

INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) AGAINST BRAND IMAGE

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Abstract

This study aims to determine the effect of Corporate Social Responsibility on the corporate image (Study at PT Bank Rakyat Indonesia Tbk (Persero) in Makassar). This study uses an inferential quantitative research approach where a quantitative research approach is an approach that aims to test the theory, construct facts, show relationships between variables, provide statistical descriptions, estimate and predict the results. From the research results obtained that Corporate Social Responsibility (CSR) at PT. Bank BRI Tbk (Persero) Makassar Branch has a positive and significant effect on Brand Image.

Keywords: Corporate Social Responsibility (CSR) and Brand Image.

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1.0 RESEARCH BACKGROUND

The implementation of CSR in Indonesia has been regulated in-laws and regulations, namely Law No. 40 of 2007 concerning Limited Liability Company Article 74 which states that there is a social responsibility that must be borne by a limited liability company (the Republic of Indonesia, 2007). Requiring CSR is one of the government's efforts to balance economic growth and economic equity. With the enforcement of Law No. 40 of 2007, the position of CSR as one of the company's obligations is getting stronger. Although it was only in 2007 CSR has a position on a legal basis, CSR activities and activities have been carried out for a long time by some companies in Indonesia.

Table 1. CSR Activites in Indonesia

No.	Model	Number of Activities	Amount of Fund (Rupiah)
1	Direct	113 (40.5%)	14.2 Billion
2	Company Foundation	20 (7.2%)	20.7 Billion
3	Partnering with Social Institutions	114 (51.6%)	79 Billion
4	Consortium	2 (0.7%)	1.5 Billion
	Total number	279	115.3 billion

Source: Saidi and Abidin in Suharto (2006)

Table 2: Corporate social assistance activities before the CSR Law is confirmed based on the number of activities and funds nationally

No	Type / Sector Activities	Number of Activities	Amount of Funds (Rupiah)
1	Social Services	95 (34.1%)	38 Billion
2	Education and Research	71 (25.4%)	66.8 billion
3	Health	46 (16.4%)	4.4 Billion
4	Emergency	30 (10.8%)	2.9 Billion
5	Environment	15 (5.4%)	395 Million
6	Productive Economy	10 (3.6%)	640 Million
7	Art, Sports, Tourism	7 (2.5%)	1 Billion
8	Infrastructure and Housing Development	5 (1.8%)	1.3 Billion
	Total amount	279	115.3 billion

Source: Saidi and Abidin in Suharto (2006)

CSR programs are important to get positive values from customers and have an impact on the corporate image. To find out the indicators of the activities of CSR activities conducted by PT. BRI Bank is a determinant in the image formation of the company. The main problem is, does Corporate Social Responsibility affect the company's image (Study at PT. Bank Rakyat Indonesia Tbk (Persero) Makassar Branch)?

Corporate Social Responsibility

Dialects In legitimacy theory: According to this theory a company operates with permission from the community, where this permit can be withdrawn if the community considers that the company does not do the things that are required of them. In this context, CSR is seen as an agreed obligation between the company and the community. Keep in mind that the permit is not fixed so that the survival and growth of the company depend on how the company continually evolves and adapts to changes in the wishes and demands of the community.

1. Public responsibility: that is, the company is responsible for results related to the primary and secondary areas of their involvement with the community.
2. Stakeholder theory: This theory is closely related to legitimacy theory. A company through its various policies and operating activities impacts various groups of stakeholders, so that the company may meet demands from these groups to fulfill its responsibilities.
3. Ethics: Business ethics emphasizes that managers and their companies are responsible for applying ethical principles in their organizations and using moral reasons in decision making, policy formulation and strategies, and the general direction of their companies.
4. Corporate citizenship: in this concept companies have rights and responsibilities in carrying out their business activities. Like individuals in general, companies are expected to make voluntary contributions to maintain the welfare of the people who support them.

Based on sources from Kotler and Lee (2005) states that there are 6 (six) categories of CSR activities, namely:

1. Cause-Related Marketing
2. Cause Promotions
3. Corporate Social Marketing
4. Corporate Philanthropy
5. Community Volunteering
6. Social Responsible Business Practice

Concept of Implementation of Corporate Social Responsibility (CSR)

In Suharto (2005) it was stated that the emergence of the concept of CSR was driven by the tendency of industrial society which was then abbreviated as the DEAF phenomenon (Dehumanization, Equalization, Aquariumization, and Feminization):

- a. Industrial dehumanization

- b. Equalization of public rights.
- c. Aquariumization of the industrial world.
- d. Feminization of the world of work.

Company Image

In Roslina Journal (2010) it is said that the company's image is the external perception of stakeholders. While in News of Perhumas (2004) mentioned several aspects in shaping the image and reputation of the company, among others:

1. Financial ability.
2. Quality of products and services.
3. Focus on customers.
4. Advantages and sensitivity of HR.
5. Reliability.
6. Innovation.
7. Environmental responsibility.
8. Social responsibility.
9. Enforcement of Good Corporate Governance (GCG)

But in an effort to measure it, Spector in Picton & Broderick (2001) found six main factors that can measure the main dimensions of prospective respondents they use in expressing the image of an organization. The six main factors are as follows:

1. Dynamic: pioneering, attention-getting, active, goal-oriented
2. Cooperative: friendly, well-liked, eager to please good relations
3. Business: wise, smart, persuade, well-organized
4. Character: ethical, reputable, respectable
5. Successful: financial performance, self-confidence
6. Withdrawn: aloof, secretive, cautious

Developing a strong image requires creativity and hard work. Images cannot be planted in customers' minds overnight and distributed through one medium. Instead, the image must be conveyed through each means of communication that is available and continuously distributed. A good image of an organization is an asset because the image has an impact on consumers' perceptions of the organization's communication and operations in various ways.

Elements of Company Image:

1. Personality
2. Reputation
3. Value
4. Corporate identity

■ 2.0 METHODOLOGY

This research is quantitative research based on the philosophy of positivism, used to examine in a particular population or sample. The analytical method was used for validity test and reliability, multicollinearity test, multiple linear regression analysis, and hypothesis test consist of F-test and t-test. This research method used a random sampling technique with multiple linear regression analyses. Data were collected using a questionnaire instrument. The population of this research is a total of 255 people. The number of the sample determined using the Krejcie and Morgan method to obtain a sample of 125 people. The relationship between Corporate Social Responsibility (CSR) on Corporate Image.

■ 3.0 RESEARCH FINDINGS

A. Multicollinearity Test Multicollinearity test results also aim to test whether the regression model found a correlation between independent variables. Based on Coefficients in Table I indicates that the VIF value is 1.436 (Corporate Social Responsibility) and 1.544 (brand image Variables).

Table 3. Collinearity statistic

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Corporate Social Responsibility	,602	1,544

Dependent Variable: Brand Image

Table 4: Coefficient Analysis of Multiple Regression on Equation Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,115	2,674		,043	,966
Corporate Social Responsibility	,382	,068	,432	5,572	,000

a. Dependent Variable: Brand Image

Based on Table 3 above on the results of multiple linear regression coefficients, the regression equation is as follows: $Y = 0.115 + 0.382x_1$. Coefficient of Determination Analysis (R^2) The analysis of the coefficient of determination (R^2) or R-Square is used to compute how much the independent variable can explain the dependent variable. In other words, the determinant coefficient is used to measure an independent variable that is Corporate Social Responsibility (X_1 explains the dependent variable that is a brand image. The SPSS input for the coefficient of determination can be seen in the table as follows:

Table 5. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df 1	df 2	Sig F Change	
1	,808 _a	,652	,641	1,58432	,652	60,029	3	96	,000	1,803

a. Predictors: (Constant), Corporate Social Responsibility

b. Dependent Variable: Brand Image

According to (Susanto 2007), companies that carry out their social responsibilities will consistently get broad support from communities who feel some of the benefits of the various activities they carry out. CSR will improve the company's image and in a long time will accumulate into the company's reputation. According to a survey conducted by Environics International (Toronto), Conference Board (New York) and Prince of Wales Business Leader Forum (London) that 60% of 25,000 respondents in 23 countries argue that corporate social responsibility is one of the factors that shape good image company. Furthermore, respondents as corporate consumers behave towards companies that do not run CSR are wanting to "punish" (40%) and 50% will not buy products from the company concerned and/or talk to others about the shortcomings of the company.

Then the parameters or measurement of company image can be done, through the six factors that Spector's findings will be converted through the research instrument, namely the questionnaire. This image parameter will then be converted using a scale so that it can be measured by numbers. The scale used is a Likert Scale.

Bank Rakyat Indonesia (BRI) Regional Office of Makassar through its branch offices has channeled funds through the BRI CSR program known as "BRI Care". "From 2007 to 2011, the distribution of BRI's CSR programs reached Rp. 14.6 billion. For 2011 the BRI Peduli program reached Rp. 3.7 billion. The funds were distributed to educational assistance in the form of scholarships of Rp. 100 million, free treatment, mass interest, blood donations. and the assistance of ambulances which amounted to Rp1.3 billion for 2011. In addition, assistance for public facilities and infrastructure in the form of rehabilitation of orphanages and nursing homes amounted to Rp487 million, natural conservation Rp1.5 billion, and low-cost markets amounting to Rp223 million.

For 2013 BRI Bank Activities Makassar Region distributed CSR assistance in the form of carts for traders of banana pie in the Losari beach of Makassar. As early as 20 units were submitted and prioritized for BRI customers who had deposited. In this assistance, BRI disbursed funds of around Rp. 336 million with an estimated one cart having a cost of around Rp. 8 million. Through BRI Caring for CSR partnerships, this activity was expected to be able to help traders and beautify the sales area in the Losari Beach court with BRI Branding.

CSR Activities of Makassar BRI Bank in the form of Makassar Branch BRI Agro participated in the mangrove conservation movement in the Lantebung coastal area, Bira Village, Tamalanrea District, Makassar City. The activity also works with the Department of Marine Affairs, Fisheries, Agriculture and Animal Husbandry of the City of Makassar. BRI cares for nature conservation, and will always provide full support for environmental activities. Moreover, the BRI Agro business unit that has been very close to the agribusiness segment.

■4.0 DISCUSSIONS AND CONCLUSION

The results of this study indicate that the variable Corporate Social Responsibility has a regression coefficient of 0.740, and a probability value of 0.000, which means that the variable Corporate Social Responsibility affects the Company's Image significantly. In addition, the Corporate Social Responsibility variable has a R² value of 0.599 or 59.9%, which means that the Corporate Social Responsibility variable affects the Company's Image by 59.9%.

The relationship between Corporate Social Responsibility and Company Image is strong and significant with a correlation value of R of 0.774, meaning that if there is an effort to improve Corporate Social Responsibility, the Corporate Image will also increase.

Corporate social responsibility or CSR is basically a necessity for corporations to be able to interact with local communities as a form of society as a whole. Corporate needs to adapt and to get social benefits from their relationships with local communities, a social advantage is a trust. CSR is certainly very related to corporate culture and business ethics that must be possessed by the corporate culture because to implement CSR a culture that is based on adaptive ethics is needed.

This is in line with Suharto's opinion (2007) that the emergence of the concept of CSR is driven by the tendency of industrial society which is then abbreviated as the DEAF phenomenon (Dehumanization, Equalization, Aquariumization, and Feminization).

In addition, according to Susanto (2007) companies that carry out their social responsibilities will consistently get broad support from communities who feel some of the benefits of the various activities they carry out. CSR will improve the company's image and in a long time will accumulate into the company's reputation. According to a survey conducted by Environics International (Toronto), Conference Board (New York) and Prince of Wales Business Leader Forum (London) that 60% of 25,000 respondents in 23 countries argue that corporate social responsibility is one of the factors that shape good image company. Furthermore, respondents as corporate consumers behave towards companies that do not run CSR are wanting to "punish" (40%) and 50% will not buy products from the company concerned and / or talk to others about the shortcomings of the company.

This research also supports the previous research conducted by Indra Jatmiko (2011) in which the dimensions of the CSR (Dynamic, Business Wise, and Character and Cooperative) programs have an influence on the Corporate Image, research by Prasetya (2010) wherein the research contained strong positive relationship between CSR activities and consumer loyalty and weak positive with the company's image. In addition, research by Panggabean (2009) in which there is a positive influence between philanthropic activities on Medco's image.

■5.0 CONCLUSION

Corporate Social Responsibility at PT. Bank Rakyat Indonesia Tbk (Persero) Makassar Branch has a positive and significant impact on the Company's Image. This can be seen from the results of statistical tests showing that the regression coefficient value is 0.740 with the value of t count = 6.464 and a significance of 0.000. This means that an increase in Corporate Social Responsibility will increase the Company's Image at PT. Bank Rakyat Indonesia Tbk (Persero) Makassar Branch.

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