MEASURING CSR PERFORMANCE ON THE REPUTATION AND BRAND EQUITY OF HIGHER EDUCATION

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ABSTRACT

Children's education is essential because it helps mitigate social problems, achieve children's future, and is a necessary investment for children as the country's successors. Aside from formal education provided by the state, the development of non-formal education has become increasingly important because of the necessity of children's education. It supplements formal education and provides children with positive activities during non-school hours. Community Development programs are one example of CSR initiatives developed by Higher educational institutions that focus on non-formal education for communities. With this backdrop, this research led to the measurement of Non-Formal Education Initiatives and their impact on brand equity and company reputation.
The data obtained was processed using a simple linear regression approach on independent and dependent variables using SPSS. The calculation of simple linear regression shows us that the three hypotheses have a significant correlation. Therefore, to maximize the impact of community development programs on society, it is necessary to evaluate the correlation of CSR towards corporate reputation and brand equity.

Keywords: Community Development, Brand Equity, Company Reputation, Corporate Social Responsibility

1. INTRODUCTION

In this era of globalization, Corporate Social Responsibility (CSR) has become a phenomenal thing in doing business in the world, especially in Indonesia. This is because business actors or companies are aware of the importance of CSR for their business. CSR has become one of the basic things that are important in doing business to build the trust and confidence of stakeholders, which can be the main key to competitive advantage. In addition, CSR is a company's responsibility to its stakeholders and its responsibility to its shareholders.

Corporate Social Responsibility (CSR) has become an innovative approach to solving social, environmental, and economic problems with the aim of increasing benefits for the community and organizational stakeholders. Several researchers have stated that CSR programs can differentiate a company's products or services by creating positive brand equity among consumers and providing security and assurance for the company's reputation and sustainability.

CSR programs in higher education institutions are activities created to care for the community by providing meaningful benefits and maintaining the institution's existence for the long term. Through Community Development, educational institutions have demonstrated their commitment to carrying out ethical service activities and fulfilling their important role as institutions that produce future leaders who are not only academically qualified but also possess social and humanitarian values.

Various social, economic, and environmental fields have been implemented, one of which is a sustainable non-formal education program to facilitate elementary and junior high school children to study independently to support the smooth running of their formal education at school. Therefore, it is very important to measure the contribution of non-formal learning assistance as a form of CSR program that has been implemented by educational institutions in developing values of goodness and helping to maintain the reputation of the institution itself. Previous research conducted by Ker-Tah Hsu (2018) found that CSR has a positive relationship with corporate reputation and brand equity. CSR becomes a competitive advantage for companies that is difficult for competitors to imitate.

This sustainability is closely related to company reputation and brand equity obtained from good relationships with all stakeholders. CSR is one of the right strategies for companies to maintain their sustainability during the era of technological and information advancement, where it is impossible for companies to use repressive force without sacrificing their reputation.

2. LITERATURE STUDY

The history of CSR has demonstrated the power and importance of companies contributing to society. The concept of CSR was first introduced in 1953 by Howard Bowen in his book, Social Responsibility of Businessmen, at a time when issues of poverty and underdevelopment were gaining attention from various circles (Bowen, 1984). Furthermore, Visser (2017) explains that in 1987, the World Commission on Environment and Development (WCED) in the Brundland Report developed three important components of sustainable development, namely economic growth, environmental protection, and social equity. Wendra & Sutrisno (2023) stated that in 1992, the Earth Summit in Rio De Janeiro emphasized the concept of sustainable development based on environmental protection and economic and social development as something that must be done by all parties. Furthermore, in 1998, Johan Elkington developed CSR focusing on 3Ps, namely profit, planet, and people.

In Indonesia, CSR has been known since the 1980s. When compared with other countries, the implementation of CSR in Indonesia is still relatively low, because nowadays it is still often found that companies have not implemented CSR (Garaika, 2020). Finnegan and McCrea (2019) state that the role of corporations in community development has been intensely discussed and debated.

According to Lako (2019), CSR should be treated as a sustainable commitment from companies to be economically, socially, and ecologically responsible to the community, the environment, and stakeholders. This responsibility will prevent negative impacts caused by companies on other parties and the environment, as well as improve the quality of society, including employees, suppliers, and customers, as well as the environment surrounding the company. In other words, companies need to align their economic performance (profit) with social performance (people) and environmental performance (planet), commonly referred to as triple bottom line performance, which will ultimately enable companies to reap abundant blessings or sustainable profits and improve the quality of life in their communities.

Adeyeye (2012) revealed that CSR is used to measure companies in managing their business activities. CSR is believed to be a moral obligation that will improve public perception of the business area and, of course, improve company performance.

Andrea Perez & Rodriquez (2013) measure CSR as follows:

1. Help solve social problems
2. Use part of its budget for donations and social projects to advance the situation of the most underprivileged groups in society
3. Contributes money to cultural and social events.
4. Plays a role in society beyond the generation of economic benefits
5. It is concerned with improving the general well-being of society
6. It is concerned with respecting and protecting the natural environment

   CSR is a series of obligations for organizations to protect and improve the lives of the communities in which they operate. Organizations are responsible to *their stakeholders,* the environment, and social welfare.

A company's reputation is not only built by having a vision, mission, and strategy to produce quality products and services, but the attitude and behavior of the organization also play an important role in shaping the company's image and building the company's character, which then leads to a good reputation. Reputation is a company's character that is formed from the company's performance and main components. Reputation has a longer time frame than image because the formation of reputation must go through a process and accumulation of the company's activities.

Fombrun, Ponzi & Newburry (2015) A perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals.

The Six elements to determining success of company actions include:

a) Emotional Appeals

This dimension emphasizes how *stakeholders* feel about the company, whether they have a good opinion, trust, admiration, and respect for the company.

b) Products and Services

Factors that measure the value formed from *stakeholders'* perceptions of the products or services provided by the company. This dimension assesses the quality of the company's products and services, which includes innovation in the company's products and services, good product and service quality, the good value of the products and services offered, and the company's support and service.

c) Vision and leadership

This dimension assesses the vision and mission, as well as the stability of the leadership figures within the company. The elements considered are whether the company has good leadership, a clear vision and mission for the future, and whether the company recognizes or takes advantage of market opportunities.

d) Workplace environment

This dimension measures the *stakeholders'* assessment of the company's good management performance and work environment, which can shape its reputation in the eyes of the public.

e) Financial Performance

This dimension assesses how *stakeholders* view the company's monetary strength, such as having a good profit record, minimal investment risk, strong prospects for future growth, and a tendency to outperform its competitors.

f) Social responsibility

This dimension emphasizes whether the company cares about others and the environment or only focuses on profit. Elements included are the company's support for good causes, the company's responsibility to the environment, and the company's treatment of people.

CSR is a sincere effort by business entities to minimize the negative impacts and maximize the positive impacts of their operations on all stakeholders in the economic, social, and environmental spheres to achieve sustainable development goals. CSR requires a commitment to improve the community, not only as a mandate or obligation, but also as a voluntary implementation of monetary and non-monetary contributions covering human and environmental issues.

Within educational institutions, CSR is known as Community Service, which is the concern of academics to contribute to the sustainability of the institution through profit and the sustainable development of people, and the planet based on appropriate and professional *procedures*.

The responsibility of an organization or the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to sustainable development, health, and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization and practiced in its relationships Based on ISO 26000 (Hemphil, 2013).

Today, things are very different from 10 years ago, when Porter & Kramer (2006) stated that CSR emerged due to tensions between business and society. On the one hand, businesses are concerned with their reputation, while society needs care. However, businesses dominate in terms of cosmetic CSR interests rather than measuring actual impact. In the current era, businesses should be able to demonstrate impactful performance through the following paradigm shift:

1) Moral obligation aims to achieve profitable success while maintaining ethics.
2) Sustainable business performance is about meeting needs without neglecting the future.
3) Building *an image* to ensure stakeholder satisfaction.
4) Reputation is based on the motive of enhancing *the brand* as well as the reputation of consumers, investors, and employees.
5) Effective CSR is connected to the social dimension in creating competitive advantage.

An affirmative corporate social agenda moves from mitigating harm to reinforcing corporate strategy through social progress.

Lai, C. S., Chiu, C. J., Yang, C. F., & Pai, D. C. (2010) state that CSR programs carried out by industry can increase brand equity. CSR and corporate reputation have a positive effect on brand equity.

In general, experts state that brand equity is a unique impact caused by a brand. Basically, branding is all activities aimed at creating differentiation. The added value that differentiates a product or service is a reinforcement that results from past marketing activities focused on the brand. The added value of a brand can be generated in many different ways. Brand equity interprets marketing strategies and determines the value of a brand. Brand equity takes the form of better processes, lower costs, or a combination of both.

3. METHODOLOGY

The method used in measuring the implementation of CSR is a quantitative method. This descriptive method measures the effect of community service activities on the reputation and brand equity of Higher education Institutions.

Mamdouh T. Ghannam (2007) defines community services as services identified by an institution of higher education through formal or informal consultation with local nonprofit, governmental, and community-based organizations, designed to improve the quality of life for community residents, particularly low-income individuals, or to solve problems related to their needs.

There are six elements that explain the role of institutions in implementing CSR:

- establishes the general policies, rules, and responsibilities of interaction between university, industry, and community;
- promotes the capabilities and benefits of the interaction;
- upon receiving a community or industry request for assistance, the board reviews and
- outlines the task, necessary requirements, period for completion, and any cost for industry projects;
- coordinates the working relationship between the concerned party and the engineering college;
- examines the completed design from the engineering college to ensure all criteria of the signed agreement have been met.

Company reputation is explained by Taleghani, M., Delafrouz, N., & Tonekaboni, S. M. S. (2012). The three elements of reputation are a good institutional image, superior competitiveness, and long-term performance.

Regarding Brand Equity, Aaker explains 5 elements of brand equity, but in measuring CSR performance, only 4 categories are used without measuring other proprietary brand assets.

Variable	Concept	Sub-variable	Indicator	Measurement Scale
Higher Education CSR Program (X) Mamdouh T. Ghannam (2007)	CSR programs are services provided to the community surrounding the campus to improve the quality of life through education.	Services to the local community	Concern for the surrounding community	Likert (Interval)
		General regulations	Has clear policies	Likert (Interval)
		Providing benefits of non-formal education assistance in the community	Provides benefits for improving the competence of non-formal education participants in their environment	Likert (Interval)
		Mentoring process system	Has a structured community mentoring system	
		Community relations management	Has good communication with the community	
		Performance evaluation	Publish regular public reports	
Company Reputation (Y) Taleghani, M., Delafrouz, N., & Tonekaboni, S. M. S. (2012)	An assessment given by stakeholders to an organization based on their experiences with the organization over a certain period of time.	*Stakeholders' overall perceptions*	The public has a positive perception of the campus when interacting with it.	Likert (Interval)
		Stakeholders' comparative perceptions	The community believes that the institution has superior competitiveness.	Likert (Interval)
		Stakeholders believe in a good long-term future	The role of a trusted institution	Likert (Interval)

Variable	Concept	Sub-variable	Indicator	Measurement Scale
			in the long term	
Brand Equity (Z) Aaker (2009)	Elements contained in a product or service that influence the value of that product/service.	*Perceived quality*	CSR programs are known as informal community assistance The quality of the assistance is perceived as beneficial	Likert (Interval)
		Brand association	The community is aware of CSR programs related to non-formal education. The community recognizes the sustainability of non-formal education programs. Information about assistance is accessible to the public.	Likert (Interval)
		Brand Awareness	The community is aware of the need for assistance. The community interacts and registers regularly.	Likert (Interval)
		Brand loyalty	The community has a good relationship. Community (*respect*) towards the institution Community (*trust*) towards the institution	Likert (Interval)

Table 1: Measurement indicators

The scale used is the Likert scale, which is used to measure the attitudes, perceptions, and opinions of an individual or group of people about social phenomena. Probability Sampling was used to collect data from respondents who were members of the non-formal education community who received assistance from lecturers and students. Meanwhile, the Sampling Measurement Technique used the Slovin formula with 90% confidence level for population of 899respondents, resulting in a sample of 90 people.

4. DISCUSSION

In this study, the sample size used was 90 people. The majority (50%) were aged 21-30 years old and had a high school education.

Correlations

		CSRTot	CORTot	BETot
CSRTot	Pearson Correlation	1	.578**	.763**
	Sig. (2-tailed)		.000	.000
	N	90	90	90
CORTot	Pearson Correlation	.578**	1	.693**
	Sig. (2-tailed)	.000		.000
	N	90	90	90
BETot	Pearson Correlation	.763**	.693**	1
	Sig. (2-tailed)	.000	.000	
	N	90	90	90

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

Table 2: Results of the Correlation Test for Variables X, Y, and Z

Pearson Correlation

Explain the relationship between variables as follows:

1. The relationship between corporate social responsibility and corporate reputation has a significant correlation, indicating that the relationship is quite strong and positive.

2. The relationship between corporate social responsibility and brand equity has a significant correlation, indicating a strong and positive relationship.
3. The relationship between corporate reputation and brand equity has a significant correlation, indicating a strong and positive relationship.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.578[a]	.334	.326	2.44732	2.095

a. Predictors: (Constant), CSRTot

b. Dependent Variable: CORTot

Table 3: Model Summary between Corporate Social Responsibility and Corporate Reputation

This table shows the statistical output R Square 0.334, indicating that the corporate social responsibility variable contributes 33.4% to the corporate reputation variable, with 66.6% influenced by other factors.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	7.905	1.975		4.002	.000		
	CSRTot	.422	.063	.578	6.642	.000	1.000	1.000

a. Dependent Variable: CORTot

Table 4: Coefficients between Corporate Social Responsibility and Corporate Reputation

Based on the table above, the regression equation is Y = 7.905 + 0.422X
Corporate reputation will increase if CSR performance is good.

Simple Regression between Corporate Social Responsibility and Brand Equity

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.763[a]	.583	.578	4.88872	1.800

a. Predictors: (Constant), CSRTot

b. Dependent Variable: BETot

Table 5: Model Summary between Corporate Social Responsibility and Brand Equity

This table shows an R Square result of 0.583, which can be interpreted as corporate social responsibility contributing 58.3% to the brand equity variable and 41.7% being influenced by other factors.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	15.758	3.945		3.994	.000		
	CSRTot	1.405	.127	.763	11.083	.000	1.000	1.000

a. Dependent Variable: BETot

Table 6: Coefficients of Corporate Social Responsibility with Brand Equity

Based on the table above, the regression equation is obtained as Y = 15.757 + 1.405X. Brand equity will increase if CSR have a good performance.

Simple Regression between Corporate Reputation and Brand Equity

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.693[a]	.480	.474	5.45498	1.275

a. Predictors: (Constant), CORTot

b. Dependent Variable: BETot

Table 7: Model Summary between Corporate Reputation and Brand Equity

Through this table, an R Square result of 0.480 is also obtained, which can be interpreted as corporate reputation contributing 48% to brand equity, while 52% is influenced by other factors.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	22.540	4.096		5.503	.000		
	CORTot	1.749	.194	.693	9.019	.000	1.000	1.000

a. Dependent Variable: BETot

Table 8: Coefficients between Corporate reputation and Brand Equity

Based on the table above, the regression equation is $Y = 22.540 + 1.749X$
Brand equity will increase well if the corporate reputation improves very well.

5. CONCLUSION

The implication for higher education is CSR performance, which has been carried out in the form of community service programs for non-formal education communities, and has a significant effect on the corporate reputation and on brand equity. This evidence shows that community service activities can help influence the reputation of higher education institutions, thereby having a positive impact on brand equity. Therefore, institutions need to improve intensive measurement and develop appropriate CSR strategies to help improve the quality of the community while enhancing the reputation of the institution.

The current CSR program has benefited the institution's reputation. CSR activities are carried out regularly. CSR performance in the form of assistance to non-formal education is the hope of the community. Free learning opportunities and becoming lifelong learners. The improvement of CSR program can be measured well if higher education is able to have a significant impact on improving the skills of the community. Practical skills will help the community face the challenges of daily life with smart decisions in responding to life better. The development of social responsibility regulations is needed to reduce the negative risks of change. Training in various subjects of non-formal education should be varied and tiring. There is a need to develop a two-way and active mentoring pattern. Creating a good partnership to support an educational community. Higher education becomes a tower of knowledge where the community learns and improves their real work. The community needs academics. For this reason, higher education needs to strive to evaluate their CSR performance so that it can have a real impact on the community and at the same time benefit the company's reputation.

Brand reputation is born from public perception of the success of campus activities to interact with the community, has advantages as tangible evidence felt by the public, and trusted higher education institutions for their performance in the long term.

Community development programs can have a real impact on reputation and brand equity. The linearity of reputation in increasing brand equity is proven by the response of the community who have felt the benefits of the community development program. The Institution's reputation plays an active role in providing skill development services to school dropouts and children who are still in school at the elementary, junior high, and high school levels. The community recognizes the importance of education so that they could attend training on campus or another location such as non-formal education centres around the institution. The existence of higher education is recognized as providing benefits to the wider community. Children are used to coming to campus to get training even though it is not paid. This situation will motivate the community to achieve higher education later and provide skills for those who want to get a job after getting skills training in the Community Service program.

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