

Corporate social responsibility benefits and company image: An embedded mixed-method inquiry

Widayat¹, Afrizal Indra Syahputra¹, Novita Ratna Satiti¹

¹Faculty of Economics and Business, University of Muhammadiyah Malang, Malang, Indonesia

INFO ARTIKEL

Diterima 4 April 2022
Disetujui 16 Juni 2022
Diterbitkan 30 Juni 2022

Kata Kunci:

Persepsi; manfaat; aspek sosial; ekonomi; lingkungan; citra perusahaan.

DOI:10.24036/jkmb.11678200

Keywords:

Perception; benefit; social aspect; economy; environment; corporate image.

ABSTRAK

Penelitian ini bertujuan untuk menguji persepsi masyarakat tentang manfaat sosial, ekonomi, dan lingkungan atas program Corporate Social Responsibility (CSR) terhadap citra perusahaan. Sampel adalah pengunjung obyek CSR menggunakan kuesioner dan wawancara, di landmark terkenal yang disponsori oleh praktik CSR perusahaan tembakau. Sampel diseleksi menggunakan teknik Aksidental sampling untuk mewakili responden di lokasi penelitian. Partial Least Square-Structural Equation Modeling memerankan SmartPLS, digunakan untuk membangun model yang diajukan. Data dianalisis menggunakan Nvivo. Studi ini menunjukkan masyarakat memiliki pandangan positif manfaat sosial dan lingkungan CSR, namun sebagian memiliki pendapat yang buruk tentang manfaat ekonominya. Hasil menunjukkan bahwa persepsi masyarakat tentang manfaat lingkungan, ekonomi, dan sosial berdampak signifikan terhadap citra perusahaan. Praktik CSR dapat mendukung ekonomi masyarakat, sosial, dan lingkungan dengan menawarkan suasana nyaman, tenang, dan bebas polusi. Selain itu, merupakan tempat nyaman untuk hubungan bisnis, berteman, olahraga, dan berkumpul dengan keluarga

ABSTRACT

This study aims to examine public perceptions of the social, economic, and environmental benefits of Corporate Social Responsibility (CSR) programs on corporate image. Data were taken from a sample of visitors to CSR objects using questionnaires and interviews, at famous landmarks created by the CSR practices of tobacco companies. Accidental sampling was used to represent respondents at the research site. Partial Least Square-Structural Equation Modeling playing SmartPLS, was used for the proposed model. Data from interviews were analyzed with Nvivo. This study found that people have a positive view of the social and environmental benefits of CSR, but most have a bad opinion about the economic benefits. The finding shows that the public's perception of environmental, economic, and social benefits has a significant impact on the company's image. CSR practices can support the community's economy, society, and the environment by offering a comfortable, calm, and pollution-free atmosphere. Besides that, it is a comfortable place for business relations, sports, and gathering with family.

How to cite: Widayat., Syahputra, A. I., & Satiti N. R. (2022), Corporate Social Responsibility Benefits and Company Image: An Embedded Mixed-Method Inquiry. *Jurnal Kajian Manajemen Bisnis*, 11 (1), 53-68. <https://doi.org/10.24036/jkmb.11678200>



This is an open-access article distributed under a Creative Commons Attribution-NonCommercial 4.0 International License which allows others to remix, tweak, and build upon the work non-commercially as long as the original work is properly cited. © 2022 by the author.

* Corresponding author: widayat@umm.ac.id

INTRODUCTION

The topic of corporate social responsibility (CSR) remains diverse and a source of lively discussion from an academic and practical standpoint (Gond, El Akremi, Swaen, & Babu, 2017). The various effects on culture, economy, society and the climate have heightened debates about the company's operations (Jamali & Karam, 2018; Palazzo, Voller, & Siano, 2020) and could conflict with the interests of the company at lower levels (Asmussen & Fosfuri, 2019). The dynamics discussed emerge in the scope of concept development, dimensions, the relationship with antecedent variables, and their impact (Feng, Zhu, & Lai, 2017; Xia, Olanipekun, Chen, Xie, & Liu, 2018). The CSR program is structured to support external and internal company stakeholders, as well as individuals and organizations individually and collectively (Aguinis & Glavas, 2017; Latapí Agudelo, Jóhannsdóttir, & Davídsdóttir, 2019). The evidence demonstrates that these programs do not necessarily have a positive effect or have less value to the community. Still, they are felt more strongly by the businesses that engage in them.

The allocation of company resources to CSR activities can positively impact the company's internal parties in several aspects, either directly or indirectly. Companies that allocate and carry out these activities receive positive performance rewards at various functional levels of management. Several management functions received positive effects; financial, operational, human resources, organizational performance, and marketing. Research that addresses CSR programs' impact on internal companies has shown non-uniform findings so far. Several studies have found that CSR has a positive effect on the company's operating performance and finances. (Awaysheh, Heron, Perry, & Wilson, 2020; Ben Amar & Chakroun, 2018; Franco, Caroli, Cappa, & Del Chiappa, 2020; Partalidou, Zafeiriou, Giannarakis, & Sariannidis, 2020; Platonova, Asutay, Dixon, & Mohammad, 2016), and at the risk of corporate bankruptcy (Gangi, Meles, Monferrà, & Mustilli, 2020). Furthermore, CSR activities were discovered to impact HR performance, including work satisfaction, employee engagement, and citizenship actions. On the other hand, no substantial impact was observed on employee satisfaction dimensions. (Asrar-ul-Haq, Kuchinke, & Iqbal, 2017; H. L. Kim, Rhou, Uysal, & Kwon, 2017), affect employee attitudes and behavior (Zhao, Wu, Chen, & Zhou, 2020). These insights highlight that CSR does not always have a good effect on internal businesses, even though it does in some cases.

CSR has the potential to impact company performance from the perspective of external stakeholders, especially customers, and internal consequences. Previous related research has yielded mixed results. External performances related to consumers, such as the effect on consumer morale, are examples of external performances that have the potential to be linked to the company's CSR program. (Baskentli, Sen, Du, & Bhattacharya, 2019). Furthermore, several research studies suggest that CSR positively impacts brand attitudes and behavior, and brand preference. (Ferrell, Harrison, Ferrell, & Hair, 2019; Jeon, Lee, & Jeong, 2020), customer loyalty and brand positioning are affected (Akbari, Mehrali, SeyyedAmiri, Rezaei, & Pourjam, 2019; Han, Yu, & Kim, 2019).

Other research shows that CSR is closely related to the corporate image. (Al Mubarak, Ben Hamed, & Al Mubarak, 2019; Palacios-Florencio, García del Junco, Castellanos-Verdugo, & Rosa-Díaz, 2018), CSR affects a company's reputation (Pham & Tran, 2020). CSR affects brand image (Salehzadeh, Khazaei Pool, & Jafari Najafabadi, 2018). Customer retention is directly affected by CSR and indirectly by corporate image mediation. (Afiuc et al., 2020). Meanwhile, other research has discovered that CSR can affect the desire to return to the tourism industry and increase the attractiveness and competitiveness of tourist destinations. (Rodrigues, Borges, & Vieira, 2020).

The existing evidence, as described in the section above, focuses on the effect of CSR on internal companies and external parties intimately linked to the business, such as customers or consumers. The CSR program was developed for individuals, the public who were not affiliated with or closely connected with the company's Management. Business managers started to take on the task of balancing benefit maximization with establishing and preserving a balance with their clients', labor force's, and community's demands. Naturally, the increasing consciousness of culture and social movements during the 1960s influenced interest in CSR (Latapí Agudelo et al., 2019). An individual businessman's conduct is influenced by their place in society and the social background in which They operate. For

example, the general public, those who live in the vicinity of the company or where CSR is implemented, is the ideal beneficiary of the company's CSR benefits. However, the amount of research on the relationship between CSR programs and effects on the general public who are not affiliated with the organization is still restricted. There is a missing link between CSR activities and their outcomes (Jamali & Karam, 2018; S. Kim & Ferguson, 2016), and the findings are still worth following upon.

Let's say you're undertaking research Caspers (2020); CSR initiatives have been shown to encourage greater trust in household water conservation companies. In a study of rural women, livestock keepers in oil host communities in Nigeria, Uduji and Okolo-Obasi (2019) discovered that CSR programs have an impact on socio-economic aspects and empower society. Meanwhile, Gursoy, Boğan, Dedeoğlu, and Çalışkan (2019) found that residents' perceptions of hotel social responsibility (HSR) contribute to support for tourism growth, both directly and indirectly, as well as their satisfaction, in a study performed in Turkey. On the other hand, the CSR scheme has no impact on the economic and environmental aspects. Meanwhile, CSR affects corporate reputation as a mediator for return visits (J. Kim, Song, Lee, & Lee, 2017).

The impact of CSR practices in the long term is the survival of the company (Gangi et al., 2020). Through CSR practices, the existence and positive image of the company can be grown in the community. In turn, the company's presence will be maintained. Companies can be free from social disturbances from the community, not being shaken by the community's social conditions, especially those around the company. So far, studies that discuss the relationship between corporate image and company existence with CSR practices still invite further investigation. Some researchers have tried to link CSR with reputation, for example, Bianchi, Bruno, and Sarabia-Sanchez (2019), the relationship between CSR and corporate image (Hsu, 2018; M. Kim, Yin, & Lee, 2020; Pang et al., 2018).

The descriptions of the various studies above illustrate the impact of CSR practices on various internal aspects of the company, such as employees, finance, marketing, and external elements such as the company's reputation and image. They are externally testing the impact of CSR based on data from customers or consumers. The effect of CSR activities on stakeholders outside of participating businesses and the general public, in terms of social, economic, and environmental benefits, is still insufficient. According to the empirical evidence provided above, there were some exciting gaps to be filled, specifically concerning the benefits felt by stakeholders as a consequence of CSR practices and the developed image. This paper aims to address the following questions: Does the CSR benefits community's impression affect the company's image?

LITERATURE REVIEW

Corporate social responsibility

The term Corporate Social Responsibility (CSR) is not a new term widely known and used. CSR is a multi-faceted concept firmly rooted in the universal principles of sustainable development (Contini, Annunziata, Rizzi, & Frey, 2020). After World War II and the 1950s can be considered a time of adaptation and changing attitudes to the discussion of corporate social responsibility. Still, it is also a time when there was little corporate action that went beyond philanthropic activity. Until the 20th century, CSR has experienced development (Latapí Agudelo et al., 2019). CSR consists of three pillars related to the human, planet, and social issues (Omoloso, Wise, Mortimer, & Jraisat, 2020), is a commitment of businesses to contribute to sustainable economic development by working with employees, their families, and their local communities (Afiuc et al., 2020). In short, it can be stated that CSR focuses on three pillars, namely environmental sustainability (Planet), community welfare (people), and profit (profit). A responsible company does not only pursue profit but cares for the environment and the welfare of the community. Departing from this concept, this research employs the

dimensions of the benefits of CSR, in three ways, namely social aspects, economic aspects for community welfare, and ecology.

Corporate image

Corporate image or company image is considered among the top concepts in business and marketing. It is referred to as the perceptions of the corporate by the consumers, public, or society. The significance of a company's image can be divided into seven categories; visual expression, positive emotions, environment expression, online appearance, staff/employee appearance, attitude and behavior, and external communications (Tran, Nguyen, Melewar, & Bodoh, 2015). There are many schools of thought when it comes to corporate image. A second group presents the corporate image as attitudes, (mental) representations, or impressions of an organization in the minds of their audiences. The corporate image is defined as a group or groups' perceptions of an organization. The third study trend considers the corporate image on a cognitive level, stating that it refers to a person's beliefs about an organization (Tapia, Mercadé Melé, & Almeida-García, 2018). It is described as the perceptions of the corporate by consumers, the media, and society as reflected by brand or attribute associations in their memory (Mohammed & Rashid, 2018). Image is the overall impression that the business is focused on their feelings and experiences. In addition, consider the image as a distinguishing feature of a company's product or service. The institution's overall image, institute image, and reputation are part of the corporate image (Hassan & Shamsudin, 2019). A positive image is an advantage since it affects stakeholders' or customers' perceptions of the firm's communication and operations sustainability.

Linkage of corporate social responsibility and corporate image

In terms of corporate social responsibility, participants' perceptions of reciprocity positively and directly impacted purchasing intent. It also had a positive effect on corporate image, which positively impacted brand image, which positively impacted purchasing intention. (Lee & Lee, 2018). Furthermore, according to J. Kim et al. (2017), ethical CSR had the most impact on corporate image, followed by economic and philanthropic CSR. Only philanthropic CSR influenced behavioral intentions in a significant and transparent way. The relationship between three forms of CSR (ethical, financial, and philanthropic) and behavioral intentions was mediated by corporate image. Several other studies linking CSR and its dimensions with a corporate image found that there is a significant relationship or influence of CSR with corporate image, either directly or indirectly, as in research. Al Mubarak et al. (2019), Bianchi et al. (2019), M. Kim et al. (2020), Pham and Tran (2020), and also Hsu (2018). Based on these empirical findings, several research hypotheses can be formulated:

H1: the benefits of social aspects affect corporate image

H2: the benefits of economic factors affect corporate image

H3: the benefits of ecological aspects affect corporate image

H4: The benefits of CSR affect corporate image

METHOD

This research was conducted at one of the park sites, which manifests the CSR practices of a well-known cigarette company in Malang, East Java, Indonesia. This site is determined purposively because the company that supports it operates in the cigarette industry sector, which is full of controversy. This research was conducted with an embedded mixed-method approach. The subject of this research is park visitors with the lowest age limit in the category of adolescents. Data were collected using a questionnaire with a five-point Likert scale, from the sample respondents who were accidentally

selected as many as 100 people, and interviews with ten visitors. The data extracted through questionnaires covered the perceptions of aspects of corporate social responsibility (CSR), which consisted of social, economic, and environmental elements and corporate image. The indicators for each variable are listed in Table 1. Meanwhile, the data extracted through interviews are related to the benefits of CSR felt by the public.

Table 1. Variable, indicators, and statement item

Variable	Dimension	Item (Code)
<i>Corporate Social Responsibility Benefits</i> (Kallmuenzer, Nikolakis, Peters, & Zanon, 2017; J. Kim et al., 2017; Mohammed & Rashid, 2018; Omoloso et al., 2020)	Social	1. a comfortable place to relax (SA1)
	Aspect	2. the right location for jogging exercise (SA2)
		3. a suitable location for taking photographs (SA3)
		4. an appropriate site for interaction between people (SA4)
Economy	Aspect	1. Crowded with buyers and sellers of society (EA1)
		2. increase people's income by selling nearby (EA2)
		3. a comfortable place to communicate business (EA3)
		4. a suitable site for meeting buyers and sellers of products (EA4)
Environment	Aspect (Ecology)	1. is a comfortable place to breathe fresh air (ENA1)
		2. the right place to reduce pollution as the heart of the city (ENA2)
		3. a suitable place as green open space (ENA3)
		4. a comfortable place to enjoy a beautiful living environment (ENA4)
Corporate Image (Esenyel, 2020; Tran et al., 2015)	<i>Personality</i>	1. a credible company (can be trusted) (CI1)
	<i>Reputation</i>	2. companies that have a social responsibility to the community (CI2)
		3. companies that get community support (CI3)
<i>Value</i>	<i>Value</i>	1. can increase the good name of the company (CI4)
		2. create a positive impression for the company (CI5)
<i>Corporate Identity</i>	<i>Value</i>	1. make people give more value (respect, salute) to the company (CI6)
		2. demonstrate good business ethics to the community (CI7)
<i>Corporate Identity</i>	<i>Corporate Identity</i>	1. people are more familiar with the company's products (CI8)
		2. people know more about the company (CI9)

The data collected were analyzed to test two models of the relationship between latent variable CSR benefit and corporate image using structural equation modeling (SEM)-partial least square (PLS), employing SmartPLS software. The first model tested is the one-level unobservable corporate image variable relationship composed of indicators set out in table 2. The CSR benefit is a two-level latent variable, normatively structured by economic, social, and ecological aspects. The second model the relationship between one level of CSR benefit dimensions and one level of unobservable corporate image variables. Meanwhile, the qualitative interview data were analyzed, through the process stages, transcribing, translating, coding, and visualizing using the help of the Nvivo 12 plus software. Structural models that meet the goodness of fit are connected to the conceptual model from qualitative interview data.

RESULT AND DISCUSSION

Respondent demographics

Respondents selected in this study were visitors to a CSR practice site in the form of a green open park located in the city of Malang, East Java, Indonesia. From the respondents' questionnaire, several demographic aspects can be described, including gender, age, education level, and occupation, as shown in Table 2 below.

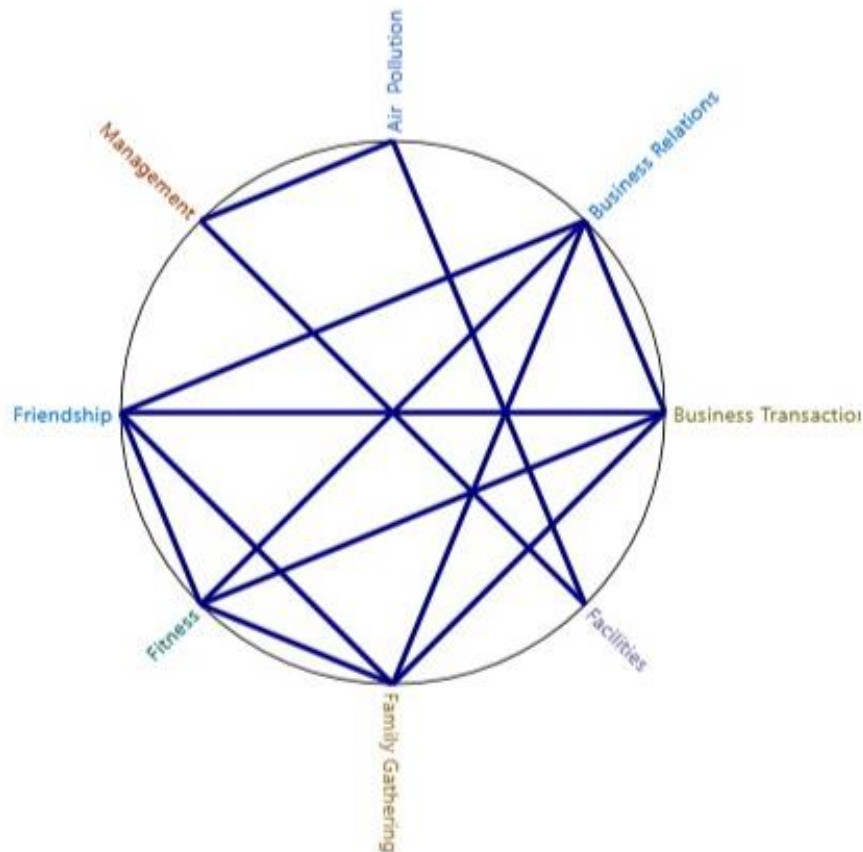


Figure 2. Linkage to the CSR benefit theme

In Figure 1, it appears that comfortable is the central theme and is the most prominent among other themes. This means that the location of the CSR site is a convenient place for visitors. Different themes are facilities, environment, existence, and organization. The results of deeper data exploration can arrange several essential and relevant nodes to the research theme. Informant data nodes can be grouped into eight interrelated themes: management, air pollution, relationship business, transaction business, facilities, family gathering, fitness, and friendship. For example, the major themes of the informants' views regarding the benefits of city parks as CSR practices by cigarette companies have a relationship between one theme and another. The relationship between the themes is visualized in Figure 2. In this figure, 24 lines connect the themes. The line illustrates the relationship between one theme and another, written on the circle's side. For example, friendship is associated with the themes of business relations, business transactions, family gathering and fitness. The transaction business is connected to the fathering, fitness, friendship, and business relations families.

Meanwhile, management is connected to facilities and air pollution. The closeness and linkage of existing themes can also be seen from Jaccard's coefficient, which is a coefficient that shows the similarity and diversity of sample sets, 0.50 and 1.00, as stated in Table 3. Normatively, Jaccard's coefficient measures closeness or similarity of qualitative data, for example, the word -words. The coefficient values range from 0.00 to 1.00. The closer the number one is, the more similar or closer the data is. The data processing results from the formed nodes obtained Jaccard coefficient numbers 0.5 and 1.00. This table illustrates that the nodes, in the form of an identified word, have a strong relationship and similarity.

Table 3. Relation coefficient of CSR theme

No	Code	Code	Jaccard's coefficient
1	Business Relations	Air Pollution	0.5
2	Business Transaction	Business Relations	1
3	Business Transaction	Air Pollution	0.5
4	Facilities	Air Pollution	1
5	Facilities	Business Relations	0.5
6	Facilities	Business Transaction	0.5
7	Family Gathering	Business Relations	1
8	Family Gathering	Business Transaction	1
9	Family Gathering	Air Pollution	0.5
10	Family Gathering	Facilities	0.5
11	Fitness	Business Relations	1
12	Fitness	Business Transaction	1
13	Fitness	Family Gathering	1
14	Fitness	Air Pollution	0.5
15	Fitness	Facilities	0.5
16	Friendship	Business Relations	1
17	Friendship	Business Transaction	1
18	Friendship	Family Gathering	1
19	Friendship	Fitness	1
20	Friendship	Air Pollution	0.5
21	Friendship	Facilities	0.5
22	Management	Air Pollution	1
23	Management	Facilities	1
24	Management	Business Relations	0.5
25	Management	Business Transaction	0.5
26	Management	Family Gathering	0.5
27	Management	Fitness	0.5
28	Management	Friendship	0.5

From the findings based on the above interviews; several propositions can be drawn as follows:

P1: Good management can improve corporate image and CSR site survival

P2: The provision of additional public facilities can create added value to the CSR site and enhance the corporate image

P3: CSR practices that are beneficial to the public can maintain the company's existence structural and measurement models

The investigation aimed to put the relationship model between CSR Benefits perception and corporate image to the test, as mentioned at the outset. Using structural equation modeling (SEM), investigate the relationship between latent variables of social, economic, ecological, and corporate. The following are some of the aspects of SEM modeling that will be tested:

Model reliability and validity

At one or more stages, the outer model is a measurement model of latent variables that are reflective or formative. The measurement model must evaluate every latent variable's reliability and validity. Truth can be assessed in convergent validity, which explains the degree of trust in each indicator's measurement goodness of fit. Discriminant validity, which defines the disparity or discrepancy

between measures in latent variables, must also be evaluated. For the variance distribution between latent variables in a model, the Fornell-Larcker (1981) criterion is widely used. Convergent validity is calculated using the average variance extracted (AVE) and composite reliability criteria (CR). The AVE scale compares the amount of build variance to the amount of measurement error. Excellent measurements are indicated by AVE values greater than 0.50, and the values of its predictor that can be recognized are at least 0.50. Table 4 lists the five significance parameters for unobservable variables, including AVE, CR, Rho A, and Cronbach's Alpha. As calculated by the five validity criteria, all latent variables are higher than the appropriate minimum value (0.50) and even higher than 0.70 for CR values. This meant that the latent variable was constructed using high-quality measurements.

Table 4. Latent variable reliability and validity

Latent Construct	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
CSR Benefits	0.93	0.94	0.94	0.43
Corporate Image	0.92	0.93	0.94	0.64
Economic Aspect	0.67	0.69	0.80	0.51
Environment Aspect	0.72	0.73	0.83	0.55
Social Aspect	0.81	0.82	0.88	0.64

R-Square

Another measure that can be used to view a model in PLS-structural equation modeling is the R-Square value. In this study, it appears in Table 5 that the endogenous latent variables CSR Benefits (1.00) and corporate image (0.64) have large R-Square (square multiple correlations) values, while the R Square adjusted values 0.63, respectively. This means that the latent variable building model is unobservable CSR benefits, and Corporate image can be said to be reasonable or adequate, which is shown by the relatively high R-square value.

Table 5. R-square latent variable coefficient

Latent Variable	R Square	R Square Adjusted
CSR Benefits	1.00	1.00
Corporate Image	0.64	0.63

Cross loading indicators

Cross loading describes the amount of weight the contribution of an indicator to one or more latent variables. An indicator can be used as a component that supports one latent variable if the weight value of the latent variable is more remarkable than the weight of the other latent variables—an illustration of an example in Table 6. The table consists of five columns, column (1) contains the indicator code, while columns (2) through (5) contain the weights for each of the latent variables listed in the first row of the table. Take an example of an indicator with the codes CI1, CI2, CI3 to CI9, which are valid indicators for the corporate image latent variable. For instance, CI1, the highest weight value on the corporate image (column (2)), is 0.897, while the weight value is smaller for other latent variables. This fact indicates that CI1 is a valid indicator for the corporate image variable. Using this principle, we can identify all existing indicators, meaning that each indicator designed in the research method section is appropriate and valid. For example, CI1-9 is an indicator of corporate image, EA1-4 is an indicator of economic aspects, EN1-4 measures latent variables for environmental factors, and SA1-4 measures social elements.

Table 6. Cross loading indicator

Indicators	Corporate Image	Economic Aspect	Environment Aspect	Social Aspect
(1)	(2)	(3)	(4)	(5)
CI1	0.89	0.49	0.57	0.63
CI2	0.77	0.49	0.49	0.48
CI3	0.78	0.45	0.53	0.37
CI4	0.83	0.57	0.54	0.53
CI5	0.52	0.44	0.48	0.49
CI6	0.80	0.32	0.56	0.54
CI7	0.85	0.48	0.51	0.54
CI8	0.74	0.36	0.56	0.39
CI9	0.90	0.56	0.67	0.59
EA1	0.51	0.85	0.36	0.38
EA2	0.44	0.57	0.36	0.23
EA3	0.38	0.69	0.31	0.37
EA4	0.34	0.72	0.48	0.21
ENA1	0.48	0.27	0.69	0.39
ENA2	0.57	0.48	0.75	0.37
ENA3	0.47	0.30	0.69	0.32
ENA4	0.52	0.47	0.82	0.41
SA1	0.48	0.30	0.36	0.81
SA2	0.53	0.39	0.35	0.83
SA3	0.58	0.37	0.52	0.82
SA4	0.48	0.29	0.39	0.75

Measurement and structural models

Furthermore, to see the validity of the latent variable constituent indicators, it can be seen from the size of the loading and its significance. The discussion regarding this for each latent variable refers to Figure 3. CSR Benefit is a level two formative latent variable whose construction consists of three variables that are also unobservable, namely environment aspect, Economy aspect, and social aspect, with the contribution weight of Environmental aspect with loading. 0.41, economic aspect (0.34), and social aspect (0.47), with an R-square value of 1.00. This illustrates that the CSR benefit is a good and reliable level two latent variable. In Figure 3, each of these variables is built by accurate indicators. The construct validity of the latent variable building can be seen from the loading value of each hand which is greater than the threshold of 0.50, and the t-statistic value is more significant than 2.00. Meanwhile, the environmental aspect is reflected in the indicator (ENA1-ENA4). The loading values range from 0.69 to 0.82 and the t-statistics value of 9.71 to 24.90. The economic element is supported by four hands (EA1-EA4), with a loading value of 0.57 to 0.85, t-statistic 6.22 to 21.54. Likewise, the Social Aspect variable, which is composed of SA1-SA4 indicators, has the lowest loading value of 0.75, and the highest is 0.83, with a t-statistic of 14.52 to 26.89. This condition illustrates that the measurement model for the three latent variables meets the requirements of the goodness of fit reflectively and is suitable for modeling.

Furthermore, as the dependent variable, the corporate image is arranged thoughtfully from one level to nine indicators (C1-C9), with the lowest loading value of 0.52 and the highest as 0.90, the t-statistic value of 8.24 to 41.101. As the dependent variable in this study, company image is also an unobservable latent variable composed of nine indicators. Factor weight values for the nine indicators varied between 0.52 (t-statistic = 8.24) to the highest reaching 0.90 (t-statistic = 41.10). This illustrates that the contribution of indicators in shaping the company's image varies. The most contributing

indicators are cognitive domains, corporate identity, public knowledge of the company (people know the company (CI9). Another indicator that also has a fairly high contribution is CI1, which relates to "credible companies" or companies that can be trusted.

In Figure 3, there is also an inner model, or a structural model that shows the relationship between the effect of second-order CSR benefit with the constructs of the environment, economic and social aspects, on the corporate image. While in Figure 4, the effect of the three constituent variables of CSR benefit first order on corporate image. The two models are deliberately designed to compare, and at the same time, be part of the novelty of this research. In the structural model in Figure 3, it is shown that the coefficient value of the effect of CSR benefits on corporate image is 0.79 (t = 13.23). As an emphasis to the reader, that this model does not show a direct or indirect influence, and the benefit SCR is not an intervening variable. CSR benefits is more of a formative latent variable, which is composed of three indicators, each of which is arranged by items reflectively. Seeing the magnitude of the coefficient and the T-statistical value indicates that CSR benefits affect corporate image positively and significantly. This means that the better or higher the CSR benefits are felt by the community, the better the company's image will be in the minds of the community.

In Figure 4, three latent variables, namely environment aspects, economic and social, are and act as latent variables composed of reflective indicators. The public considers that the company that supports the construction of this CSR site regard as a credible company. Its identity is known to the broader community and contradicts the thinking of the skeptics. The scholarly group assumes that a company only thinks about profit. It will not be possible to think about the surrounding environment (Rim & Kim, 2016; Xia et al., 2018). The findings are contrary to the skeptics but support the pessimists' view. It can also be explained through latent variable indicators at both levels one and two in more detail. In the second-order and first-order variables, it can be interpreted that the higher the environmental, economic, and social benefits of CSR, the better the company's image will be. Besides, it can also be interpreted from each indicator that makes up the latent variable. For example, in the environmental aspect, one of the indicators relates to the CSR program in the form of a green open garden. This place can be used to breathe or enjoy fresh, comfortable, free of air pollution and beautiful air. The community feels more benefits. The corporate image that is practiced is valued as a responsible company that cares for the community, which is different from the skeptical view of CSR. The idea of companies that issue and implement CSR programs is better in the community, and this is in line with the results of the study by Salehzadeh et al. (2018) and Al Mubarak et al. (2019). Consequently, the company's existence will not be shaken, but instead, it will be guarded and maintained by the community.

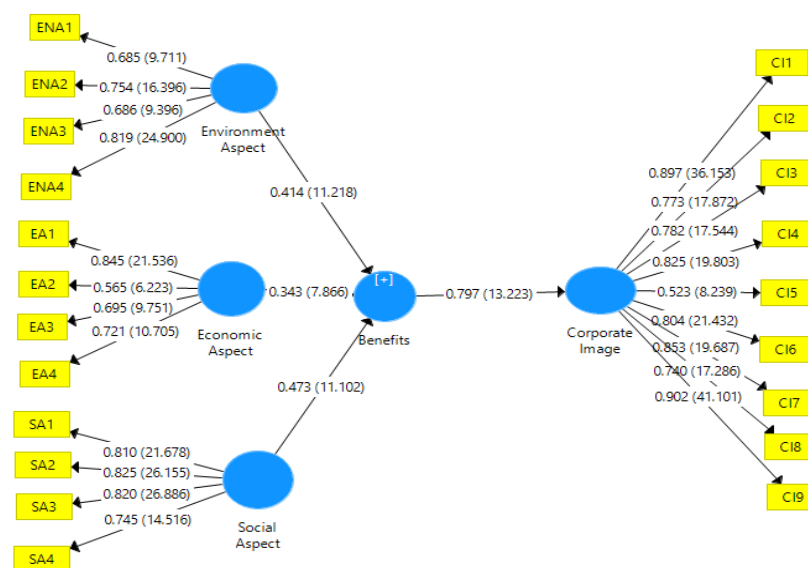


Figure 3. Measurement and structural models of the effect of CSR benefits on corporate image (Smart PLS output)

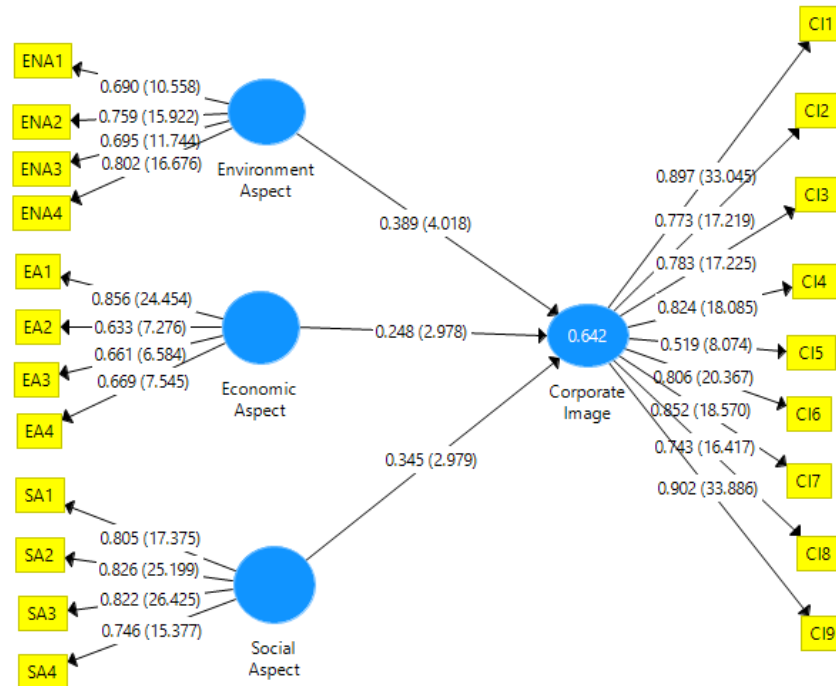


Figure 4. Measurement and structural model of the influence of the dimensions of CSR benefits on corporate image (Smart PLS output)

The argument that the CSR site is a comfortable place to enjoy the fresh air and a beautiful atmosphere has the highest weight in the environmental factor latent component. This indicates that the latent variable building plays a more significant role than the other indicators. In other words, it can be stated that the CSR site is a comfortable place to enjoy the fresh air and is pollution-free, and is the lungs of the city with a higher value in the minds of the community than other indicators. Suppose it is related to the company's image that sponsors the site. In that case, it can be said that in this case, the provision of a comfortable place for the community will be able to boost, the name of the company will become better known in the community. When people enjoy a comfortable atmosphere on the CSR site, they find out to dig up information about who built the site. On the CSR site, the name, logo, and slogan of the sponsoring company are displayed so that people know and think about the company. This condition is also supported by the results of interviews, as in word cloud, that a comfortable place is a word most talked about by informants so that the word "comfortable" is more prominent when compared to other words.

In the meantime, the indicator, namely crowded areas, carries the most weight in the latent economic aspect. The location of the CSR site has the potential to produce revenue for the city because it is densely populated. Owing to the solid economic opportunity that the community perceives and gives a higher rating than other indicators, the society perceives and provides a higher rating than other indicators.

CONCLUSIONS

The findings of this study suggest that a corporate image can be shaped or created through a corporate social responsibility program that is beneficial to the community socially, economically, and environmentally. The more valuable a company's CSR program is, the better its reputation in the eyes of the world would be. As a result of this finding, practitioners should suggest that organizations that issue or adopt community-beneficial CSR programs may receive funding and security from those who profit from CSR programs. By giving or endorsing a positive label as a company that is responsible and cares for the community, cares for the natural and social environment, companies can earn a positive

label as an accountable and cares for the community and cares for the natural and social environment. Good management, which is funded by the local government where the site is constructed, will ensure the long-term viability of sites built via the company's CSR program. To be more helpful, the CSR site that is designed must be fitted with the supporting facilities that the tourist community requires. This research also makes a theoretical contribution to the history of CSR thought, demonstrating that a cynical view is a paradigm that fails to see corporate. Balancing benefit and social policies through CSR is an ethical strategy that can keep a company alive.

ACKNOWLEDGMENT

Thank you for the material support of the parties who assisted with the analysis. Thank you to the chancellor of the Muhammadiyah University of Malang. The dean of the faculty of economics and business and the head of the management study program.

REFERENCES

- Afiuc, O., Bonsu, S. K., Manu, F., Knight, C. B., Panda, S., & Blankson, C. (2020). Corporate social responsibility and customer retention: evidence from the telecommunication industry in Ghana. *Journal of Consumer Marketing*, 38(1), 15-26. doi:10.1108/jcm-10-2019-3459
- Aguinis, H., & Glavas, A. (2017). On Corporate Social Responsibility, Sensemaking, and the Search for Meaningfulness Through Work. *Journal of Management*, 45(3), 1057-1086. doi:10.1177/0149206317691575
- Akbari, M., Mehrali, M., SeyyedAmiri, N., Rezaei, N., & Pourjam, A. (2019). Corporate social responsibility, customer loyalty and brand positioning. *Social Responsibility Journal*, 16(5), 671-689. doi:10.1108/srj-01-2019-0008
- Al Mubarak, Z., Ben Hamed, A., & Al Mubarak, M. (2019). Impact of corporate social responsibility on bank's corporate image. *Social Responsibility Journal*, 15(5), 710-722. doi:10.1108/srj-01-2018-0015
- Asmussen, C. G., & Fosfuri, A. (2019). Orchestrating corporate social responsibility in the multinational enterprise. *Strategic Management Journal*, 40(6), 894-916. doi:10.1002/smj.3007
- Asrar-ul-Haq, M., Kuchinke, K. P., & Iqbal, A. (2017). The relationship between corporate social responsibility, job satisfaction, and organizational commitment: Case of Pakistani higher education. *Journal of Cleaner Production*, 142, 2352-2363. doi:10.1016/j.jclepro.2016.11.040
- Awaysheh, A., Heron, R. A., Perry, T., & Wilson, J. I. (2020). On the relation between corporate social responsibility and financial performance. *Strategic Management Journal*, 41(6), 965-987. doi:10.1002/smj.3122
- Baskentli, S., Sen, S., Du, S., & Bhattacharya, C. B. (2019). Consumer reactions to corporate social responsibility: The role of CSR domains. *Journal of Business Research*, 95, 502-513. doi:10.1016/j.jbusres.2018.07.046
- Ben Amar, A., & Chakroun, S. (2018). Do dimensions of corporate social responsibility affect earnings management? *Journal of Financial Reporting and Accounting*, 16(2), 348-370. doi:10.1108/jfra-05-2017-0033
- Bianchi, E., Bruno, J. M., & Sarabia-Sanchez, F. J. (2019). The impact of perceived CSR on corporate reputation and purchase intention. *European Journal of Management and Business Economics*, 28(3), 206-221. doi:10.1108/ejmbe-12-2017-0068
- Caspers, C. G. W. (2020). Role of TRusT in AdopTing ConsumeR soCiAl Responsible behAviouR in The ConTexT of WATer use in domesTiC households. *South East European Journal of Economics and Business*, 15(1), 1-13.
- Contini, M., Annunziata, E., Rizzi, F., & Frey, M. (2020). Exploring the influence of Corporate Social

- Responsibility (CSR) domains on consumers' loyalty: An experiment in BRICS countries. *Journal of Cleaner Production*, 247. doi:10.1016/j.jclepro.2019.119158
- Esenyel, V. (2020). Key Elements of Corporate Reputation. *Journal of Ekonomi*, 04, 76–79.
- Feng, Y., Zhu, Q., & Lai, K.-H. (2017). Corporate social responsibility for supply chain management: A literature review and bibliometric analysis. *Journal of Cleaner Production*, 158, 296-307. doi:10.1016/j.jclepro.2017.05.018
- Ferrell, O. C., Harrison, D. E., Ferrell, L., & Hair, J. F. (2019). Business ethics, corporate social responsibility, and brand attitudes: An exploratory study. *Journal of Business Research*, 95, 491-501. doi:10.1016/j.jbusres.2018.07.039
- Franco, S., Caroli, M. G., Cappa, F., & Del Chiappa, G. (2020). Are you good enough? CSR, quality management and corporate financial performance in the hospitality industry. *International Journal of Hospitality Management*, 88. doi:10.1016/j.ijhm.2019.102395
- Gangi, F., Meles, A., Monferrà, S., & Mustilli, M. (2020). Does corporate social responsibility help the survivorship of SMEs and large firms? *Global Finance Journal*, 43. doi:10.1016/j.gfj.2018.01.006
- Gond, J.-P., El Akremi, A., Swaen, V., & Babu, N. (2017). The psychological microfoundations of corporate social responsibility: A person-centric systematic review. *Journal of Organizational Behavior*, 38(2), 225-246. doi:10.1002/job.2170
- Cursoy, D., Boğan, E., Dedeoğlu, B. B., & Çalışkan, C. (2019). Residents' perceptions of hotels' corporate social responsibility initiatives and its impact on residents' sentiments to community and support for additional tourism development. *Journal of Hospitality and Tourism Management*, 39, 117-128. doi:10.1016/j.jhtm.2019.03.005
- Han, H., Yu, J., & Kim, W. (2019). Environmental corporate social responsibility and the strategy to boost the airline's image and customer loyalty intentions. *Journal of Travel & Tourism Marketing*, 36(3), 371-383. doi:10.1080/10548408.2018.1557580
- Hassan, S. B., & Shamsudin, M. F. (2019). Measuring the Effect of Service Quality and Corporate Image on Student Satisfaction and Loyalty in Higher Learning Institutes of Technical and Vocational Education and Training. *International Journal of Engineering and Advanced Technology*, 8(5C), 533-538. doi:10.35940/ijeat.E1077.0585C19
- Hsu, S.-L. (2018). The Effects of Corporate Social Responsibility on Corporate Image, Customer Satisfaction and Customer Loyalty: An Empirical Study on the Telecommunication Industry. *The International Journal of Social Sciences and Humanities Invention*, 5(5), 4693-4703. doi:10.18535/ijsshi/v5i5.08
- Jamali, D., & Karam, C. (2018). Corporate Social Responsibility in Developing Countries as an Emerging Field of Study. *International Journal of Management Reviews*, 20(1), 32-61. doi:10.1111/ijmr.12112
- Jeon, M. M., Lee, S., & Jeong, M. (2020). Perceived corporate social responsibility and customers' behaviors in the ridesharing service industry. *International Journal of Hospitality Management*, 84. doi:10.1016/j.ijhm.2019.102341
- Kallmuenzer, A., Nikolakis, W., Peters, M., & Zanon, J. (2017). Trade-offs between dimensions of sustainability: exploratory evidence from family firms in rural tourism regions. *Journal of Sustainable Tourism*, 26(7), 1204-1221. doi:10.1080/09669582.2017.1374962
- Kim, H. L., Rhou, Y., Uysal, M., & Kwon, N. (2017). An examination of the links between corporate social responsibility (CSR) and its internal consequences. *International Journal of Hospitality Management*, 61, 26-34. doi:10.1016/j.ijhm.2016.10.011
- Kim, J., Song, H., Lee, C.-K., & Lee, J. Y. (2017). The impact of four CSR dimensions on a gaming company's image and customers' revisit intentions. *International Journal of Hospitality Management*, 61, 73-81. doi:10.1016/j.ijhm.2016.11.005
- Kim, M., Yin, X., & Lee, G. (2020). The effect of CSR on corporate image, customer citizenship behaviors, and customers' long-term relationship orientation. *International Journal of Hospitality Management*,

88. doi:10.1016/j.ijhm.2020.102520

- Kim, S., & Ferguson, M. A. T. (2016). Dimensions of effective CSR communication based on public expectations. *Journal of Marketing Communications*, 24(6), 549-567. doi:10.1080/13527266.2015.1118143
- Latapí Agudelo, M. A., Jóhannsdóttir, L., & Davídsdóttir, B. (2019). A literature review of the history and evolution of corporate social responsibility. *International Journal of Corporate Social Responsibility*, 4(1). doi:10.1186/s40991-018-0039-y
- Lee, J., & Lee, Y. (2018). Effects of multi-brand company's CSR activities on purchase intention through a mediating role of corporate image and brand image. *Journal of Fashion Marketing and Management: An International Journal*, 22(3), 387-403. doi:10.1108/jfmm-08-2017-0087
- Mohammed, A., & Rashid, B. (2018). A conceptual model of corporate social responsibility dimensions, brand image, and customer satisfaction in Malaysian hotel industry. *Kasetsart Journal of Social Sciences*, 39(2), 358-364. doi:10.1016/j.kjss.2018.04.001
- Omoloso, O., Wise, W. R., Mortimer, K., & Jraisat, L. (2020). Corporate Sustainability Disclosure: A Leather Industry Perspective. *Emerging Science Journal*, 4(1), 44-51. doi:10.28991/esj-2020-01209
- Palacios-Florencio, B., García del Junco, J., Castellanos-Verdugo, M., & Rosa-Díaz, I. M. (2018). Trust as mediator of corporate social responsibility, image and loyalty in the hotel sector. *Journal of Sustainable Tourism*, 26(7), 1273-1289. doi:10.1080/09669582.2018.1447944
- Palazzo, M., Vollero, A., & Siano, A. (2020). From strategic corporate social responsibility to value creation: an analysis of corporate website communication in the banking sector. *International Journal of Bank Marketing*, 38(7), 1529-1552. doi:10.1108/ijbm-04-2020-0168
- Pang, A., Lwin, M. O., Ng, C. S.-M., Ong, Y.-K., Chau, S. R. W.-C., & Yeow, K. P.-S. (2018). Utilization of CSR to build organizations' corporate image in Asia: need for an integrative approach. *Asian Journal of Communication*, 28(4), 335-359. doi:10.1080/01292986.2017.1420207
- Partalidou, X., Zafeiriou, E., Giannarakis, G., & Sariannidis, N. (2020). The effect of corporate social responsibility performance on financial performance: the case of food industry. *Benchmarking: An International Journal*, 27(10), 2701-2720. doi:10.1108/bij-11-2019-0501
- Pham, H. S. T., & Tran, H. T. (2020). CSR disclosure and firm performance: The mediating role of corporate reputation and moderating role of CEO integrity. *Journal of Business Research*, 120, 127-136. doi:10.1016/j.jbusres.2020.08.002
- Platonova, E., Asutay, M., Dixon, R., & Mohammad, S. (2016). The Impact of Corporate Social Responsibility Disclosure on Financial Performance: Evidence from the GCC Islamic Banking Sector. *Journal of Business Ethics*, 151(2), 451-471. doi:10.1007/s10551-016-3229-0
- Rim, H., & Kim, S. (2016). Dimensions of corporate social responsibility (CSR) skepticism and their impacts on public evaluations toward CSR. *Journal of Public Relations Research*, 28(5-6), 248-267. doi:10.1080/1062726x.2016.1261702
- Rodrigues, P., Borges, A. P., & Vieira, E. P. (2020). Corporate social responsibility image and emotions for the competitiveness of tourism destinations. *Journal of Place Management and Development, ahead-of-print*(ahead-of-print). doi:10.1108/jpmd-01-2020-0005
- Salehzadeh, R., Khazaei Pool, J., & Jafari Najafabadi, A. H. (2018). Exploring the relationship between corporate social responsibility, brand image and brand equity in Iranian banking industry. *Journal of Islamic Accounting and Business Research*, 9(2), 106-118. doi:10.1108/jiab-11-2014-0041
- Tapia, G. P., Mercadé Melé, P., & Almeida-García, F. (2018). Corporate image and destination image: the moderating effect of the motivations on the destination image of Spain in South Korea. *Asia Pacific Journal of Tourism Research*, 24(1), 70-82. doi:10.1080/10941665.2018.1541913
- Tran, M. A., Nguyen, B., Melewar, T. C., & Bodoh, J. (2015). Exploring the corporate image formation process. *Qualitative Market Research: An International Journal*, 18(1), 86-114. doi:10.1108/qmr-05-2014-0046

- Uduji, J. I., & Okolo-Obasi, E. N. (2019). Corporate social responsibility initiatives in Nigeria and rural women livestock keepers in oil host communities. *Social Responsibility Journal*, 15(8), 1008-1032. doi:10.1108/srj-01-2018-0025
- Xia, B., Olanipekun, A., Chen, Q., Xie, L., & Liu, Y. (2018). Conceptualising the state of the art of corporate social responsibility (CSR) in the construction industry and its nexus to sustainable development. *Journal of Cleaner Production*, 195, 340-353. doi:10.1016/j.jclepro.2018.05.157
- Zhao, X., Wu, C., Chen, C. C., & Zhou, Z. (2020). The Influence of Corporate Social Responsibility on Incumbent Employees: A Meta-Analytic Investigation of the Mediating and Moderating Mechanisms. *Journal of Management*. doi:10.1177/0149206320946108