

**The Developing of Social Responsibility Report (SRR) by using
Cost Outlay Approach in PT Semen Padang**



THESIS

*Submitted in partial fulfillment of the requirement for
Undergraduate degree in economics*

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2010**

ABSTRACT

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The aim of this research is to evaluate the existing and to develop the Social Responsibility Report (SRR) in PT Semen Padang which can be used by the company to measure its performance. The variables that used in Cost Outlay Approach are based on: contribution to net profit, contribution to human resource, contribution to public, contribution to environment and contribution to products and services. This research periods are 2007 and 2008. The results of this research show that PT Semen Padang only has the mandatory report of social responsibility activities from the government that is PKBL (Program Kemitraan dan Bina Lingkungan) report which only cover the contribution to public, compared to Cost Outlay Approach which provides five contributions that should be reported in social responsibility report. In this research, the author also found an increasing of total social cost in PT Semen Padang between 2007 and 2008 which mean the company social performance was good. The highest contribution of social cost in PT Semen Padang both in 2007 and 2008 was for human resource.

Keywords: SRR, Cost Outlay Approach.

CHAPTER I

INTRODUCTION

1.1 Background

A company play an important role in business sector. A company can be defined as an "artificial person", with a discrete legal entity, perpetual succession and a common seal. It is not affected by the death, insanity or insolvency of an individual member (www.wikipedia.com). Based on that definition we know that a company can not be separated from the economic development. The business competition which getting more tight day by day forced the company to perform well in order to gain that competition. Many strategies could be done, one of them by concerning to social and environmental aspect which related to its stakeholders.

Global warming, ice melting, and other weather anomalies are some current issues that can be felt in every part of the world recently. These situation make the environmental condition become more serious beside deforestations, flood, water pollution, and other kind pollutions which already threaten human being life before. So, there is no surprise, these unfortunate situations get big attention by world society, include business sector. The reason is because business sector get direct impact of environmental damage.

This phenomena has influenced the companies to adjust their policies to be more aware on triple bottom line concept. This concept is emphasizing the need to

focus in three indicators; economic, social and environmental. Evidence suggests that a focus on the triple bottom line: economic, social and environmental issues resulted in advantages in financing, insurance, marketing, regulatory treatment, and other areas (Putri, 2010).

Environment is very crucial for company's existence. Company run its business by using resources that available in the world. Unfortunately, the resources itself has limitation amount. The decreasing amount of resources can be faster than it should be if not supported by condusive environment. If there is no more resources available in the world, how can the company exist in the future?

Moreover, according to the sustainability's point of view, human being should live together in this earth which has limitation in resources and energy. Sustainable development is dealing with economic, environmental and social issues (such as employment, education, and cultural issues) in a way that meet both present and future human needs without compromising the viability of the natural earth system we depend on (IFAC, 2005).

Beside that, social aspect also important to be considered. Globalization, information and technology development, and market competitiveness are some reasons that enhancing the company to consider this part in business practices. Accountant which take an important part in a company also discussing the implementation of social responsibilty accounting which can be applied in accounting sector of business.

CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusions

After analyzing the condition based on the data, the author can conclude that:

1. PT Semen Padang, a cement company located in Padang which established in 1910, has good financial performance in 2007 and 2008. It proved by the increasing revenue and net income in that years. The existence of this company also supported by several social activities which done in order to implement corporate social responsibility.
2. PT Semen Padang in running its social activities need to report the social cost as one alternative in showing the social cost that have been spent out. Based on the current system, PT Semen Padang only prepared separate report which related to PKBL (*Program Kemitraan dan Bina Lingkungan*). It was regulated in PER-05/MBU/2007 which obligate the companies that exploiting natural resources to report their social activities in accordance with a predetermined standard. This PKBL report consist of disaster support, education support, health support, public support and other support. While based on the method in this thesis, the author would like to review the implementation of company social activities through social responsibility reporting based on cost outlay approach. This approach require the disclosure related to five contributions; net profit contribution, human resource contribution, public contribution, environment contribution, and product and service contribution. So, the

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