Social entrepreneurship can be integrated into the realm of corporate social responsibility, resulting in a balance between economic value and social value through cooperation and investment. The purpose of this study was to determine the social entrepreneurship model developed by Sido Muncul as an impact of implementing the partnership program with farmers. The research method used is qualitative in which the validity of the data is tested by the triangulation method. Data collection was carried out by interview and observation to Sido Muncul and Sido Muncul’s partners. The results of this study indicate that the social entrepreneurship model produced by Sido Muncul’s corporate social responsibility program consists of various driving factors, including the importance of stakeholders, social proactivity, governance, social intrapreneurs, and local wisdom.

INTRODUCTION

The rapid pace of business makes the company must continue to adapt and innovate so that the company can overcome the complexity of social problems and the challenges of sustainability (Porter & Kramer, 2011). To that end, companies need to engage with internal and external stakeholders and new legislation to be able to create greater social value (Michelini & Fiorentino, 2012) in the form of wealth creation, technology transfer, increasing productivity, meeting basic needs, raising living standards, and improve quality of life (Baker & Nelson, 2005).

According to London and Hart (2004), companies can participate in serving the community with products and services that are considered to increase social value. Corporate social responsibility initiatives are seen as a source of corporate competitive advantage (Zhang & Zhang, 2016) and how companies to innovate based on
the challenges of community sustainability (Antoncic & Hisrich, 2004; Kuratko, Hornsby, & Goldsby, 2004). Saatci & Urper (2013) argues that corporate social responsibility can play a role beyond compliance with laws and regulations. Companies can integrate social entrepreneurship into the realm of corporate social responsibility by dedicating their resources to identify social problems that occur and solutions that can be developed (Zahra, Gedajlovic, Neubaum, & Shulman, 2009), thereby creating both social and economic value (Santos, 2012). The combination of social responsibility and corporate social entrepreneurship can build a healthy and dignified social system (Husted & De Jesus Salazar, 2006; Niño, 2015; O’Reilly, Caldwell, Chatman, Lapiz, & Sef, 2010).

According to Carroll and Shabana (2010), the process of integrating corporate social responsibility into a company's business strategy is a strategic investment. When companies foster close relationships with employees and the social or business environment, the company takes collective actions that can provide confidence (Murillo & Lozano, 2006), increase satisfaction among employees, and improve the corporate image (Longo, Mura, & Bonoli, 2005). Companies can build good relationships with complex stakeholders (organization, economy, and society) by carrying out social innovations that have accountability (Baker & Nelson, 2005; Hadad & Cantaragiu, 2017), so as to create independence (Zahra, Gedajlovic, Neubaum, & Shulman, 2009).

Sido Muncul is a herbal and pharmaceutical company that has gone public since 2013. The company that was founded in 1951 has the highest market share and a good reputation as the largest herbal medicine industry in Indonesia. Sido Muncul invests in corporate social responsibility which is allocated from net profit and company operating costs. The focus of the corporate social responsibility program follows the triple bottom line conception which consists of 3Ps, namely People, Planet, and Profit. One of Sido Muncul’s corporate social responsibility programs is a partnership with farmers. The purpose of this program is to develop superior commodities in various regional centers, which collaborate with the provincial government, municipal/district government, NGOs, the private sector, farmer groups/ farmers, and related authorities. Sido Muncul has also received numerous awards and certifications in the field of corporate social and environmental responsibility, including Environmental Management Performance Assessment Program from the Ministry of Environment and Forestry, Green Award from La Tofie School of CSR, Nusantara CSR Award from La Tofie School of CSR, and Ernst and Young Entrepreneur of the Year 2016 Special Award for CSR category.

The purpose of this study was to determine the social entrepreneurship model developed by Sido Muncul as an impact of implementing the partnership program with farmers, including for farmers in Karanganyar, Boyolali, Wonosobo, and Parang Gupito. This research is expected to be able to contribute to the company regarding the identification of the factors that drive the development of social entrepreneurship along with the dimensions of these driving factors.

**LITERATURE REVIEW**

**Corporate Social Responsibility**

Corporate social responsibility is an instrument of social development (Dentchev, Baumgartner, Dieleman, Johanssottir, Jonker, Nyberg, Rauter, Rosano, Snihar, Tang, & van Hoof, 2016), and can be a tool for creating value for society (Barrena Martinez, Lopez Fernández, & Romero Fernández, 2016; Carroll & Shabana, 2010). Wells (2002) states that corporate social responsibility can balance the benefits of a company with the demands of its clients, labor, and society. Businesses can operate in a socially responsible manner with international certification ISO 26000 as a guideline for corporate social responsibility that is recognized globally.

Corporate social responsibility is a decision-making process that translates into the creation
of new frameworks, models, and methods (Rowley & Berman, 2000) so that it benefits stakeholders, such as employees, suppliers, customers, or the community (Longo, Mura, & Bonoli, 2005). Therefore, companies need to re-examine their roles and responsibilities in society in connection with social, economic, and political changes (Maignan & Ferrell, 2004).

Companies need to formalize and integrate corporate policies with social and public policies in managing corporate social responsibility (Murphy & Ng’ombe, 2009). This is because corporate social responsibility is influenced by new opportunities, increased risk from visibility growth, and global competition (Yunus, Jamali, & Hashim, 2018), which leads to sustainable development (Silveira & Petrini, 2017). According to Tuzzolino and Armandi (1981), the performance of corporate social responsibility can be assessed from profitability, organizational safety, affiliation and industrial context, market position, and competitiveness, as well as self-actualization.

Corporate social responsibility can only last if it is able to add value to the company where the community has an impact on the success of the company (Carroll, 2009). Easy and Thanathavornlap (2013) states that corporate social responsibility can be linked to strategic planning and business operations in order to create social value. The principle of social value creation is characterized by the concept of social entrepreneurship (Yunus, Moingeon, & Lehmann-Ortega, 2010). The company can still make a profit but with a strong commitment is also socially responsible to its stakeholders. Figure 1 below illustrates the social and economic value that arises from the forms of corporate social responsibility development.

Companies need to produce shared values between the social and business environment in achieving competitive advantage (Porter & Kramer, 2006) through corporate social responsibility that takes into account the challenges of community sustainability (Spitzeck, Boechat, & França Leão, 2013). Therefore, companies must ensure that organizations produce a performance that is coherent with the norms, values, and expectations of the community (Porter & Kramer, 2011; Sethi, 2012). Corporate social responsibility can be part of corporate management to support core business activities (Husted & Allen, 2007; Shirafkan & Salamzadeh, 2017) and foster an entrepreneurial environment that enables fundamental organizational transformation (Zaefarian, Tasavori, & Ghauri, 2015).

![Figure 2. Economic and Social Values of Various Forms of CSR](Sources: Zhang & Zhang (2016))

### Social Entrepreneurship

The social balance between marginalization and social problems can be overcome with social entrepreneurship (Martin & Osberg, 2007). Social entrepreneurship stimulates social change through the use of resources in new ways (Mair & Martí, 2006). Zahra, Gedajlovic, Neubaum, and Shulman (2009) and Niño (2015) state that the creation of social value can be developed through a system aimed at solving problems in a sustainable manner, whether through funding strategies or management schemes.

According to Light and Light (2006) and Niño (2015), social entrepreneurship is driven by several factors, including entrepreneurs, ideas, opportunities, and organizations. Social entrepreneurship is a social feature that appears to meet stakeholder expectations without ignoring corporate profits (Yunus, Moingeon, & Lehmann-Ortega 2010; Engler & Engler, 2018). The role of social entrepreneurs is very important in creating systemic, cyclical, and structural
changes, which require more than one initiative (Drayton, 2002). According to Hadad and Cantarangiu (2017), social entrepreneurship can create environmentally friendly businesses and improve the quality of people's lives.

However, Law and Mobley (1998) states that the driving factors of social entrepreneurship are entrepreneurially virtuous, judgment capacity, social opportunity recognition, and risk tolerance, proactiveness, and innovation. The attitude and behavior of social entrepreneurs must involve the virtue dimension which is the operationalization of social mission (Morgan, 1988). In addition, social entrepreneurs must explore and recognize opportunities to create better social value for their clients (Shane & Venkataraman, 2000) through risk tolerance, proactivity, and innovation (Slater & Narver, 1995). Petrick and Quinn (2000) added that social entrepreneurship can be done when companies can make a balanced assessment in dealing with complexity and building integrity.

Sanclemente-Téllez (2017) promotes social entrepreneurship through corporate social responsibility, whereas according to Singh, Majumdar & Saini (2017), social entrepreneurship is closely related to the context of sustainable development. Corporate social responsibility can go beyond compliance with laws and regulations, giving rise to new interpretations of how businesses can create greater social value (Michelini, 2012; Saatci & Urper, 2013). Corporate social responsibility that is able to provide a balance between economic value and social value (Mujtaba & Cavico, 2013) will create the reputation and trust of other parties in the form of cooperation and or investment (Valjakka, 2013).

**RESEARCH METHOD**

The research method used is qualitative. Qualitative research methods are usually used to better understand phenomena with insufficient data to support the discovery of new information (Johnson, Dunlap, & Benoit, 2010). Qualitative data analysis uses data, organizes it, breaks it down, becomes a unit that can be managed, synthesizes it, looks for patterns, discovers what is important and what needs to be learned, and decides what will be said to others (Neale, 2016). In this research, a case study approach was carried out at Sido Muncul Company which has a CSR program, namely partnership with farmers. Research locations to develop social entrepreneurship models are in Karanganyar, Boyolali, Wonosobo, and Parang Gupito.

The data collected is primary data and secondary data. Primary data were obtained by interview and observation of Sido Muncul and Sido Muncul’s partners. In-depth interviews on qualitative research methods are considered optimal for collecting data about the company’s own practices and experiences, especially when sensitive topics are explored (Qu & Dumay, 2011). The interview with Sido Muncul was represented by the public relations department, which for its ease of discussion was given a separate code, namely Mrs. Marianingsih (A1), Mrs. Mia Maharani Purbaningrum (A2), Mr. Bambang Supartoko (A3), and Mrs. Fadhila Rifka Widati (A4). The interview question is about CSR Sido Muncul and a partnership program with farmers. Interviews and observations of the farmers of Sido Muncul’s CSR program partners were also conducted. The partners were also given a code to facilitate discussion. Representatives of the partnership program with farmers include Mr. Sugiono (B) from Karanganyar, Mr. Agus Wiryatmo (C) from Boyolali, Mrs. Uswatun Khasanah (D) from Wonosobo, and Mr. Tukino (E) from Parang Gupito. Secondary data was obtained from Sido Muncul’s annual report from 2013-2018. The validity of the data was tested by the triangulation method, namely the use of several methods or data sources in qualitative research to develop a comprehensive understanding of the phenomenon (Carter, Bryant-Lukosius, DiCenso, Blythe, & Neville, 2014). The reliability of interviews is higher for objective data than subjective data (Seidler, 1974).

**RESULT AND DISCUSSION**

The interview and observation process with Sido Muncul and Sido Muncul’s partners resulted in the finding that the partnership program with
farmers created a social entrepreneurship model. The driving factors for social entrepreneurship identified through triangulation of methods and data sources include the importance of stakeholders, social proactivity, governance, social intrapreneurs, and local wisdom. Each of these factors can be explained below.

**The Importance of Stakeholders**

According to Dentchev (2005), the role of stakeholders can provide entrepreneurial opportunities for the development of new products and services, so that entrepreneurs can determine the priority scale that managers should give to different groups (Clarkson, 1995). This is supported by the opinions of the following Sido Muncul informants, namely Sido Muncul providing training on making bags from local raw materials, making attractive product packaging, developing arts, and in the long run can grow a tourist village in Parang Gupito (A1). Sido Muncul involving village officials, NGOs, agricultural offices at both district and provincial levels, even penetrating the ministry of agriculture through the company's resources to help the community (A2). Sido Muncul gives innovative ideas to farmers in Parang Gupito, so that they become suppliers several herbal medicine companies, which create business networks for farmers (A3). In addition to Sido Muncul, the informants from Sido Muncul's partners also emphasized the importance of stakeholders, including namely Karanganyar farmers experiencing an increase in income through training and social entrepreneurship mentoring for companies Sido Muncul (B), Sido Muncul buying raw materials for herbal medicine from Pimpinella Pruatjan farmers, so that farmers in Wonosobo are more prosperous (D), Parang Gupito farmers can increase farm yields with Panca Usaha Tani program, where farmers receive counseling from the Agriculture Office in collaboration with Sido Muncul and the District Office (E). According to Nguyen, Skitmore, and Wong (2009), the existence of stakeholders is related to their involvement and relationship with a project. Stakeholders can support or oppose a project depending on their intention or closeness to the company (McElroy & Mills, 2000; Newstrom & Davis, 1997).

**Social Proactivity**

Proactive behavior is taking the initiative to a situation that challenges the status quo (Crant & Bateman, 2000) by increasing performance (Kim, Hon, & Crant, 2009). According to Sandberg (2002), proactive strategies help significantly in maintaining competitiveness and influencing organizational survival (Kuratko, McMullen, Hornsby, & Jackson, 2017). This is supported by the opinions of the following Sido Muncul informants, namely Sido Muncul in collaboration with the Tourism Office, Public Works and Public Housing Office, Regional Drinking Water Company, and private companies providing the idea of processing water hyacinth into production fuel for communities (A2). Sido Muncul provides guidance in terms of planting medicinal plants, equipment and machine support, and training for handicraft making, food and beverages, and product marketing in order to create community independence (A3). Sido Muncul provides seed assistance, mentoring, and post-harvest training for communities based on community type and area potential (A4). Apart from Sido Muncul, the informants from Sido Muncul's partners also emphasized social proactive factors, including namely Boyolali farmers in collaboration with Sido Muncul producing innovative products from agricultural and livestock engineering, so that they experienced business independence (C), Wonosobo farmers became more skilled and productive because they received training on planting technology, marketing, product innovation from Sido Muncul (D), Sido Muncul in collaboration with the government, and cooperatives and other business institutions to improve the knowledge and skills of farmers in Parang Gupito, so that they are free from poverty (E). Proactive people identify opportunities and act on their own accord, show initiative, take action, and endure until meaningful changes occur (Crant & Bateman, 2000). They take responsibility for change oriented and directed towards improvement (Archie, 1970).
Governance

According to Daily and Dalton (2003), managers will strive to achieve results that are in accordance with the interests of shareholders based on the extensive use of organizational resources to regulate corporate governance. The governance system most conducive to activities directed at social impact is to balance control and collaboration (Lewis, 2003). This is supported by the opinions of the following Sido Muncul informants, namely Sido Muncul collaborating with the print and television media to socialize the CSR program and Sido Muncul regularly holding a General Meeting of Shareholders to report company performance (A1), Sido Muncul budgeting for the CSR program, as well as supervising and evaluating so that the company's targets are achieved (A2), Sido Muncul strengthens Small and Medium Macro Enterprises, both through input means, namely raw materials, energy, human resources, and technology as well as through distributors, agents, or retailers, in collaboration with universities, community, farmers, farmer groups and farmer cooperatives (A3), Sido Muncul CSR program involves directors, public relations, promotion team (charity), technical team (plant cultivation), collaborating with village government (village head, community welfare section), community targets from various professions, Agriculture Office (provide information on CSR activities and planting for data collection), and the Tourism Office (A4). Apart from Sido Muncul, the informants from Sido Muncul’s partners also emphasized governance factors, including namely Sido Muncul fostering Karanganyar farmers in terms of breeding, planting patterns, refining, drying, and warehousing, and also collaborating with banks in terms of giving soft credit in which Sido Muncul is the credit guarantor (B), Farmers in Wonosobo and Sido Muncul conduct research and cultivation of purwoceng, which is an endemic plant that is environmentally friendly and can be used to increase stamina, resulting in agricultural product innovation (D), Sido Muncul collaborates with farmer cooperatives in Parang Gupito to drive savings and loan activities, social missions through social funds which are managed by the cooperative management (E). The principles of corporate governance mechanisms that must be applied to companies are based on five principles, namely transparency, accountability, responsibility, independency, fairness (Rahmawati, 2013). According to Karkkainen (2004), government regulations and advocacy groups are an important part of monitoring corporate governance.

Social Intrapreneurs

Social entrepreneurs will pursue social value creation through identifying opportunities to meet basic and long-term needs (Baker & Nelson, 2005; Certo & Miller, 2008). They transform themselves through social sector partnership programs with socially responsible business practices (Mair & Martí, 2006). This is supported by the opinions of the following Sido Muncul informants, namely Sido Muncul collaborating with local heroes to monitor the development of the CSR program in the field (A1), Sido Muncul socializing the CSR program not to promotion, but rather to help farmers in an area by means of approach to community leaders, so that farmers have a better quality of life (A2), Sido Muncul conducts assistance activities to farmers through sharing ideas and technology as well as counseling and efforts to help market their agricultural products, so that people get increased welfare (A3), Some of the commodities produced by farmers can be transferred to Sido Muncul so that farmers will be more active in cultivating medicinal plants (A4). Apart from Sido Muncul, the informants from Sido Muncul’s partners also emphasized social intrapreneur factors, including namely Sido Muncul in collaboration with Karanganyar farmers to cultivate rhizomes, namely plants that take their leaves (mint leaves and stevia leaves) in the highlands, resulting in value social and economic aspects for the community (B), Boyolali farmers develop food products from local raw materials, livestock, ornamental plants, and training centers to improve the quality and expertise of farmers with guidance from Sido Muncul (C), Parang Gupito farmers cultivate medicinal plants and processed products, whether for marketing to
Sido Muncul, other local businesses, or for export (E). Thompson, Alvly, and Lees (2000) argue that social entrepreneurs are a catalyst for change, where what they do becomes the foundation for corporate leaders to actualize business processes. Social entrepreneurs have their own motivations and ethical challenges in creating a new social balance for the products and services produced (Zahra, Gedajlovic, Neubaum, & Shulman, 2009).

Local Wisdom
According to Lachance and Mitchell (2003), local wisdom has six dimensions, namely local knowledge, local values, local skills, local resources, local decision-making mechanisms, local group solidarity. The community has local knowledge in mastering nature and also local values that are obeyed and mutually agreed upon for the progress of the community (Crate, 2006). This is supported by the opinions of the following Sido Muncul informants, namely farmers breed owls to replace pesticides in overcoming rat pests in agricultural land (A1), Sido Muncul increases knowledge and skills about making handicraft products, sugar production, cultivating medicinal plants, fruit and forestry, product packaging, as well as the development of tourism villages based on local wisdom through various groups in the community (A3), Wonogiri farmers initiated drip irrigation to overcome drought in rocky agricultural land so that the plants could survive (A4). Apart from Sido Muncul, the informants from Sido Muncul’s partners also emphasized local wisdom factors, including namely Boyolali farmers in collaboration with Sido Muncul to develop organic pesticide production by utilizing medicinal plants and the cultivation of ornamental plants and silkworms, so that it has an impact on the welfare of farmers (C), Wonosobo farmers increase their insight through the adoption of planting technology, marketing, product innovation, and selling their agricultural products both in Sido Muncul and at the expo (D), Parang Gupito farmers develop entrepreneurship through natural tourism, manufacture of agricultural products, cultivation of chilli plants herbal medicine, and woven handicraft business, which can provide economic and social benefits (E). The ability to survive can be overcome with local resources according to their needs and will not be exploited on a large scale or commercialized (Lachance & Mitchell, 2003). Local government itself becomes a legal entity that orders its citizens to act according to rules that have long been agreed upon. In addition, companies can take advantage of the strengths of local groups for the development of social entrepreneurship (Dees, 2008).

Discussion
Social entrepreneurs have a mission to create social change (Ghalwash, Tolba, & Ismail, 2017) by using a combination of resources from existing opportunities (Yunus, Moingeon, & Lehmann-Ortega, 2010). Nikolov and Westergren (2017) added that social entrepreneurs will carry out social innovations to help develop society. Social entrepreneurship can be realized in the form of collaborative partnerships between profits and nonprofits to provide wider resources from one organization or business (Sagawa & Segal, 2000).

Previous research resulted in different findings related to the factors driving social entrepreneurship. According to Light and Light (2006) and Niño (2015), social entrepreneurship is the interaction of four factors, including entrepreneur, idea, opportunity, and organization. Another with Law and Mobley (1998) which makes a model of social entrepreneurship is based on entrepreneurially virtuous, judgment capacity, social opportunity recognition, as well as risk tolerance, proactiveness, and innovation. The research resulted in the finding that the factors driving social entrepreneurship include: the importance of stakeholders, social proactivity, governance, social intrapreneurs, and local wisdom. The social entrepreneurship model developed for CSR programs can be seen in Figure 2 below.

CONCLUSION
The impact of the implementation of corporate social responsibility Sido Muncul is a social entrepreneurship model for partnership programs with farmers. Companies can predict and plan
corporate social responsibility, assess social performance, and postulate CSR strategies (Lin-Hi & Müller, 2013) to create value for society (Barrena Martínez, López Fernández, & Romero Fernández, 2016). According to Carroll (2009), corporate social responsibility strategies can also be included in business processes to develop a company’s reputation. Corporate social responsibility that can add social and economic value will have an impact on company success (Carroll, 2009; Yunus, Moingeon, & Lehmann-Ortega, 2010), whose performance can be measured through 3Ps, namely People, Planet, and Profit (Elkington, 1994). The company can still make a profit but with a strong commitment to be socially responsible to stakeholders.

Several previous studies have resulted in findings that the impact of corporate social responsibility, including profitability, organizational safety, affiliation and industrial context, market position and competitiveness, and self-actualization (Tuzzolino & Armandi, 1981); competitive advantage (Porter & Kramer, 2006); and sustainable development (Silveira & Petrini, 2017). However, this study resulted in findings that the impact of corporate social responsibility is a social entrepreneurship model driven by the importance of stakeholders, social proactivity, governance, social intrapreneur, and local wisdom. Therefore, the theoretical implication of this research is that corporate social responsibility can balance the benefits obtained by companies with society through the creation of social entrepreneurship models, so companies need to re-examine their roles and responsibilities in society in relation to social, economic and political changes.

The managerial implication of this research is that the process of creating social entrepreneurship requires a balanced assessment of Sido Muncul and its stakeholders regarding the complexity and integrity contained in it. Therefore, the social entrepreneurship model must be systemic, cyclical and structural, driven by a social mission in order to improve the quality of life of the community. Sido Muncul as a facilitator in the formation of social entrepreneurship in the farmer community through corporate social responsibility is expected to explore social opportunities through tolerance for risk, being proactive, and innovative. Sido Muncul can also collaborate with the government, industry, universities, and NGOs to foster reputation and public trust, so as to improve the performance of social entrepreneurship.

The limitation of this research is that the triangulation of data sources is only carried out between Sido Muncul and the farmer group managers, which is supposed to get comprehensive information, it is necessary to conduct interviews and surveys with the government, industry, universities, and NGOs related to Sido Muncul partnership program. This research is also only conducted at one company, namely Sido Muncul herbal medicine and pharmaceutical company which has created a social entrepreneurship model through corporate social responsibility, so that the results of this study cannot be generalized to other companies. Therefore, further research can add units of analysis to different sectors to make comparisons about the impact of corporate social responsibility.
REFERENCES


