

ANALYSIS OF SOCIAL RESPONSIBILITY IMPLEMENTATION OF PT SEMEN PADANG BASED ON THE LEVEL OF COMMUNITY SATISFACTION WITH THE CORPORATE IMAGE IN PADANG CITY

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Abstract

The beginning of the formation of social responsibility or better known as Corporate Social Responsibility (CSR) is the provision of assistance to local organizations and lower-class communities in developing countries from companies operating in the vicinity. This study is intended to analyze the relationship between CSR Implementation on Community Satisfaction and Corporate Image. This research will use quantitative methods. Based on the research objectives, it was made to analyze the Implementation of PT Semen Padang's Social Responsibility based on the Level of Public Satisfaction with the Company's Image in the City of Padang. The number of samples in this study were 130 samples. The results of this study are the implementation of CSR has an effect on the level of community satisfaction. The implementation of CSR has an effect on corporate image, the level of community satisfaction has an effect on corporate image. The implementation of CSR affects the Company's Image through Community Satisfaction.

Keywords: CSR Implementation, Community Satisfaction, Corporate Image

Introduction

The beginning of the formation of social responsibility or better known as Corporate Social Responsibility (CSR) is the provision of assistance to local organizations and lower-class communities in developing countries from companies operating in the vicinity. The social responsibility approach is generally carried out independently, partially, and not institutionally. CSR (Corporate Social Responsibility) is an action or concept taken by the company (according to the company's ability) as a form of their responsibility to the social/environment around where the company is located. Examples of the forms of responsibility are various, ranging from carrying out activities that can improve the welfare of the community and improving the environment, blood donors, providing scholarships for underprivileged children, providing funds for the maintenance of public facilities, donations to villages/community facilities that are social and useful. for the general public, especially the people around the company. Today, more and more companies do not like such an approach, because they are not able to increase the empowerment or capacity of local communities. According to Hadi (2017) CSR is a form of action that departs from the company's ethical considerations directed at improving the economy, which is accompanied by improving the quality of life for employees and their families, as well as improving the quality of life for the surrounding community and the wider community.

The implementation of Corporate Social Responsibility carried out by PT Semen Padang has been well received by the surrounding community. PT Semen Padang itself carries out its social responsibility program in collaboration with the local indigenous community, namely the Karapatan Adat Nagari (KAN) Lubuk Kilangan, which was later named Forum Nagari Lubuk Kilangan. In the forum there are several elements of community leaders who become active administrators to carry out activities. The forum also functions as a place for community deliberation and PT Semen Padang to explore the potential of the community and determine the CSR program that will be carried out every year. In the future, the Forum will also be able to bridge other companies that want to participate in the CSR program that has been determined. From the implementation of Corporate Social Responsibility from PT Semen Padang, it shows that there are benefits that can be obtained by the company such as support from the community and the comfort felt by employees while working. The realization that PT Semen Padang must implement Corporate Social Responsibility will have a major impact on the company. The harmony created between the company, the community and the environment is one of the impacts that will be felt by the company in carrying out its business activities. This harmony will also have an impact on the image of PT Semen Padang in the eyes of the public. The company will get support and be recognized in the environment around the company.

In the journey of PT Semen Padang, there were several problems faced, including the community considered PT Semen Padang to be the largest company in West Sumatra and had a large budget for its social responsibility programs. While the actual condition based on the budget provided by PT Semen Padang has a limited budget and the community assumes that the social responsibility program does not have a maximum impact on the community. The implementation of the social responsibility program implemented by PT Semen Padang is expected to have relevance to the needs of the community for each social program developed by PT. Semen Padang in the company's relationship in determining the relatively relevant approach is the effectiveness of implementing social responsibility programs is strongly influenced by the

company's ability to synergize the perspectives of the company in responding to the community's needs for each program developed by PT Semen Padang. It is hoped that the company's understanding in developing intangible assets can also be supported through the development strategy of PT. Semen Padang more broadly.

By running a social responsibility program, of course, there are many benefits for PT Semen Padang, including increasing a positive image and strengthening the company's brand in the public eye, being able to open up job opportunities, improving the welfare of the people who are the targets of the corporate social responsibility program. Research conducted by Lutfan (2019) concluded that CSR has a significant effect on corporate image. This study aims to analyze the relationship between CSR implementation on community satisfaction and corporate image in which CSR implementation is the independent variable (X), the level of community satisfaction is the dependent variable (Y1) and corporate image is the variable (Y2). From the description and background as well as the existing phenomena, the authors are interested in researching "Analysis of the Implementation of PT Semen Padang's Social Responsibility Based on the Level of Public Satisfaction with the Company's Image in the City of Padang".

The formulation of the problem in this study is as follows:

1. How does the implementation of CSR affect the satisfaction of the surrounding community in PT Semen Padang?
2. How does public satisfaction affect the company image of PT Semen Padang?
3. How does the implementation of CSR affect the corporate image of PT Semen Padang?
4. How is the influence of community satisfaction in mediating the relationship between CSR implementation and PT Semen Padang's corporate image?

Theoretical Framework

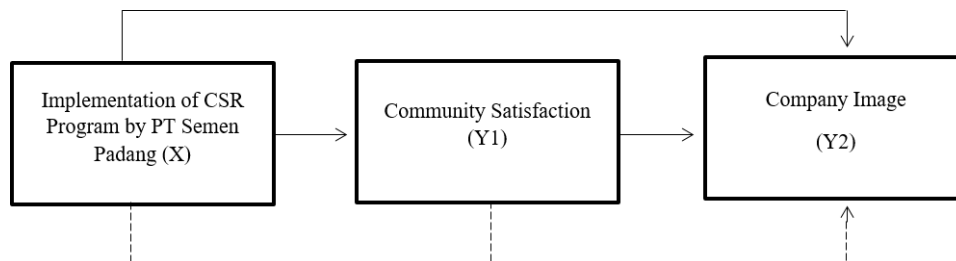


Figure 1 frame of mind

Hypothesis development is a crucial step in quantitative research. The hypothesis needs to be built on the basis of strong arguments as the basis for the proposed hypothesis.

H1 : There is an effect of the implementation of PT Semen Padang's CSR program on the level of community satisfaction.

H2 : There is an effect of CSR implementation on corporate image.

H3 : There is an effect of Public Satisfaction on Company Image

H4 : There is an effect of the implementation of CSR programs on the image of the company through the level of community satisfaction

Methods

Research design is a step in research after the development of a theoretical framework. In the research design there are several options for rational decision making. This research will use quantitative methods. Quantitative method is an approach taken in empirical studies to collect data, analyze and display data in numerical rather than narrative form (Sekaran, 2017). This study is intended to analyze the relationship between CSR Implementation on Community Satisfaction and Corporate Image.

The time horizon in this study uses a one-shot or cross-sectional type. One shoot or cross sectional research is a research that collects data only once in the period of today, week, month by answering the questions in the research in the questionnaire. The research setting in this research is non situational. Where this research is not carried out in certain situations such as post-crisis, disaster, and so on. The unit of research analysis is the individual or individuals in the community of the city of Padang.

This study measures the analysis of the variables of PT Semen Padang's implementation of social responsibility based on the level of community satisfaction with the company's image in the city of Padang. This research will use Partial Least Square (SmartPLS) tool. This research includes descriptive research, because this research will provide information about existing and ongoing phenomena during the research.

Population, according to (Sekaran, 2017) population is a group of people, events or interests that the researcher wants to investigate, the population has one or more characteristics. The population is the people of the city of Padang. Because the population of the city of Padang is very large, a sample is needed to conduct research.

Sample, according to (Hair, 2014) in a study it was stated that the ideal number of samples was considered representative to use 5-10 times the number of indicators. In this study there are 13 indicators of each variable in the operational definition table above. Then the number of indicators is multiplied by 10 = 130. It can be seen that the sample in this study amounted to 130 respondents/sample. The sample in this study is the community around PT Semen Padang as many as 10 villages (ring 1).

Table 1. Ward Ring 1 PT Semen Padang

No	Ward	Sample
1	Tarantang	13
2	Padang Besi	13
3	Indarung	13
4	Koto Lalang	13
5	Baringin	13
6	Bandar Buat	13
7	Batu Gadang	13
8	Lambung Bukit	13
9	Limau Manih Selatan	13
10	Pampangan	13
Total		130

Data analysis method, this research will use SmartPLS 3.0 PLS (Partial least square) software for data analysis method. This software is for testing structural equation analysis or SEM (structural equation model) based on variance that is able to test measurements and structural models simultaneously (Ghozali, 2016). The measurement model test was carried out to measure the validity test, the reliability test for the structural model test was carried out to test causality or hypothesis testing.

Measurement (outer) model, the measurement model is the concept and research model that will be tested in the form of a relational and causal relationship prediction model. According to (Ghozali, 2016) states that the SmartPLS software is used in the outer model approach or measurement model to determine the validity and reliability of a study. To find out the evaluation of the validity, the outer model is carried out on the reflective indicators and then evaluated based on the substantive content. Meanwhile, to test the reliability seen from the results of research on the value of Cronbach alpha and composite reliability.

Convergent Validity says that measurements on variables must be highly correlated (Ghozali, 2016). Valid results occur when measured in a study. The data obtained from the results of filling out the questionnaire must be tested for validity and reliability. The reflection indicator is seen from the correlation between each score of the indicator by looking at the score on the construct, that is the way to see the convergent validity of the measurement model (Ghozali, 2016). The size of the individual reflexive is high if it is correlated > 0.70 with the construct to be measured. However, in the research development stage, the loading value of 0.50 to 0.60 is acceptable, then the measurement of AVE > 0.50 . This study will use a standard loading of 0.5.

Average Variance Extracted (AVE) Test Results, the validity test aims to look at the average variance extracted (AVE) value. AVE is a percentage of the average value of variance extracted (AVE) between items or indicators of a set of latent constructs which is a summary of convergent indicators. Hair et al (2014) stated that the model is good if the AVE of each construct is greater than 0.50. If the loading factor value is less than 0.5 then the indicator must be dropped.

Discriminant Validity, there are two stages to see discriminant validity, namely by paying attention to the value of cross loading and the value of AVE. Discriminant validity assessment uses the cross loading value, the provision is in the form of the correlation value of the measurement item construct that is greater than the value of other constructs. While the AVE value is said to meet the requirements of Discriminant validity if the value is > 0.5

Composite Reliability, reliability test was conducted to measure the internal consistency of the measuring instrument. To see the results of the research from the reliability test, composite reliability and Cronbach alpha methods were used. (Ghozali, 2016) states that the value of alpha and composite reliability must be > 0.70 , which shows that the data from the study is concluded to be reliable to be input in the data analysis process to test the research hypothesis (Ghozali, 2016).

Structural Model Testing (Inner Model), structural model testing uses the value on the R-Square and the path value coefficient or t value on the path to test the significance between the variables and the structural. R-Square value is used to see the substantive effect between the independent variable and the dependent variable. Inner models (inner relations, structural models and substantive theory) describe the relationship between latent variables based on substantive theory. The structural model was evaluated using R-square for the dependent construct, Stone-Geisser Q-square test for predictive elevation and t-test and the significance of the coefficients of the structural path parameters (Ghozali, 2016).

Hypothesis Test, in the smartPLS software, to determine the level of significance in a study, it is seen on the path coefficient using a nonparametric test, where t-statistics are used to see whether the proposed hypothesis is accepted or rejected from the results by running the bootstrapping algorithm on SmartPLS. The hypothesis will be supported if the t-statistic value exceeds the t-table with a range of -1 to +1. The two-tailed hypothesis has a starting point of at least 1.96 provided that the significance must be greater than 0.05 or 5% (Sekaran, 2017)

Mediation effect test, the mediation effect test is to show the relationship between the independent variable and the dependent variable through mediation / liaison. The mediating variable is the indirect transformation process that occurs between the influence of the independent variable on the dependent variable

Result and Discussion

Characteristics of respondents of 130 respondents, male respondents were 86 respondents or 66.15%. As for the female sex as many as 44 respondents or 33.84%. respondents based on private jobs were 90 respondents or 69.23%, respondents whose work was civil servants were 6 respondents or 4.61% and respondents who were still students or students were 34 respondents or 26.15% responden yang berusia 20 – 30 tahun sebanyak 20 responden atau 15,38%, responden yang berusia 31 – 40 sebanyak 91 responden atau 70 %, responden yang berumur 41 – 50 sebanyak 11 responden atau 8,46 % dan responden yang berumur 51 < sebanyak 8 responden atau 6,12 %. respondents with high school education as many as 94 respondents or 72.3% and respondents with S1 education as many as 36 respondents or 27.69%. respondents who earn <Rp. 2,500,000 as many as 101 respondents or 77.69%, respondents who earn Rp. 2.500.001 – Rp. 5,000,000 as many as 21 respondents or 16.15% and respondents who earn Rp. 5,000,000 as many as 8 respondents or 6.15%

Convergent Validity Test Results

Table2. Loading Factor

	X	Y1	Y2
x1	0.973		
x2	0.975		
x3	0.984		
x4	0.955		
x5	0.952		
x6	0.961		
x7	0.958		
x8	0.810		
y1.1		0.954	
y1.10		0.727	
y1.2		0.933	
y1.3		0.970	
y1.4		0.981	
y1.5		0.974	
y1.6		0.954	
y1.7		0.969	
y1.8		0.921	
y1.9		0.969	
y2.1			0.927
y2.2			0.980
y2.3			0.960
y2.4			0.966
y2.5			0.971
y2.6			0.975
y2.7			0.979
y2.8			0.994

Source: Primary Data Processed, 2022

Based on the table above, it can be seen that based on that each indicator of the research variable has a value of outer loading > 0.6 (Ghozali, 2017). so it can be concluded that the statement above is declared feasible or valid for research use and can be used for further analysis.

Inner Model

Table 3. Results of R-Square

Variabel	R-Square
Y1	0,963
Y2	0,983

Based on the table above, it can be seen that the R-Square value for the Community Satisfaction variable is 0.963 which can be interpreted that the magnitude of the influence of the CSR Implementation variable on Community Satisfaction is 96.3% while the remaining 3.7% is influenced by other variables outside of this study. The R-Square value for the Corporate Image variable is 98.3% while the remaining 1.7% is influenced by other variables.

Direct Effect Analysis

Table 4. Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X (CSR) -> Y1(TKM)	0.981	0.982	0.005	213.820	0.000
X (CSR) -> Y2(CP)	0.479	0.469	0.145	3.314	0.001
Y1(TKM) -> Y2(CP)	0.517	0.528	0.145	3.565	0.000

Source: Primary Data Processed, 2022

Based on the path coefficient table above, it can be seen that the original sample, p value or t statistics are used as a reference to make a decision whether the hypothesis is accepted or the hypothesis is rejected. The hypothesis can be accepted if t statistics > t table or p value < 0.05.

The Effect of Social Responsibility Implementation on Community Satisfaction

Based on the results of data testing using the smart PLS version 3.3 program as presented in table 4.15, it can be seen that the CSR Implementation coefficient value of 0.981 which is the magnitude of the influence given by CSR Implementation on PT Semen Padang Community Satisfaction where the standard error value of 0.005 is the level of estimation error. which cannot be explained by this construct and a value with a statistical t value or t count of 213,820. to find out whether this hypothesis is accepted or rejected with a t- table of 1.656 and the p-values are smaller than alpha 5% or < (0.05) therefore H₀ is rejected and H_a is accepted. In other words, there is a positive effect of PT Semen Padang's CSR implementation on community satisfaction.

The Effect of Social Responsibility Implementation on Corporate Image

Based on the results of data testing using the smart PLS version 3.3 program tool as presented in table 4.15, it can be seen that the coefficient value of CSR Implementation is 0.479 which is the magnitude of the influence given by CSR Implementation to the Corporate Image of PT Semen Padang where the standard error value of 0.145 is the level of estimation error. which cannot be explained by this construct and a value with a statistical t value or t count of 4.314 to determine whether this hypothesis is accepted or rejected with a t-table of 1.656 and p-values smaller than alpha 5% or < (0.05) by Therefore H₀ is rejected and H_a is accepted. In other words, there is a positive effect of PT Semen Padang's CSR implementation on corporate image.

The Effect of Public Satisfaction on Company Image

Based on the results of data testing using the smart PLS version 3.3 program tool as presented in table 4.15, it can be seen that the value of the coefficient of Community Satisfaction is 0.517 which is the magnitude of the influence given by Public Satisfaction on the Company Image of PT Semen Padang where the standard error value of 0.145 is the level of estimation error. which cannot be explained by this construct and the value with a statistical t value or t count of 3,565 to find out whether this hypothesis is accepted or rejected with a t-table of 1,656 and p-values smaller than alpha 5% or < (0.05) by Therefore H₀ is rejected and H_a is accepted. In other words, there is a positive influence of public satisfaction on the corporate image of PT Semen Padang.

Conclusion and Recommendation

Based on the studies, research results and discussions that have been described previously, the following conclusions can be drawn:

1. The implementation of PT Semen Padang's CSR has an effect on community satisfaction in the city of Padang.
2. Community Satisfaction has an effect on the Company's Image of PT Semen Padang.
3. The implementation of PT Semen Padang's CSR has an effect on the Company's Image of PT Semen Padang
4. Community satisfaction as a mediating variable is able to influence the implementation of CSR on the corporate image of PT Semen Padang

Based on the limitations of this study, suggestions that can be conveyed from the research results obtained are as follows:

1. Future research is expected to be able to examine other factors that can affect Company Image
2. Future research is also expected to use the interview method so that the answers given are correct.

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