. Definition of CSR that appropriate for MSMEs

According to the World Bank, CSR is the commitment of business to contribute to sustainable economic development to improve the quality of life so good for business is good for social life at the same time. The business analyst is also some interpret CSR as a form of business commitment to act ethically, operating legally and contribute to economic improvement along with improved quality of life of employees and their families, local communities and society more luas. Program CSR is an investment for the company for the sake of growth and sustainability (sustainability) company and is no longer seen as a means of cost (cost center) but rather as a means of profit (profit center). The CSR program is the company's commitment to support the creation of sustainable development (sustainable development).

Based on Trinidad and Tobago Bureau of Standards (TTBS), Corporate Social Responsibility is defined as the commitment of business to act ethically, operating legally and contribute to economic improvement along with improved quality of life of employees and their families, community and local society more broadly. World Business Council for Sustainable Development defines Corporate Social Responsibility as an ongoing commitment among businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as local communities and society as a whole. CSR Forum mendefinikan Corporate Social Responsibility as a business that is done transparently and openly and based on moral values and uphold respect for employees, communities and the environment.

According to Kotler and Nancy (2005) Corporate Social Responsibility (CSR) is defined as the company's commitment to improve the welfare of the community through good business practices and contributes most of company resources. According to the CSR Forum (Frankl, 2007) Corporate Social Responsibility (CSR) is defined as a business that is done in an open and transparent and based on moral values and uphold respect for employees, communities and the environment.

2.3. Stages in Implementing CSR

There are three (3) stages in implementing CSR. The first is Charity, at this stage motivations as a religious activity as well as indigenous traditions and its mission is to overcome the problems instantaneously and managed only for the short term. Beneficiaries of charity programs targeted to the poor and limited organizing committee.

The second is Philanthropy, at this stage the motivation for the fulfillment of the norms, ethics and universal laws and the redistribution of wealth, this program has the mission to find and address the root problem. The management is more organized and well-planned because it is usually administered by a foundation or a professional institution. This program beneficiaries' broader general public.

The third is Corporate Citizenship, this is the real stage a CSR program. That program the company that has the mission to contribute to society in a sustainable manner. This program is internalized in corporate policy management, and organization there is a special section that handles the CSR program and involvement in funding budgeted by the company. While the beneficiaries of this program that the public at large and the company itself.

That's stages in the implementation of CSR and the characteristics that can be selected by the SMEs according to their ability. Whatever stage is selected by an SME is a reflection of concern to share each other and become agents of change and become a problem-solver and social entrepreneur environment. With the company's CSR not only purely economic gain, but also social benefits, and the current CSR has become a global business ethics. By implementing CSR-based community development and empowerment will then came CSR Corporate Citizenship at the stage where all the CSR implementation based on the mutual interests that will equally contribute to the progress of society, the government and the company.

2.4. Dimension of CSR

CSR implementation is done according to the ability of the company. According to the concept of Triple Bottom Line that enterprises have to oriented on profit, people and planet, CSR is implemented in four dimensions; the dimensions of the workplace, marketplace, the social dimension and the environmental dimension.

Workplace Dimension

Workplace dimension refers to those activities aimed at improving the working conditions of workers by offering training and staff development, creating equal opportunities and diversity, and helping workers to maintain a work-life balance. According to Fiori, Di Donato and Izzo (2007:8), the measures of workforce-oriented CSR activities are based on health and safety systems, systems for employee training and development, equal opportunities policies, systems for good employee relations, and systems for job creation and security. Accordingly, motivation and retention of employees are a key driver and a main focus area of CSR initiatives within SMEs (Jenkins, 2009: 23).

Marketplace Dimension

Marketplace dimension refer to those activities aimed at community, sports, health and well-being, education, assistance to low income groups and community participation. Such activities are viewed as support for social and cultural community activities, as well as community development and other related issues (Vives, 2006:46). Support for sporting activities is the preferred activity among SMEs in nearly all the countries in Europe (European Commission, 2002:13). Similarly, SMEs appear to be to most active in supporting sporting, health and cultural activities in Latin America (Vives, 2006:46). Research conducted by Polášek (2010:140) emphasised the following society-oriented CSR activities as important to SMEs, namely: financial and in-kind (material) donations; volunteerism; education of the public; support of various kinds for the local quality of life (e.g. sports, culture, etc) and collaboration with local schools, authorities and various organisations.

Social Dimension

Social Dimension refers to the way in which a business focuses on the needs of its customers by responding quickly to consumers' orders and complaints about its products and services, is open at convenient times, provides customers with useful information, treats customers fairly, charges fair prices, and generates profit without cheating the customers. According to the European Commission (2011:5), market-oriented CSR activities include targeting improvements in product quality and safety, providing voluntary customer services, charging fair prices, ethical marketing, timely payments, cooperation with local partners, promoting good standards in supply chains, and supporting the creation of local/regional business cooperatives. A socially responsible business is expected to conduct its activities in a transparent manner and to have positive relationships with its customers. A business's ability to succeed in the long term depends on its ability to create lasting and high quality sales networks for its products (Polasek, 2010:138).

Environmental Dimension

Environmental dimension refers to the measures a business can take to minimise its negative impact on the natural environment, such as the ecological and economic use of natural resources, using environmentally friendly packaging, recycling, waste reduction, energy and water conservation, and pollution control. According to the European Commission (2005b:33), the most important environmentally oriented CSR activities concern the consumption of materials and energy, and the handling of pollution and waste in the most environmentally friendly manner. A survey of European SMEs revealed that environmentally oriented CSR activities are generally aimed at designing environmentally friendly products or production processes or being actively engaged in recycling activities (Mandl & Dorr, 2007:47).

3. METODOLOGY/RESEARCH DESIGN

This study uses a qualitative method that produce descriptive data in the form of words written or spoken of people and behaviors that can be observed, this approach directed at the background and the individual as a whole. By using qualitative researchers seek all the necessary data, then grouped under grouped into more specific. In the method of qualitative research process begins with an observation or symptoms. Qualitative methods are browsing (exploratory), where knowledge of the issue is still lacking or not available at all.

Informant in this research is the MSMEs business owners and employees of MSMEs .In determine informants, researchers used a technique proportionally by takingInformants from selected business areas, namely MSMEs in Batik and food. In this study the authors use tringulasi source by seeking other sources for comparison of data obtained from the informant.

Methods of data analysis used in this study is a qualitative analysis that is a design that gives it easy for researchers to record, monitor and follow the process of an event or activity of an organization as it exists in a certain timeframe and then interpreted to answer the research problem. Uses descriptive method with qualitative approach, intended to create a description, picture of systematic, factual, and accurate information about an object, a set of conditions at the present time and the relationship between qualitative be explored. Phenomenon approach believed to be able to direct searches new concept of combination studied perspective and the perspective of the researchers themselves, through an approach that emphasizes empirical criteria sensual and empirical logic of a phenomenon which is then used to build predictions and give explanations to the phenomenon.

4. RESULTS & DISCUSSION

4.1. Profil of Respondent

Respondents in this study is MSMEs that are already in operation at least one year. There were 8 respondents interviewed in depth and observed in implementing CSR activities. In order to determine the extent of the information provided by the informant study, researchers used several stages: First, draft interview questions based on the elements of credibility that will be asked in the sources or informants. Second, conduct interviews with MSMEs, the business owner, employees working in the MSME and the people living around these MSMEs to be supporting data. Third, perform the documentation directly in the field to complete the data relating to research. Fourth, move the research data in the form of a list of all the questions asked to the informant or informants. Fifth, analyze the results of the interview data that has been done. Here are profiles of the eight respondents.

Table 1
The Respondents

No	Company	The Owner	Long operated	Product	Total manpower
1	Tahu Nasikin	Bapak Nasikin	15 years	Tahu	11
2	Kripik Paru "Dua Kidang"	Eddy Riyanto	6 years	Keripik paru	5
3	Enamura	Agung	4 years	Layur Crispy	3
4	UD. Makmur Mandiri	Rahayuningsih	10 years	Tahu Bakso	7
5	Batik Pasha	Ibu Heru	15 years	Batik Cap dan batik tulis	5
6	Cilukbatik	Christin	2 years	Batik Anak	7
7	Batik Salma	Ibu Salma	6 years	Batik Tulis	8
8	Batik Anindya	Ibu Lisa	10 years	Batik Tulis	12

Sources: indepth interview, 2015

4.2. CSR Implementation by MSMEs

As big companies, companies in the micro, small and medium enterprises have an obligation to carry out corporate social responsibility. Based on in-depth interviews and observations, the average MSMEs own awareness to implement corporate social responsibility. Based on in-depth interview to the MSMEs, a picture that the perpetrators of MSMEs already implement CSR, but they do not understand that what they do is the implementation of CSR. Awareness to be a responsible business unit both in the company itself that employees and outside companies that stakeholders outside the company.

Here are the results snippets indepth interview some respondents about their CSR implementation:

Nasikin (Tofu producer)

" I always choose materials with good quality to make my products. I did not dare to use preservatives .In fact I dare to give a guarantee to know that already purchased, if the results to know or sense out less pleasing to the consumer, the consumer will receive a rebate. In producing know, I try not to generate waste that harm society. Residual dregs out sold to the farmers, so that after production, the factory conditions in a clean state. Wastewater out of the plant does not smell and does not damage the environment because it does not use preservatives, so it can directly discharged into the river. I do not register my product out to the Department of Health and BPOM, because I guarantee the quality and consumer's safety . I give my employee time off 4 times a month. But if they are willing to work a full month, they will get a bonus of 10,000 per day. I follow the amount of the District Minimum Wages to pay my employees.On the surrounding

environment efforts, I also have a great social responsibility and the high sensitivity to the needs of the surrounding community. I tried to fix the roads around the plant because it realized that many freight cars primarily pick up the pace associated with my business. I have always been donors in activities in the local area” .

Edi (Producer of paru crispy “Dua Kidang)

In the production process I was very concerned about the cleanliness. Material certainly washed before processing. Dishwater made a special channel that does not stagnate and cause a fishy smell. I have registered my product to obtain a permit from the Department of Health and BPOM so that the product chips lung “Dua Kidang” has been standardized SNI. This serves as proof that the product paru crispy “Dua Kidang” healthy and safe for consumption. I realize that the business needs to be also running a social responsibility. I understand that most employees do not get their rights. I give salaries to its employees in accordance with the provisions of the UMP and to provide benefits to employees at the feast. Employees off every Sunday and holidays. If there is a fortune, I also invite employees to tour although in places near the course. For me, employees are relatives, because without them, my efforts can not run. Social responsibility towards society and the environment around also I have done though simple. My corporate social responsibility to the environment is to make sure that their production activities did not interfere with the surrounding community. Production waste bins were given a special place so it does not disturb the environment and scenery. I had to set aside part of the profits from his business to donate the mosque and the surrounding environment. I also always set aside some of the business profits to sacrifice on Eid al-Adha in the surrounding neighborhood.

Lisa (Batik producer)

“ I produce batik by empowering disabled people that the deaf mute. The deaf mutes and those I trained with patience so as to batik skillfully. My aim to empower them, as long as they do not have a chance to work. Usually people with deaf and dumb not work formally accepted. The mutes and the disabled me give you an opportunity to develop themselves. By very carefully and patiently, I teach them one by one until finally skilled. I train them to make batik and sewing. In producing batik I tried using dyes that do not harm my neighborhood. I am aware that in business should not be greedy and underhanded. I prefer to work together and build networks as much as possible. For me, business is one of worship “.

Salma (Batik Producer)

In producing batik cloth, I do not want to damage the environment. The use of natural materials is a necessity considering the issue of waste of batik production using chemical dyes disturb the environment. I’m afraid if using chemical dyes,

batik waste will contaminate the surrounding wells. Therefore, I diligently develop natural dyes for batik and teach people around to using natural materials. I believe that this is also a batik business of worship, then empower employees, the local community especially the younger generation are preferred. In marketing, I often work together with other batik producers, making it more efficient, for example by renting a stand together. Marketing with such a system would provide mutual benefit.

Statement of the speakers can be concluded that in implementing CSR activities they do are as follows:

1. Implementation of CSR – Workplace Dimension

The following is a summary of the responses informants workplace dimension of CSR activities.

Table 2
Implementation of CSR – Workplace Dimension

<i>Workplace Dimension</i>	<i>Implementation</i>
• Employee welfare	<ul style="list-style-type: none">• Provide appropriate compensation• Giving holiday allowance• Provide health benefits• Provide a bonus or reward for achieving targets
• The relationship between employees	<ul style="list-style-type: none">• Holding gathering• Build communality employees to help each other• No mutual discriminate
• The relationship between employer and employees	<ul style="list-style-type: none">• Employees are given the opportunity to give feedback to the boss• Relationships like family• Respect the rights of employees
• Condition of the working environment	<ul style="list-style-type: none">• Ensuring Safety• Maintain cleanliness• Trying to give comfort despite limited
• Improvement and development of human resources	<ul style="list-style-type: none">• Employees are guided and trained to be able to do a good job.• Employees are given the confidence so that they can be responsible
• The balance between life and work	<ul style="list-style-type: none">• Employees were given a day off

Sources: Indepth interview, 2015

Small and medium micro entrepreneurs in general has full awareness that our employees are part of the family, rather than paid labor. This kind of treatment does not occur in large companies. The small and medium entrepreneurs are highly respects the rights of employees ranging from wages, bonuses, holiday and working

environment atmosphere. The businessmen are unknowingly already implemented *sosialnya* responsibility to its workers.

2. Implementation of CSR - Market place dimension

MSME entrepreneurs appeared to have realized that consumers and competitors are stakeholders that are important to them. Provide products with good quality, reasonable price with good service is an obligation. Competitors are not a party that is considered an enemy, but a party that can actually be invited to a mutually beneficial cooperation. This indicates that the MSMEs entrepreneurs have implemented CSR in the marketplace dimensions well.

Implementation of CSR – Workplace Dimension

Table 3
Implementation of CSR – Market place Dimension

<i>Market place dimension</i>	<i>Implementation</i>
• Competing healthy	• In prioritize creating competitive advantages and benefits
• Product / service quality	• Honest to consumers and relationships
• Reasonable prices Policy	• Use quality ingredients, do not dare to use cheap materials but harmful to health
• Respect copyrights	• Selling a product that truly satisfy the consumer
• To ensure the safety and health of consumers	• Prices are set so affordable by the community
	• Establishing such prices prevailing in the market
	• Do not cheat other products,
	• Do not use other people's brands are already well known
	• Do not dare to use formalin, harmful dyes and other materials that smelled of chemicals
	• the safety of food products tested to BPOM and health department
	• Conduct halal certification

Sources: indepth interview, 2015

3. Implementation of CSR – Social Dimensions

MSME entrepreneurs though it has not become great entrepreneurs, they have a high awareness to share with the community in the form of social action, donations, scholarships and others. For those businesses in which they live is a form of worship, so they should not be greedy and greedy. The advantage gained with full sincerity, they return to the community in various forms of activities. Implementation of CSR in the social dimension is usually realized by providing donations for social activities, arts and cultural activities to activities that empower local residents where their businesses are located.

Table 4
Implementation of CSR – Social Dimension

<i>Dimension</i>	<i>Activities</i>
<ul style="list-style-type: none"> • Get involved in the community 	<ul style="list-style-type: none"> • Become a donor for activities surrounding communities.
<ul style="list-style-type: none"> • Helps to increase public knowledge or skill 	<ul style="list-style-type: none"> • Charge RT regular cash • teach skills to the local community as required
<ul style="list-style-type: none"> • Contributing to the development of infrastructure in the surrounding environment 	<ul style="list-style-type: none"> • Build roads around the place of business • Participate contribute to the construction of mosques
<ul style="list-style-type: none"> • Creation and improvement of people's income around 	<ul style="list-style-type: none"> • Provide opportunities for the local community to supply raw materials
<ul style="list-style-type: none"> • Maintenance and development of arts and culture around 	<ul style="list-style-type: none"> • Give a donation to the organization of cultural events that are around the business, such as earth alms

4. Implementation of CSR – Environmental Dimensions

The responsibility of small and medium micro enterprises on the environment has also been carried out in accordance with their respective capabilities. At least the company's social responsibility towards their environment implemented in the environment around them by taking care not to cause pollution and waste that harm the surrounding community. They keep the production process does not disturb local residents. Some small and medium entrepreneurs have been able to initiate repair of roads or other infrastructure.

Table 5
Implementation of CSR activities - Environmental Dimension

<i>Environmental Dimension</i>	<i>Implementation</i>
<ul style="list-style-type: none"> • Preventing contamination of the surrounding environment 	<ul style="list-style-type: none"> • Creating a sewage treatment • Clean gutters • Using natural dyes • Using environmentally friendly materials
<ul style="list-style-type: none"> • Use of sustainable resource 	<ul style="list-style-type: none"> • Use biodegradable packaging • Using materials that do not harm the environment.
<ul style="list-style-type: none"> • Protection against natural habitat diversity and sustainability 	<ul style="list-style-type: none"> • Protecting the environment from being polluted

Motivation of MSMEs to implement CSR

Although not yet understand the concept of CSR, employers have implemented corporate social responsibility well. Strong motivation to carry out various activities

which are based on the implementation of CSR over the high moral responsibility to run the business with an honest, responsible and ethical. Although the implementation of CSR that run still at the stage of Charity, that implementation be a good start for the business units to develop business ethics.

Motivation of CSR Implementation by MSMEs

Work place Dimension

work is worship
 For a more loyal employee
 In order for increased employee productivity
 Already obligations of the welfare of employees
 In order for the work to be efficient

Market Place Dimension

Honest to consumers and society
 Consumer is king
 Business must be ethical
 Compete with lawful manner

Social Dimension

Not to be greedy, to be charitable
 Surrounding communities are communities that should be respected

Environmental Dimension

preserve the environment
 If the environment becomes comfortable waking life

Sources: indepth interview, 2015

Impact of implementing CSR for MSMEs

In general, small and medium entrepreneurs have implemented CSR better on the dimensions of workplace, marketplace dimension, social dimension and the environmental dimension though unconsciously and without prior understanding of the concept of CSR. All the left of "good intentions" of doing business. In fact, what has been done has yielded good impact for stakeholders and for MSMEs itself. The following is acceptable impact MSMEs of implementing CSR

Table 6
Impact of CSR Implementation

<i>Dimension</i>	<i>Impact of CSR Implementation</i>
Workplace	<ul style="list-style-type: none"> • Workplace violence and loyal employees • improved employee productivity • The case of workplace accidents can be avoided • Problem quickly resolved

contd. table 6

<i>Dimension</i>	<i>Impact of CSR Implementation</i>
Marketplace	<ul style="list-style-type: none"> • Not many complaints from consumers • Sales increase were due to the promotion of mouth for implementing CSR • Received an award from the government • Get help from the government
Social	<ul style="list-style-type: none"> • Easy to get network • Communities participate in promoting the company's products
Environment	<ul style="list-style-type: none"> • Received an award from the community • There were no protests from the public about the existence of companies • Participate protecting the environment • The environment is clean, comfortable and supports the smooth production

Barriers in Implementing CSR

In general, it is difficult for employers to not only be profit-oriented. Many obstacles to implementing corporate social responsibility to its stakeholders. Here are the obstacles encountered by entrepreneurs of MSMEs in implementing CSR.

Table 7
Barriers in CSR Implementation

<i>Dimension</i>	<i>Barriers in CSR Implementation</i>
Workplace	<ul style="list-style-type: none"> • Limitations of space make working conditions become less convenient for employees • limited financial capability causing business owners have not been able to provide salaries to the employees in accordance with the provisions of MSMEs
Marketplace	<ul style="list-style-type: none"> • A shortage of information and access to relevant agencies led to the standardization of products, the legality of the product has not been done
Socialplace	<ul style="list-style-type: none"> • Limited time • Limitations of Human Resources • Limited funds caused the company has not been able to contribute significantly to community empowerment and community service • Initiative of society that is still difficult to be invited to develop
Environmentplace	<ul style="list-style-type: none"> • Limited time • Limitations of HR • Budget limitations • Limited land and the location was not possible to make a special waste treatment.

Sources: indepth interview, 2015

5. CONCLUSIONS

Based on the qualitative analysis of the results of in-depth interviews and direct observation has been done before conclusions can be drawn:

1. All MSMEs have been implementing activities related to CSR though they did not know him as CSR. CSR activities undertaken SME-oriented workplace that impact is felt by employees.
2. Implementation of CSR by MSMEs is still in charity step, mainly oriented to employees and their families who applied by MSMEs is compensation in accordance with the provisions of the government (UMP), providing a comfortable work area and a good working relationship between employees themselves as well as between employees and employers (owners of MSMEs).
3. Motivation of the implementation of CSR by MSMEs is "good intentions" for running his businesses with high moral responsibility
4. MSME entrepreneurs believe that running business is one of worship, then it must share and pay attention to the surrounding environment.
5. The MSMEs feel the positive impact both short term and long term of implementing CSR. The impact is felt, minimal conflict, lack of protest from consumers, the production process to be smooth and comfortable, turnover increased and earn rewards.
6. The MSMEs admit it is not easy to implement CSR. Factors that hinder the implementation of CSR is the time, budget, human resources and the response from the community itself.

References

- European Commission. (2002), Communication from the Commission concerning Corporate Social Responsibility: A business contribution to sustainable development, COM (2002) No. 347. Official publications of the European Commission, Brussels.
- European Commission (2005a), *The new SME definition. User guide and model declaration*. European. 1 January 2005.
- European Commission (2005b), Enterprise and innovation in deprived urban areas: Sharing the European experience. *The European Learning Network Policy Bulletin* Issue 3 - July 2005.
- European Commission (2007), *Opportunity and responsibility. How to help more small businesses to integrate social and environmental issues into what they do*. Report, Brussels.
- European Commission (2011), Corporate sustainability information and training in Europe: *Situation analysis on corporate social responsibility (CSR) activities on SMEs*. Poland.
- European Commission (2008), *Overview of the links between corporate social responsibility and competitiveness*.
- Fiori, G., Di Donato, F. & Izzo, M.F. (2007), Corporate social responsibility and firm's performance: An analysis on Italian listed companies. Luiss University, Italy.

- Jenkins, H. (2009), A business opportunity model of corporate social responsibility for small and medium-sized enterprises, *Business Ethics: A European Review*, 18 (1): 21-36.
- Kotler, P., dan Nancy L. (2005), *Corporate Social Responsibility: Doing The Most Good For Your Company and Your Cause. Best Practices From Hewlett Packard, Ben & Jerry's and Other Leading Companies*. Jhon Wiley and Sons Inc. United States of America.
- Mandl, I. & Dorr, A. (2007), CSR and competitiveness. European SMEs' good practice. Consolidated European Report, Vienna.
- Prabowo, M., Shidqon, (2014), Corporate Social Responsibility (CSR) As An Empwerment Effort For Small Medium Enterprises in Indonesia, *International Journal of Business, Economics and Law*, Vol. 4, Issue 3.
- Prastowo, Joko dan Miftachul Huda, (2011), *Corporate Social Responsibility: Kunci Meraih Kemuliaan Bisnis*, Penerbit Samudra Biru, Yogyakarta.
- Polasek, David, (2010), *Corporate Social Responsibility in Small and Medium-Sized Companies in the Czech Republic. Disertation*. Czeh Management Institute Praha Faculty of Management Escuela Superior De marketing Y Administracion Barcelona.
- Sugiyono, (2013), *Memahami Penelitian Kualitatif*. Alfabeta, Bandung.
- Sotamenau, Joel, (2014), Corporate social responsibility among small and medium size enterprises in Cameroon, *Journal of Entrepreneurship and Innovation Management*.
- Tempo.co. (2014), Dongkrak Bansos, Jawa Tengah Terbitkan Perda CSR.
- Undang-Undang Republik Indonesia Nomor 20 Tahun 2008 Tentang Usaha Mikro, Kecil dan Menengah.
- Viviers, S. (2009), Going green: An SMME perspective. *Southern African Journal of Entrepreneurship & Small Business Management*, 2(1): 30-49.
- Wibisono, Y. (2007), *Membedah Konsep dan Aplikasi CSR*. Fascho. Publishing Gresik.