



Corporate Social Responsibility and Students' Internship: Analysis of Public Administration Students' Internship In Private Companies

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ABSTRACT

Internship is one of the efforts to prepare students in facing future employment. Some internships are held in private companies. From the point of view of the corporations or companies, the internship program can be included in corporate social responsibility (CSR) as regulated by law. However, students do not always obtain the same level of experience nor do the same jobs in each company. This research is aimed at analyzing the handling of Social Science Faculty of Public Administration students' internship in private companies, Padang State University by using the descriptive qualitative method. This research reveals that some companies have not yet implemented students' internship as one of the programmes for corporate social responsibility.

Keywords: *corporate social responsibilities, education, students' internship*

INTRODUCTION

Corporate Social Responsibility in Law

After having been a debate for decades, more corporations and companies ceased to argue that their business goals are only making profits, creating employment, providing products needed in the market, and other commercial aims. Paying taxes—which will be distributed indirectly to the public by the infrastructure and development they finance—is no longer enough to measure ‘corporate citizenship’, another term for corporate social responsibility (CSR). Social responsibility has turned the corporations’ orientation from mere commercial goals into activism for the betterment of the society, community, and humanity which are beyond profit, shareholder interest and market, as well as other traditional economic interests (Riyadi in Asri, 2007, p.10).

On a similar note, businesses have been aware of the contribution of social responsibility to the corporate reputation, which will be critical for future investment and the corporation’s continuation. They also realize that—although CSR might not do profit for the corporation in the short term—their role in the society might deliver positive feedback for themselves. The social involvement will indirectly promote the corporations’ good deeds and improve their stature in the long run.

Another showpiece of the importance of social responsibility is the inclusion of such programmes into law. Despite the initial voluntary nature of CSR, international as well as municipal law had started to find a way to regulate duties of the corporations to not only its shareholders, but also the stakeholders—the people or communities directly and indirectly affected by their business (OECD Principles of Corporate Governance III in Bantekas). The duties include maintaining environmental

awareness, sustainability of the communities where the corporations locate, and the implementation of human rights.

International law particularly started to recognize the responsibilities of corporations along with the increasing debates of whether the multinational corporations (MNCs) should be granted the status of international legal entities before international law. MNCs have not yet been recognized strictly as a subject of international law (Bantekas, p. 314) so international law cannot be imposed on them. Besides, the 'weaker' nature of international law—because the stricter enforcement of law is usually left to municipal law, implemented by the host states who have stronger control of their domestic affairs, including the foreign companies within their borders—makes international law only capable of ruling the MNCs responsibility in two ways; (a) binding states with multilateral treaties which include obligations that will influence the MNCs operations, such as those under the International Labor Organization (ILO) and (b) 'soft law', such as the OECD Guidelines (Bantekas, p. 312).

Although the enforcement of the CSR is far from being realized internationally, the international regulation of corporate social responsibility is considered crucial because of its proximity to the implementation of human rights and environmental sustainability. CSR has been gaining popularity since emphasis was given in the 1992 Rio Declaration on MNCs role in the environment. It has been the global trend in the business world, and more activists and NGO campaigns have been increasing consumer awareness on greener products and in accordance with the respect for human rights (<http://www.environmentalleader.com/2007/12/04/green-awareness-remains-high-green-purchases-up/> accessed on April 25, 2012, 14.56). Some financial markets such as the New York Stock Exchange, London Stock Exchange, and the Financial Times Stock Exchange have indexed corporations into categories based on their CSR implementation. Asian markets have followed this step, as seen in the Hang Seng Stock Exchange and Singapore Stock Exchange. This categorisation makes a good promotion for the companies' reputation and gain more investors in the financial markets (Idris in Asri, 2007, p.11).

Regarding the significance of local private companies in the economy and government's policy—just as the MNCs affect the political economy of the host countries—it is unavoidable that municipalities also implement regulations to rule the duties of corporations and companies socially. Indonesian law recognizes CSR in the regulation 'Undang-Undang Perseroan Terbatas No. 40 of 2007 article 74' to regulate corporations' contribution to the employees, communities, the public, and the environment. The regulation states that corporations whose businesses are related to natural resources are obligated to conduct programmes of social and environmental responsibility using the corporations' budget. The social and environmental responsibilities are further regulated in detail by government Acts.

Although CSR entered the debate among businessmen, academicians, and legal affairs in Indonesia only after the year 2000, due to the regulation UU PT No 40 of 2007, it is rapidly adopted by companies due to rising concerns from the communities and other shareholders demand. The programme does not only facilitate the companies' social role in the environment, but also in other sustainable development areas such as health, education, infrastructure, economy, and donation, as suggested by the World Bank Institute, which are: (a) environmental protection, (b) labour security, (c) human rights, (d) contribution to community, (e) business standards, (f) market related ethics, (g) economic and small and medium enterprises development, (h) health protection, (i) leadership and education development, and (j) humanity aid.

CSR in Education and Internship

Some corporations have devoted CSR to education, mostly in scholarship. Bank BNI and Bank Mandiri, aside from granting scholarships, contribute in renovating badly-built schools, providing equipment for schools in less advantaged regions and children from poor families, as well as delivering non-formal courses in banking and entrepreneurship. PT. HM Sampoerna and PT. Djarum have established foundations in education (Asri, p.16). Sampoerna's scholarship is very popular and competition is very keen among the undergraduate and fresh-graduate youths for this prestigious

scholarship. Bank Lippo cooperates with the University of Indonesia in providing mini-banking facilities (Suhayati, p.159). Astra Group, too, develops programmes such as scholarship, research fund, sponsoring universities scientific activities (UNPAR Presentation). In Padang State University, students can enjoy scholarships from Bank BNI, Bank Nagari, and PT. Semen Padang.

Students' internship, however, is one of education programmes that have been little touched by CSR programs. Some companies allow students to have internships in their institutions. Bank Lippo provides modules and practices in banking for the University of Indonesia's students, while outstanding students are regularly selected to do internship in some of the bank's branches (Suhayati, p.159). Astra facilitates internship programs and entrepreneurship in automotive industries (UNPAR Presentation). However, other companies do not regulate formally the internship of students in terms of job description, incentives, and the continuous cooperation with universities, colleges, and schools which send their students to these companies.

Companies also lack deep understanding on the implementation of CSR. According to Pamadi Wibowo (UNPAR presentation), some companies claimed to have implemented the CSR through social voluntary work, such as holding traditional mass circumcision and donating to the victims of natural disasters. CSR, however, is more than philanthropy activism; it should have strong ties with the field of its core business practices. CSR is important for companies in the extent to minimize the negative impacts of its operation, and maximize the positive outcomes. Therefore, CSR in educational program usually manifests in the form of training and facilitating the learning of skills in the field where the companies operate.

RESULTS AND EXPLANATION

Students in the Public Administration study program of the Social Political Science Department, Padang State University can work as interns in many public and private companies, as well as government offices, in relation to their field of study. The knowledge they gain from the academic courses could help them familiarize with the skills needed in the real world.

The students could choose to work at state-owned companies (BUMN), local state-owned companies (BUMD), or national and local private companies. The department in the University would later approve their proposals and assign lecturers to regularly visit the students to supervise their internship. Grades on internship are based on the reports the students write after their internship and the reports given by the supervisor or employer in the company.

Therefore, to get a clear vision about the internship, this research used the descriptive qualitative approach to the natural setting (Moleong, 1993, Creswell, 1998). Data collected using observation, structured interview, in-depth interview, and documentation was analyzed using interactive models of analysis of Huberman & Miles (2002). Students' experience during internship, their reports, and lecturers' observation during the internship, result in this paper's analysis of private companies' awareness on students' internship as an implementation of corporate social responsibility.

Although it is understandable that most companies do not fully include the students in problem solving, decision making, managerial and field organizing, conversely, some students are given administrative tasks that are mostly insignificant or unrelated to their field of study which is gained from the classrooms. Unlike students who interns at the state-owned banks, who assign public administration students to serve at the customer service department, the interns at the private companies rarely interact directly with the customers. Their work, however, concerns the administration of files, which slightly correlates with the materials on office management. Students from other majors such as economics and engineering are given assignments related to their field of studies; at treasury department and workshop.

Based on personal observation, the students claimed to already have insight about the working environment, which is different from campus life. The understanding is more on the mental preparedness, the tough supervisor and the stricter rule on working hours, compared with the loose campus discipline. Contrary to psychological awareness, the students obtained little help in improving and practicing skills related to their academic capability; no formal training is held to improve students' understanding in their field of study in practice in relation to the companies' field of operations. In terms of incentive, some companies provide lunch meals to students, while others add transportation costs while others provide no incentives at all.

This explains why most students, after the internship, choose to work in other institutions instead of their internship hosts. They saw the working world on the difference it poses to the campus life, which means "harder environment". Although they claim to obtain valuable lessons in socially interacting with co-workers and bosses, as well as dealing with customers, most students find the work is of little contribution to the comprehension of their study practice. Instead, students' preference of internship hosts is mostly affected by their classmates' choices, regarding the easiness of the internship approval, the simplicity of the job, and the good grades given by the companies.

The research shows that private companies' role in society, particularly in the field of education in the form of internship for students, is very little. It can be said that there is still room for improvement in CSR's contribution to the universities. Companies only facilitate students by answering the proposals from the students. No companies initiate the approach to universities in facilitating internship for the students based on their field of studies. This explains the little incentives given to the interns and the lack of formal training for the students' understanding about their study practice, and the absence of continuous cooperation with universities to host students' internship.

Further studies can be conducted to provide solutions in improving the possibilities of companies to cooperate with universities in delivering materials related to their businesses, as well as facilitating the students to participate in the work and career environment by implementing the skills they gain from the classroom. It is also suggested that companies provide incentives as much as rules for the regional minimum wages: so that students will be motivated to work determinedly. This deep interaction with students' internship as well as universities will help open the employment directly to the graduates based on their competence.

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