SIMPATIK
(SIMPOSIUM NASIONAL PERBANKAN, AKUNTANSI DAN KEUANGAN)

ANALYSIS OF GOOD CORPORATE GOVERNANCE AND TRIPLE BOTTOM LINE PRINCIPLES ON CSR IMPLEMENTATION AT PT SUCOFINDO (PERSERO) SEMARANG BRANCH

ISNAIN NUR HANIFAH GUSTI
MARIA THERESIA HENI WIDYARTI
ALVIANITA GUNAWAN PUTRI

Semarang State Polytechnic
Prof. Soedarto Street, Semarang City, Central Java, Indonesia
isnainnurhanifah@gmail.com

Abstract: *Companies that actualize Good Corporate Governance (GCG) standards can move forward the effectiveness of their trade exercises, including CSR exercises. To provide a noteworthy effect on the maintainability of the company, CSR must be based on the standards of the Triple Bottom Line. The purpose of this quantitative descriptive study how PT SUCOFINDO Semarang Branch implements CSR using the GCG and Triple Bottom Line concepts. Information collection was carried out by interviews, surveys, and documentation. Respondents related to the dispersion of the survey were beneficiaries of the Micro and Small Business Funding Program (PUMK) and Non-Micro and Small Business Funding Program (Non-PUMK) in 2022-2023. The information investigation utilized clear variable examination to get file values. The research results indicate that almost all GCG and Triple Bottom Line principles are well implemented in PT SUCOFINDO Semarang Branch's CSR implementation. Nonetheless, there are still shortcomings with how the Triple Bottom Line principles pertaining to people and the GCG principles of accountability and transparency are used.*

Keywords: Good Corporate Governance, Triple Bottom Line, Corporate Social Responsibility, Limited Liability Companies

INTRODUCTION

The current competitive business development makes companies not only judged by their profits and financial performance, but also by their positive reputation among shareholders and the general public. Companies need to contribute to social and environmental welfare to increase value in the eyes of the public and shareholders, which is important for operational sustainability. Management is expected to manage the company by considering the interests of stakeholders and minimizing possible conflicts. Therefore, putting Good Corporate Governance (GCG) into practice is crucial to the company's ability to meet its objectives.

GCG is believed to be able to help companies, especially during economic crises, to recover in a healthier and more professional manner. GCG is based on a number of general principles, including transparency, accountability, responsibility, independence, and fairness (Putra et al., 2023). GCG needs to be implemented with a commitment by the company to avoid negative impacts on the business. An implementation of GCG is Corporate Social Responsibility (CSR). The implementation of CSR is the result of GCG that pays attention to the interests of stakeholders, complies with regulations, and actively cooperates to ensure the sustainability of the company (Melani et al., 2022). Companies that implement GCG should implement CSR (Kepramareni et al., 2022; Solihin et al., 2021; Widyarti & Kurniawan, 2021).

CSR reflects the principle of responsibility, where companies are committed to complying with the law while meeting social needs through CSR programs. The law that regulates corporate responsibility in sustainable economic development also supports the Triple Bottom Line concept also known as 3P (Profit, People, Planet)

(Wijaya & Mursitama, 2023; Kurnia et al., 2023). If a company wants to maintain the sustainability of its business, it must pay attention to 3P (Burhan et al., 2024).

In Indonesia, State-Owned Enterprises (SOEs) also carry out CSR initiatives as part of applying GCG principles through Social and Environmental Responsibility programs, as stipulated in government regulations, to reinforce their dedication to delivering social and environmental benefits. PT SUCOFINDO (Persero) Semarang Branch, as a branch office of a SOEs, actively engages in CSR with the objective of fostering CSV (Creating Shared Value) for its stakeholders. PT SUCOFINDO's CSR implementation covers the Micro and Small Business Funding Program as well as the Non-Micro and Small Business Funding Program. Despite having earned recognition for its CSR efforts, the Semarang Branch faces challenges such as the discontinuation of certain partnership programs and a decline in the number of initiatives-issues linked to its role in upholding GCG principles. CSR funding for the Semarang Branch is provided by the head office, without an independent budget allocation at the branch level. This limitation can impede the execution of CSR programs, which are vital for addressing community needs. Consequently, maintaining a strong commitment to GCG and the Triple Bottom Line approach is essential for improving CSR management.

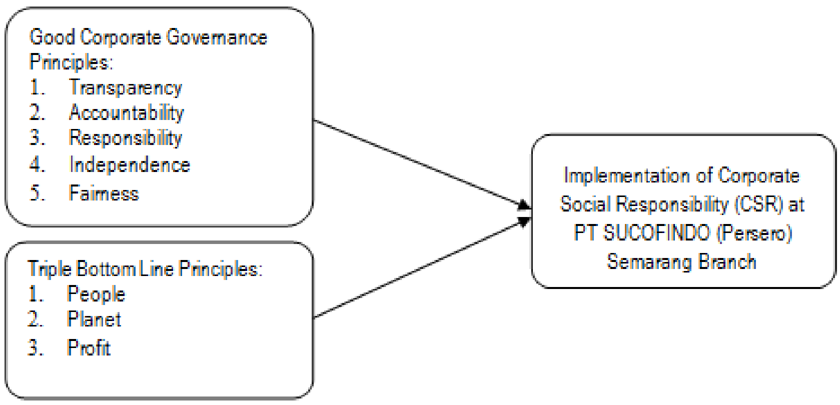
Research that has been conducted by Yonita & Aprilyanti (2022) argues that GCG has to do with the stakeholders of the business. GCG is an actual representation of the business's stakeholder relationship with the community. According to Ardhiansyah & Pramelani (2021), CSR has the potential to make businesses or businesses get operational approval (license to operate) from residents around the company, as well as being part of the operational risk management of the industry to withstand or avoid conflicts with the social environment. According to Ariastini & Semara (2019), Triple Bottom Line can be a benchmark for companies that pay attention to the economic side as well as the positive and negative impacts caused to society and the environment. Wijonarko & Woro Astuti (2022) highlighted that a corporation must practice social responsibility in order to foster positive relationships with its stakeholders. Without clear and mature performance from a company, it will result in insensitivity to changes around it and become dysfunctional when it is further away from its environment.

According to Shim et al. (2021), when CSR is implemented effectively by a company, it can enhance the company's overall value. Therefore, it is important for companies to integrate CSR programs with GCG principles and the Triple Bottom Line concept to optimize CSR management, making it more efficient and effective and fostering a strong and sustainable business reputation. In light of this context, the present research carries the title "Analysis of Good Corporate Governance and Triple Bottom Line Principles on CSR Implementation at PT SUCOFINDO (Persero) Semarang Branch".

THEORETICAL FRAMEWORK AND HYPOTHESES

This research aims to determine the application of the principles of Good Corporate Governance (GCG) and Triple Bottom Line in the implementation of Corporate Social Responsibility (CSR) carried out by PT SUCOFINDO (Persero) Semarang Branch. Based on this explanation, the following is a formulation of the research through a framework of thought.

Figure 1. Theoretical Framework of Thought



Source: Based on the result of research theoretical study of Yonita & Aprilyanti (2022), Ardhiansyah & Pramelani (2021)

Agency Theory

Jansen and Meckling revealed the agency theory in 1976. According to this agency theory, the basic nature of humans as social beings is to be self-interested, have limited thinking about future views, and always avoid risks (Razak et al., 2023). The relationship between a company's owners and management can be understood thanks to this agency theory.

Legitimacy Theory

Permatasari et al. (2019) emphasized that legitimacy theory serves as the foundation for companies to align their operations with societal expectations and needs, following prevailing social norms in their business practices. This theory highlights the relationship and interaction between a company and the community. To gain public support, companies are expected to conduct and transparently disclose as many CSR activities as possible.

Good Corporate Governance in Limited Liability Companies (Persero)

OECD (Organization for Economic Cooperation and Development) explains GCG as a method of managing business activities and organizational structures with the goal of enhancing the company's long-term value while taking into account the interests of other stakeholders (Lastanti & Augustine, 2022). According to the Regulation of the Minister of SOEs Number Per-2/MBU/03/2023 regarding Guidelines for Governance and Significant Corporate Activities of SOEs, Persero companies are required to implement GCG principle consisting of transparency, accountability, responsibility, independence, and fairness. Through application of these principles, SOEs are expected to contribute optimally to national economic growth while also fostering greater public trust and support.

Corporate Social Responsibility (CSR) in Limited Liability Companies

Lord Holme and Richard Watt stated that CSR is a company's ongoing commitment to operate ethically and contribute to progress in order to improve the quality of life of families, workers, and also local communities to the wider community (Ardhiansyah & Pramelani, 2021). Regulation of the Minister of SOEs Number PER-1/MBU/03/ concerning Special Assignments and SOEs TJSL Programs explains that the CSR program in SOEs, which is called TJSL Program, is the dedication and commitment SOEs to sustainable development through the provision of economic, social, environmental, legal, and governance advantages using more integrated, targeted, quantifiable, and accountable principles.

Triple Bottom Line

Triple Bottom Line was developed and introduced by John Elkington with the concept of "3P". Businesses must consider and support social welfare and environmental protection in addition to profit (Burhan et al., 2024). Triple Bottom Line in an accounting perspective consists of three main pillars, namely Planet, People, and Profit. Planet shows the company's concern for nature and the environment, People shows the company's concern for society, Profit is related to the company's ability to generate profits (Kahfi et al., 2023).

RESEARCH METHODS

The type of research used is descriptive research with a quantitative approach method. This study uses primary data in the form of interview results and questionnaire distribution, while CSR-related data or information serves as secondary data. The population used in this study was the CSR program management division of PT SUCOFINDO Semarang Branch and all recipients of the CSR program of PT SUCOFINDO Semarang Branch. The purposive sampling method was used in sampling with the criteria (1) Managers who are responsible for the CSR program of PT SUCOFINDO Semarang Branch in 2022-2023. (2) Beneficiaries of the CSR program in 2022-2023 who still have a continuing relationship with PT SUCOFINDO Semarang Branch. The following is the sampling process:

Table 1. Research Sample

Sample	Amount
Responsible for CSR programs in 2022-2023	1
Micro and Small Business Funding Program in 2022	24
Non-Micro and Small Business Funding Program in 2022	9
Micro and Small Business Funding Program in 2023	0
Non-Micro and Small Business Funding Program in 2023	4

Source: Processed Data (2024)

The data analysis process in this research included testing the research instruments and performing a descriptive analysis of the variables. Instrument testing was carried out with validity and reliability assessments. For the descriptive analysis of variables, an index analysis approach was applied to illustrate respondents' perceptions of the provided statement items. The next formula was then used to calculate the respondents' answers:

$$\text{Index Value} = \frac{\left((\%F1\times1)+(\%F2\times2)+(\%F3\times3)+(\%F4\times4)+(\%F5\times5)\right)}{5}$$

Source: Ferdinand (2014)

Annotation:
F1: Respondents' frequency of choice selection One (1)
F2: Respondents' frequency of choice selection Two (2)
F3: Respondents' frequency of choice selection Three (3)
F4: Respondents' frequency of choice selection Four (4)
F5: Respondents' frequency of choice selection Five (5)

The calculation using the Three Box Method criteria is divided into three (3), resulting in a range of 30 that will serve as the foundation for interpretation, namely as follows:
Index value 10.00-40.00 low interpretation
Index value 40.01-70.00 medium interpretation
Index value 70.01 - 100 = high interpretation

RESULTS AND DISCUSSION

PT SUCOFINDO implements CSR in the form of a TJSL program based on community mapping and aspirations. This encourages Creating Shared Value (CSV) for the community and other stakeholders. The CSR implementation of PT SUCOFINDO Semarang Branch is carried out through two types of TJSL programs: the Micro and Small Enterprise Funding Program (PUMK) and the Non-Micro and Small Enterprise Funding Program (Non-PUMK) or Other Assistance/Activities.

Respondents in this study were categorized by age, gender, occupation, marital status, and CSR program category. Thirty-seven questionnaires were distributed, of which only 31 were returned and six were not, resulting in a return rate of 83.78%.

Result

1. Result of Validity and Reliability Test

The validity test was conducted using the Pearson correlation method. For 31 respondents with a 5% significance level (0.05), the r-table value was 0.355. The findings revealed that all calculated r-values exceeded the r-table value. Thus, it can be concluded that each question item related to the GCG and Triple Bottom Line variables was valid at the 5% significance level. The reliability test aimed to assess the consistency of the research instrument, measured using the Alpha Cronbach value, which exceeds 0.70. The analysis findings demonstrated that the instrument met this criterion and was therefore deemed reliable.

2. Descriptive Analysis of GCG Variables

The descriptive analysis for the variable of GCG principles included 16 statement indicators.The average index score obtained for this variable is 86.26%, which, based on the Three Box Method criteria, falls into the high category. The following details the results of GCG principles index.

Table 2. GCG Index Value

Variable	Indicator	Respondents' Answer Frequency (%)					Index Number Per Variable (%)	Index Value (%)
		1	2	3	4	5		
Transparency	X1.1	0,0	0,0	0,0	51,6	48,4	89,68	88,88
	X1.2	0,0	0,0	0,0	51,6	48,4	89,68	
	X1.3	0,0	0,0	0,0	54,8	45,2	89,04	
	X1.4	0,0	0,0	3,2	48,4	48,4	87,12	
Accountability	X2.1	0,0	0,0	3,2	61,3	35,5	84,54	85,79
	X2.2	0,0	0,0	0,0	77,4	22,6	84,52	
	X2.3	0,0	0,0	3,2	41,9	54,8	88,32	
Responsibility	X3.1	0,0	0,0	0,0	51,6	48,4	89,68	84,71
	X3.2	0,0	0,0	9,7	71	19,4	76,2	
	X3.3	0,0	0,0	0,0	67,7	32,3	86,46	
	X3.4	0,0	0,0	3,2	51,6	45,2	86,48	
Independence	X4.1	0,0	0,0	0,0	61,3	38,7	87,74	83,54
	X4.2	0,0	0,0	9,7	54,8	35,5	79,34	
Fairness	X5.1	0,0	0,0	0,0	51,6	48,4	89,68	88,39
	X5.2	0,0	0,0	0,0	51,6	48,4	89,68	
	X5.3	0,0	0,0	3,2	64,5	32,3	85,82	
Average Value of GCG Variable Index								86,26

Source: Processed Data (2024)

3. Descriptive Analysis of Triple Bottom Line Variables

The descriptive analysis for the variable of Triple Bottom Line principles included 9 statement indicators. The average index score for this variable is 86.38%, which is also classified as high according to the Three Box Method criteria. The following details the results of Triple Bottom Line principles index.

Table 3. Triple Bottom Line Index Value

Variable	Indicator	Respondents' Answer Frequency (%)					Index Number Per Variable (%)	Index Value (%)
		1	2	3	4	5		
Profit	X6.1	0,0	0,0	16,1	58,1	25,8	81,94	87,1
	X6.2	0,0	0,0	0,0	41,9	58,1	91,62	
	X6.3	0,0	0,0	0,0	61,3	38,7	87,74	
People	X7.1	0,0	0,0	0,0	64,5	35,5	87,1	88,17
	X7.2	0,0	0,0	0,0	45,2	54,8	90,96	
	X7.3	0,0	0,0	3,2	61,3	35,5	86,46	
Planet	X8.1	0,0	0,0	3,2	77,4	19,4	83,24	83,85
	X8.2	0,0	0,0	3,2	64,5	32,3	85,82	
	X8.3	0,0	0,0	3,2	80,6	16,1	82,5	
Average Value of Triple Bottom Line Variable Index								86,38

Source: Processed Data (2024)

Analysis of Principles

1. Transparency

PT SUCOFINDO Semarang Branch has implemented CSR transparency principles effectively, as evidenced by an average score of 88.88% (high interpretation). Information is delivered clearly, timely, and easily accessible through official media, but it has not yet been recorded on the Semarang City Government's official CSR website, indicating a lack of public transparency.

2. Accountability

CSR accountability principles are implemented with an average score of 85.79% (high interpretation). The business engages the community in the implementation and outreach of its programs, and carries out CSR functions responsibly and in accordance with agreements.

3. Responsibility

PT SUCOFINDO demonstrates social and environmental responsibility with an index of 84.71% (high interpretation). The company follows up on community input and implements programs according to guidelines. However, shortcomings include the termination of the PUMK program and the reduction of the Non-PUMK program.

4. Independence

The principle of independence is well implemented with a score of 83.54%. CSR is managed professionally without the dominance of particular interests and without shifting responsibility between parties.

5. Fairness

PT SUCOFINDO implements CSR fairly and without discrimination, with an index of 88.39%. Programs target the community equally and pay attention to the rights and obligations within the partnership.

6. Profit

CSR implementation benefits the company and the community with an average score of 87.1%. CSR also enhances a positive image and contributes to the local economy.

7. People

CSR is oriented towards community welfare and empowerment, as evidenced by a score of 88.17%. However, since 2022, the PUMK and Non-PUMK programs have decreased, resulting in less than optimal implementation of the people aspect.

8. Planet

PT SUCOFINDO has implemented environmentally conscious CSR with a score of 83.85%. Activities were carried out after an initial survey and support sustainable environmental sustainability.

CONCLUSION

The CSR implementation at PT SUCOFINDO Semarang Branch are carried out through the social and environmental responsibility program, which covers both PUMK and Non-PUMK initiatives. The execution of these programs follows applicable government regulations, internal company policies, and the guidelines outlined in ISO 26000. In its CSR practices, the company applies GCG principles, particularly focusing on accountability, independence, and fairness. Although the principles of transparency and responsibility have been relatively well implemented, some gaps remain, such as the absence of CSR program reports on the official website, which affects transparency, and the non-implementation of the PUMK program in 2023, which impacts corporate responsibility. Regarding the Triple Bottom Line approach, the profit and planet aspects have been effectively applied, while the people aspect has seen a decline in community welfare due to the discontinuation of the PUMK Program and a reduction in the number of Non-PUMK initiatives carried out in 2023.

This study's limitations are limited to a single company, PT SUCOFINDO Semarang Branch, so the results cannot be generalized. Furthermore, questionnaire distribution was limited to respondents outside of Semarang City, resulting in not all distributed questionnaires being returned. Recommendations for future research include involving more companies from various sectors and improving data collection by including internal company stakeholders in questionnaire distribution. This is expected to yield more comprehensive and representative data.

ACKNOWLEDGEMENTS

The authors would like to thank the Semarang State Polytechnic, Accounting Department, and PT SUCOFINDO (Persero) Semarang Branch for their support, data access, and cooperation. Appreciation is also extended to all respondents, colleagues, and families whose contributions made this research possible.

REFERENCES

Ardhiansyah, F., & Pramelani, P. (2021). Implementasi Corporate Social Responsibility Berdasarkan Konsep Triple Bottom Line PT Bank Syariah XYZ Tahun 2018, 2019 dan 2020. Jurnal Ekonomi Dan Bisnis (EK&BI), 4(1), 393–402. https://doi.org/10.37600/ekbi.v4i1.235

Ariastini, N. N., & Semara, I. M. T. (2019). Implementasi Konsep Triple Bottom Line Dalam Program Corporate Social Responsibility Di Hotel Alila Seminyak. Jurnal Ilmiah Hospitality Management, *9*(2), 160–168. https://doi.org/10.22334/jihm.v9i2.155

Burhan, M. R., Sari, S. L., & Jumadinata, M. R. (2024). Branding Activities with Triple Bottom Line: An Analysis of Hotel Santika Mataram's Corporate Social Responsibility (CSR) Program. Jurnal of Applied Business and Banking (JABB), *5*(1), 85–91.

Ferdinand, A. (2014). Metode Penelitian Manajemen Edisi 5. Semarang: Badan Penerbit Universitas Diponegoro.

Kahfi, M. A. H., Syamsuddin, S., Sahrir., Pratiwi, I. (2023). Pengaruh Triple Bottom Line, Environmental Accounting Terhadap Corporate Social Responsibility. Media Bina Ilmiah. 17(7). ISSN: 1978-3787.

Kepramareni, P., Pradnyawati, S. O., Rahmayani, L. P. I. (2022). Analysis of the Corporate Social Responsibility Disclosure on Manufacturing Companies. Jurnal Ekonomi dan Bisnis Jagaditha. Vol. 9, No. 2, pp. 185-192. EISSN: 2579-8162, ISSN: 2355-4150

Lastanti, H. S., & Augustine, Y. (2022). the Strength of Good Corporate Governance in Moderating the Effects of Green Intellectual Capital on Green Competitive Advantage and Firm Performance. Jurnal Akuntansi Trisakti, *9*(1), 85–98. https://doi.org/10.25105/jat.v9i1.13353

Melani, E., Isrowiyah, A., & Suwarni, E. (2022). Modal Intelektual dan Tata Kelola Perusahaan: Pengaruhnya terhadap Kinerja dan Pengungkapan Tanggung Jawab Sosial Perusahaan. Accounting Research Unit (ARU Journal), *3*(2), 11–24. https://doi.org/10.30598/arujournalvol3iss2pp11-24

Kurnia, I. N. A., Hasanudin, M., & Putri, A. G. (2023). Influence Of The Triple Bottom Line Concept On Sustainability And Success Of Tofu SMEs In Magelang. Applied Accounting and Management Review (AAMAR), 2(2), 70–79.

Peraturan Menteri Badan Usaha Milik Negara Nomor PER-1/MBU/03/2023 mengenai Penugasan Khusus dan Program Tanggung Jawab Sosial dan Lingkungan Badan Usaha Milik Negara.

Peraturan Menteri Negara BUMN Nomor Per-2/MBU/03/2023 mengenai Pedoman Tata Kelola dan Kegiatan Korporasi Signifikan Badan Usaha Milik Negara.

Permatasari, M. P., Luh, N., & Setyastrini, P. (2019). Pengungkapan Tanggung Jawab Sosial Perusahaan Ditinjau Dari Teori Legitimasi dan Teori Stakeholder. *5*(1), 1–3.

Putra, D. W., Hasanudin, M., & Putri, A. G. (2023). Implementation Of Good Corporate Governance Principles In Village Fund Management In Tenggak Village Government, Sidoharjo, Sragen. Jurnal Dinamika Akuntansi Keuangan dan Perbankan, 87–103.

Razak., Linda Arisanty, Rayyani., Wa Ode, & Khaerunniza., Salwa. (2023). Penerapan Good Corporate Governance dalam Memberi peningkatan Efisiensi Pengelolaan Badan Usaha Milik Negara. Perspektif Akuntansi, 6(3), 39–57. https://doi.org/10.24246/persi.v6i3.p39-57

Shim, J., Moon, J., Lee, W. S., & Chung, N. (2021). The impact of csr on corporate value of restaurant businesses using triple bottom line theory. Sustainability (Switzerland), *13*(4), 1–14. https://doi.org/10.3390/su13042131

Solihin, I., Ridhwana Sujana, F., Apriyani, G., Faritsal, A., Anderson Butar Butar, D. J., & Hidayat, R. T. (2021). How The Adoption Of The Concept Of Stakeholder Management, Good Corporate Governance And Sustainable Development Contributes To The Development Of The Concept Of Corporate Social Responsibility. Turkish Journal of Computer and Mathematics Education, *12*(8), 1609–1626.

Widyarti, M. T. H., & Kurniawan, L. (2021). Penerapan Prinsip Good Corporate Governance Terhadap Program Corporate Social Responsibility Pada PT. Jasa Marga (Persero) Tbk. Jasa Marga Transjawa Tollroad Regional Division Representative Office 2 Semarang. *Praxis*, *3*(2), 133. https://doi.org/10.24167/praxis.v3i2.3166

Wijaya, S. A., Mursitama, T. N. (2023). The Implementation of Triple Bottom Line on CSR Effort Toward Sustainable Development: Case Study Starbucks Greener Nusantara. E3S Web of Conf. 388.

Wijonarko, G., & Woro Astuti, S. J. (2022). Implementation of corporate social responsibility based on the triple bottom line concept in the era of Covid 19 pandemic. JPPI (Jurnal Penelitian Pendidikan Indonesia), *8*(2), 406. https://doi.org/10.29210/020221513

Yonita, V., & Aprilyanti, R. (2022). Analisis Penerapan Prinsip–prinsip Good Corporate Governance Pada Usaha Kecil dan Menengah (Studi Pada UKM Restoran/Rumah Makan/Kafe di Daerah Cikupa Tangerang). ECo-Fin, *4*(1), 1–9. https://doi.org/10.32877/ef.v4i1.454