Environment And Community Support Analysis In CSR Programme Toward Company Image (Case In Bandung, Indonesia)

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ABSTRACT:*This research aims to determine the effect of corporate social responsibility to the corporate image in the community. The independent variable in this research is environment and community support, with the dependent variable is the corporate image. This type of research is descriptive research with quantitative approach. Analysis of the data used is multiple linear regression statistical analysis. The coefficient of determination showed corporate image variable will be influenced by the independent variables, is support to the environment and community support. While the corporate image variable will be influenced by other variables that are not mention in this research. Simultaneous test results (F test), showed that environment and the community support simultaneously affect the corporate image. While the partial test (t test) showed that the environment is significantly affect the corporate image, and community support is significantly affect the corporate image.*
KEYWORDS:*Environment, community support, corporate image*

I. INTRODUCTION AND LITERATURE REVIEW

Every company has social responsibility (CSR) towards its external environment (Vegawati et al., 2015). The concept of CSR is a company consideration in its business activities. CSR and the development of constructive relationships with stakeholders determine the success of the company in the long run (Rachman et al., 2011). The implementation of CSR for the long term period will certainly benefit in the form of trust from stakeholders towards the company. Where the application of CSR is not only seen as "cost" but as a long-term investment for the company (Sovani et al. 2012).

The implementation of CSR is important for each company related to the emergence of a concept of "Sustainable Development" formulated by the Commission of the European Communities (2001) stated in Dahlsrud (2008) defining CSR as "Corporate social responsibility is a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment ". In addition, the World Business Council for Sustainable Development mentions CSR as a continuing commitment from a business to act ethically and contribute to economic development from the local community or the wider community.

The existence of a CSR program is currently being developed to be carried out by companies in Indonesia. Regulations regarding CSR are increasingly stringent with the existence of penalties for companies that violate laws regarding PT which require them to carry out CSR programs. This is explained in Law number 40 article 74 of 2007. In addition, the International Organization for Standardization (ISO) has developed and promoted internationally accepted CSR standards.

Companies that innovate solutions and values in ways that are socially responsible are the most likely companies to succeed (Kotler and Keller, 2009). Corporate social responsibility has become the company's main obligation. This has become a strategy for achieving corporate image (Bajra et al. 2015).

The company image can be formed through a long process, one of which is by communicating many things that give positive value to consumers (Rindell and Strandvik in Sukaatmadja et al., 2015). The concept of corporate image in the business world has developed and become the attention of marketers (Liou and Chuang 2009).

A good image of an organization will have a beneficial impact, while a bad image will harm the organization (Sutisna, 2001). A deliberate image needs to be created so that it is positive (Sukatendel, 2010). Bhattacharya (2001) suggest that there are six points included in Corporate Social Responsibility (CSR), namely community support, diversity, employee support, environment, non-U.S operations, and product.

According to Gottlieb (2006) in Bajra et al., (2015), community support or community support is the process of building relationships with communities and members who are and want to work next to the company, as well as work partners or company contractors or as a community within the company . This has an impact on building better support for the community around the company. In other words, community support should be related to company goals. This is in line with Send and Bhattacharya (2001) who argued that community support includes the desired support of the company.

In addition to community support factors, there are also environmental factors. Environment or environment, meaning the obligation to maintain and preserve the environment (Hatch and Farhady, 2017). According to Send and Bhattarcharya (2001), the company's physical environment consists of support for the creation of a healthy and safe environment, good waste management, and the creation of environmentally friendly products.

Bajra et al., (2015) in his research stated that environmental factors and community support had a significant influence on the company's image both simultan and partial.

Kuang and Chien (2010) in their research suggest that the factors of corporate social responsibility have a high influence on all aspects of management and corporate profit. The company can also increase the trust of its customers. This research was conducted in Taipei and used the telecommunications industry as a sample.

The results of the study are in line with several other researchers who argued that the factors of corporate social responsibility, namely environmental factors and community support are forming company image (Ulum et al., 2014). They found a significant relationship between the two factors with the company's image.

In contrast to the results of the above research, Ayanda and Baruwa (2014) state that the factors of corporate social responsibility are not the most important elements that shape a company's image. Arendt and Brettel (2010) in their study also mentioned that CSR initiatives have no influence to measure the success of a company. This research is based on the results of a survey of companies incorporated in the German and Austrian Chamber for Industry and Commerce.

Nevertheless there are still companies that continue to be committed to running CSR programs. One of them is PT. Papandayan Cocoa Industries-Barry Callebaut. The company in the Dayeuhkolot industrial area is one of the largest cocoa producers inIndonesia. Project Winning Together is Barry Callebaut's global employee initiative aimed at including Barry Callebaut's employees in corporate social responsibility activities. In addition, PT.Papandayan Cocoa Industries-Barry Callebaut has a Water For Life program, namely companies providing assistance in the form of clean water to local residents. Not only caring for the environment, the company also helped to renovate the RW office and posyandu. The aim is so that the company can continue to maintain good relations with the community.

However, according to the results of a survey conducted on residents around the area of PT. Papandayan Cocoa Industries-Barry Callebaut, 8 out of 10 people stated that they lacked the impact of the company's social activities program. In addition, 99% of respondents stated that PT. Papandayan Cocoa Industries-Barry Callebautthe management of the factory waste is still poor.

1.2 Research Objectives

The purpose of this study was to analyze the application of environmental factors and community support factors at PT. Papandayan Cocoa Industries Barry Callebaut and its influence on the company's image.

1.3 Research Methodology and Data Analysis

Corporate Social Responsibility (CSR) Milton Friedman's view in Bertens (2000: 292) about corporate social responsibility meant here is about corporate moral responsibility towards society. Corporate moral responsibility can certainly be directed to many things, to themselves, to employees, to other companies and so on.

CSR has many definitions expressed, but essentially CSR is a good faith that the company does as a profit-oriented business organization. For the entire business environment both external and internal, so that the existence of the company can be maintained in its business environment.

Community Support in CSR Chala and Sharma (2006) states that CSR programs related to social aspects have the meaning of being responsible for the social impacts caused by the company, both directly and indirectly. The core of the social aspect is respect for people or respect for others. Gotlieb (2006) argues that community support or community support is the process of building relationships with communities and members who are and want to work side by side with the company, as well as work partners or company contractors or as a community within the company. This has an impact on building better support for the community around the company. In other words, community support should be related to company goals.

Social responsibility seen from the social dimension includes three indicators which include:

1. The existence of company contributions to the realization of a better society.
2. Integration of business activities with various social problems that develop in the community.
3. There is full awareness of the company towards the various impacts of their activities on community members.

EnvironmentThis environmental aspect reflects where the company has an obligation to the impact produced on the environment of the company's operations. Creating environmentally friendly products is also an obligation that must be carried out by the company (Ulum et al. 2014)

According to Dahlsrud (2008) Social responsibility seen from the environmental dimension includes three indicators which include:
1. The creation of an environment that remains healthy and clean.
2. There is protection against environmental sustainability.
3. The conduct of environmentally friendly business activities.

Corporate Image According to Kotler and Keller (2012: 274), complete information about company image includes four elements as follows:
1. Personality, namely the overall characteristics that are understood by the target public such as companies that can be trusted, companies that have social responsibility.
2. Reputation, which is the right that has been done by the company and is believed by the target based on the experience of itself and other parties such as the security performance of a bank transaction.
3. Value, meaning the values held by a company in other words, corporate culture such as management's attitude that cares for customers, employees who are responsive to customer requests and complaints.
4. Corporate identity, namely components that facilitate the introduction of the target public to the companysuch as logos, colors, and slogans.

Sample in this research is 82 people.

II. ANALYSIS AND HYPOTHESIS MODELS

Referring to the theoretical framework that the author has compiled, the analysis model can be presented as listed in the following figure.

Figure 1. Model Analysis
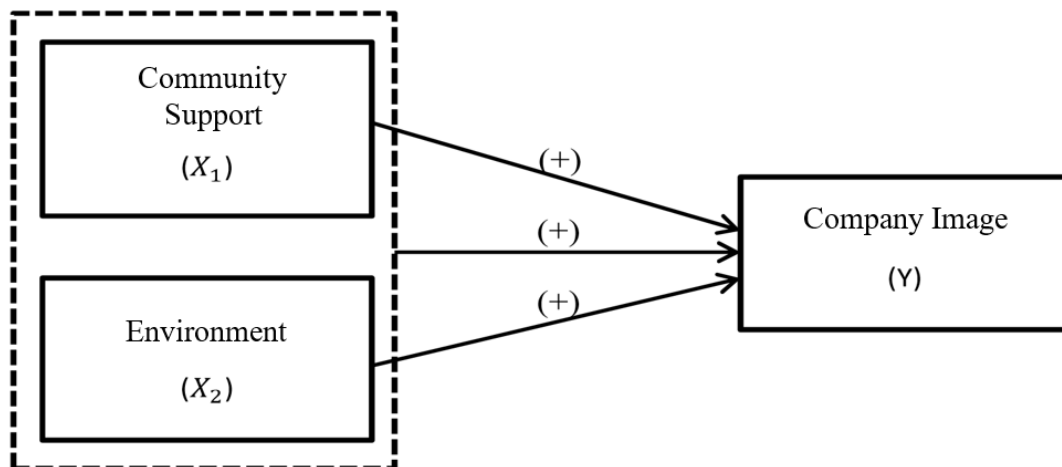
Based on the theoretical framework, it can be stated that the research hypotheses are as follows:

H1: Community support has a significant positive effect on company image.
H2: Environment has a significant positive effect on company image
H3: Community and environmental support has a significant positive effect on company image.

III. FINDINGS AND INTERPRETATION

Based on the description of the results of respondents' responses to environmental variables (X1) the following resume scores answers:

Table 1.Resume Variable Score of Environment

Variable	Score	Intrepretation
The company's business to maintain the environment remains healthy and clean	302	High
The company cooperates with the community to overcome environmental problems	282	Netral
The company keeps maintainingenvironmental sustainability	298	High
The company tried not to make a bad impact	293	High
The company has good environmental management	296	High
The company runs environmentally friendly business activities	302	High
The company implements a management programme environment well	297	High
Total	2070	
Average	295	High

Source: 2018 primary data processing

From table 1 above the average total score of environmental variables of 295 is included in the high criteria. This can be interpreted as the average respondent stated that PT. Papandayan Cocoa Industries-Barry Callebaut has kept the environment healthy and clean. In addition, PT. PapandayanCocoa Industries-Barry Callebaut runs an environmentally friendly business. So that the community is not too bothered by business activities carried out by PT. Papandayan Cocoa Industries-Barry Callebaut.

Based on the description of the results of the respondents' responses to the community support variable (X2) the following resume scores answers:

Table 2. Resume Variable Score OfCommunity Support

Variable	Score	Intrepretation
The company has good social responsibility	307	High
The company has a positive impact on the community	305	High
The company has a good relationship with the community	300	High
The company has a beneficial relationship withsociety	309	High
The company provides trash assistanceto street vendors	267	Neutral
The company always socializes with the community	300	High
The company always maintains good relations withsociety.	301	High
Total	2089	Neutral
Average	298	High

Source: Results of 2018 primary data processing

From table 2 above the average total score of the variable community support is 298 including the high criteria. That is, the average community around PT. Papandayan Cocoa Industries-Barry Callebaut feels a good impact by holding social responsibility by the company. The community also has a mutually beneficial relationship with PT. Papandayan Cocoa Industries-Barry Callebaut. This is evidenced by the development of stalls around the company. In addition, the local residents who applied for jobs were prioritized by the company. Based on the description of the results of the respondents' responses to the corporate image variable (Y) the following resume scores answers:

Table 3 Resume Variable Score of Corporate Image

Variable	Score	Intrepretation
The company has a good reputation.	307	High
The company maintains the comfort of the community.	300	High
The company cares about the environment and society.	300	High
The company is trusted for implementing social responsibility.	303	High
The company has a clear vision and mission.	311	High
The company always maintains good relations with the community.	308	High
Company canwelfare of the community.	301	High
Company employees are friendly to the community.	310	High
Total	2440	High
Average	305	High

Source: Results of 2018 primary data processing

From table 3 above the average total score of the corporate image variable of 305 is included in the high criteria. This can be interpreted by the average respondent agreeing to PT. Papandayan Cocoa Industries-Barry Callebaut has a good reputation in the eyes of the public. This is because PT. Papandayan Cocoa Industry always strives to provide the best social responsibility to the community around the company.

3.1Correlation

AnalysisThe relationship between environment (X1), community support (X2), and corporate image (Y) aims to determine the closeness of the relationship between variables for this based on the results of calculations using softwareSPSS 21, the following results are obtained:

Variable Correlation

Table 4. Correlation Between Variable

		Environment	Community Support	Company Image
Environment (X_1)	Pearson Correlation	1	.659**	.678**
	Sig. (2-tailed)		.000	.000
	N	82	82	82
Community Support (X_2)	Pearson Correlation	.659**	1	.780**
	Sig. (2-tailed)	.000		.000
	N	82	82	82
Company Image (Y)	Pearson Correlation	.678**	.780**	1
	Sig. (2-tailed)	.000	.000	
	N	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

a. **From table 4 it can be concluded as follows:**
The large calculation output of the correlation coefficient X1 is 0.678 which belongs to the strong category and sig. (2-tailed) is worth 0,000 <0,05, so it can be concluded that the environment variable has a positive and significant correlation with the corporate image of PT. Papandayan Cocoa Industries-Barry Callebaut.
b.   The large calculation output of the correlation coefficient X2 is 0.780 which belongs to the strong category and sig. (2-tailed) is worth 0,000 <0,05 so it can be concluded that the variable community support has a positive and significant correlation with the corporate image of PT. Papandayan Cocoa Industries-Barry Callebaut.

c. **3.2. Hypothesis testing**

Multiple Linear Regression Analysis

Table 5.Multiple Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.103	.220		5.008	.000
	Environment (X_1)	.249	.075	.289	3.300	.001
	Community Support (X_2)	.472	.070	.589	6.720	.000

a. Dependent Variables: Company Image(Y)

From table 5 above the test results show the regression equation with multiple linear regression equations as follows:Y = a + b1X1 + b2X2 + e, then the results obtained are as follows:Y = 1,103 + 0,249X1 + 0,472X2. The coefficient sign of the independent variable shows the direction of the relationship of the variable concerned with the corporate image variable. X1 variable regression coefficient is positive, indicating the existence of a directional relationship between the environment (X1) with the corporate image (Y). While the regression coefficient for independent variables X2 is positive, indicating the existence of an unidirectional relationship between community support (X2) and corporate image (Y).

Table 6. F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.152	2	4.576	75.264	.000[b]
	Residual	4.803	79	.061		
	Total	13.955	81			

a. Dependent Variable: Corporate Image
b. Predictors: (Constant), Environment, Community Support

Hypothesis 3

H0: b1, b2 = 0, together environment (X1) and community support(X2) does not have a significant effect on company image (Y) PT. Papandayan Cocoa Industries-Barry Callebaut.Ha: b1, b2> 0, together environment (X1) and community support(X2) has a significant influence on company image (Y). The F test in the table above shows the F value of 75.264 and is significant at the 0.000 level. Because the probability of significance is much smaller than the specified criteria, namely 0.05, regression can be used to predict the company's image. Then it was concluded that the environment and community support together had an influence on the company's image. Thus concludes that H0 is rejected and Ha is not rejected.

Table 7. t Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.103	.220		5.008	.000
	Environment (X_1)	.249	.075	.289	3.300	.001
	Community Support(X_2)	.472	.070	.589	6.720	.000

a. Dependent Variable: Corporate Image (Y)

Hypothesis 1

H0: b1 = 0, Environment (X_1) does not have a significant effect on the corporate image of PT. Papandayan Cocoa Industries-Barry Callebaut.
H1: b1 > 0, Environment (X_1) has a significant effect on the corporate image of PT. Papandayan Cocoa Industries-Barry Callebaut.
The results of the partial test shows that the environment variable is 0,249 and has a significant probability with a significance level of $0,000 < 0,05_{sig}$. The beta produced is positive beta, meaning that the influence given by environment is positive,which means that the influence is in the same direction. It was concluded that $H_0$was rejected and $H_1$was not rejected.

Hypothesis2

H0: b2 = 0, Community Support (X2) does not have a significant effect on the corporate image of PT. Papandayan Cocoa Industries-Barry Callebaut.

H2: b2> 0, Community Support (X2) has a significant effect on the corporate image of PT. Papandayan Cocoa Industries-Barry Callebaut. The results of the partial test shows that the community support variable is 0.472 and has a significant probability with a significance level of 0.000 <0.05sig. The beta produced is positive beta, meaning that the influence given by community support is positive, which means that the influence is in the same direction. It was concluded that H0 was rejected and H2 was not rejected.

3.3 Coefficient of Determination

Table 8. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.810ᵃ	.656	.647	.24657

a. Predictors: (Constant), Community Support, Environment

The coefficient of determination is:

Kd = R2 x 100%
    = 0,656 x 100%
    = 65,6%

From table 8 the magnitude of the coefficient of determination is 65.6%, meaning changes in the corporate image variable PT. Papandayan Cocoa Industries-Barry Callebaut can be explained as 65.6% which is influenced by the environment and community support, while the remaining 34.4% is explained by other factors not examined in this study, namely company policy not to distinguish between consumers and prospective workersin terms of gender, physical, or certain races (diversity), labor protection (employee support), giving equal rights to the community to get work opportunities (non-US operations), and the company's obligation to create safe products like the research conducted by Ulum et al. (2014), Iswanto et al. (2014), Vegawati et al. (2016), and Prasiska et al. (2017) show that diversity, employee support, non U.S operations, and product have a significant effect on corporate image.

IV. DISCUSSION

Based on the title of this research, sought the influence of independent variables (environment and community support) on the dependent variable (company image). For this reason, this study uses multiple regression correlation coefficient analysis based on the dependent variable which has a causal where one variable affects the other variables.

The results of the first hypothesis study show that the environment as an independent variable has a regression coefficient of 0.249 with results if the probability is more than 0.05 with a valid statement. With a regression equation of 0.249 environmental variables have a significant positive effect on corporate image. Can be concluded if the environment is getting better it will have a good impact on the company's image.

PT. Papandayan Cocoa Industries-Barry Callebaut realizes that the environment is part of the company. For this reason, PT. Papandayan Cocoa Industries-Barry Callebaut has a program called water for life that is providing assistance in the form of clean water to the surrounding community. Besides that, PT. Papandayan Cocoa Industries also helps make biopore holes. This was done as an effort by the company to maintain the surrounding environment to be healthy and clean, and also to carry out environmentally friendly production activities, the company image of PT. Papandayan Cocoa Industries-Barry Callebaut in the eyes of the community will be better. In line with the research conducted by Ulum et al., (2014), Bajra et al., (2015), and Vegawati., (2015) stated that in their research shows that the environment has a significant positive effect on corporate image. But there are different opinions expressed by Ayanda and Baruwa (2014) which state that the environment is not the most important element that shapes the company's image.

The results of the second hypothesis study show that public support as an independent variable has a regression coefficient of 0.472 with results if the probability is more than 0.05 with a valid statement. With a regression equation of 0.472 the variable public support has a significant positive effect on corporate image. It can be concluded that if community support is good, it will have a good impact on the company's image.

PT. Papandayan Cocoa Industries-Barry Callebaut seeks to build relationships with communities and members around the company. This can be seen from the cooperation between the company and the community in the form of improvements to the Posyandu offices, directing employees to buy their needs in shops around PT. Papandayan Cocoa Industries-Barry Callebaut, also employs people to work in the company. That way PT. Papandayan Cocoa Industries-Barry Callebaut will have a good image in the eyes of the public.

This is in line with the research conducted by Iswanto et al., (2014) and Prasiska et al., (2017), and Novarianto et al., (2017) which states that community support has a significant positive effect on corporate image. But this is not in line with the research conducted by Arendt and Brettel (2010) which states that community support does not affect the company's image.

The results of testing the third hypothesis show that the environment and community support together have a positive effect on the company's image. This is in line with the research conducted by Prasiska et al. (2017).Practically, this research implies that PT. Papandayan Cocoa Industries-Barry Callebaut can carry out sustainable social responsibility so that the company's image will be better in the eyes of the public. This research is also expected to provide input in evaluating some of the social responsibility programs of PT. Papandayan Cocoa Industries-Barry Callebaut in the future.

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