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The Impact of Corporate Social Responsibility (CSR) on Performance and Innovation as Mediating Variables (Case Study Of Tourism Knowledge Group In Bantul Region)

Danang Wahyudi[1], Erni Ummi Hasanah[2], Fikri Budi Aulia[3] and Ridwan[4]
[1-4]Janabadra University
Email: danangwahyudi@janabadra.ac.id, erni_uh@janabadra.ac.id,
fikri.aulia@janabadra.ac.id, ridwan@janabadra.ac.id

***Abstract*— This study aims to determine the effect of corporate social responsibility (CSR) as a parameter on the performance and innovation of Pokdarwis Bantul Regency. This research focuses on corporate social responsibility, performance and innovation, with 120 respondents selected through purposive sampling. The analysis method used is quantitative mediation using the causal step method. The results of this study indicate that corporate social responsibility has a positive and significant effect on performance, corporate social responsibility has a positive and significant effect on innovation, and CSR and innovation affect performance. Innovation variables significantly mediate the effect of CSR on performance.**

***Index Terms*— Corporate Social Responsibility (CSR), Performance, Innovation.**

I. INTRODUCTION

Many companies have used their products for social activities. This form of corporate social responsibility not only attracts public attention, but also ensures the long-term sustainability of the company. Companies that engage in corporate social responsibility (CSR) activities can achieve the love of the community, the community is loyal to the company, the company's profits increase, and the life of the company is extended.

In recent years, researchers and professionals have increasingly paid attention to the topics of corporate sustainability, corporate social responsibility, corporate performance and environmental management (Martinez-Conesa, Soto-Acosta, & Palacios-Manzano, 2017). Responsibility is the key to the survival of a company, sustainability is the strategic goal of a company and can be a source of competitive advantage (Lloret, 2013). One form of sustainability of the company is the strategic response of the company to environmental and social problems caused by the activities of the organization (Salzmann, Ionescu-Somers, & Steger, 2005). One of the forms of sustainability strategy is the implementation of corporate social responsibility.

Corporate responsibility can have a positive impact on a company's performance by increasing public confidence in a company's products, services and reputation, which in turn increases sales and profits (Kotler & Amstrong, 2019). Companies can gain many benefits by implementing CSR, including increasing sales and market share, strengthening brand position, improving corporate image, reducing operating costs and increasing the attractiveness of the company to investors. Companies that implement corporate social responsibility to improve

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their position and influence consumer attitudes towards their company's products (Kumar and Lata, 2022). CSR is one of the company's strategies to improve the company's image, which affects the company's performance (Gantino, 2016).

Many research studies show that the concept of the relationship between corporate social responsibility (CSR) and corporate performance is widely used, but studies show different relationships. CSR is an effective strategy for companies to improve competitiveness, financial performance and intangible assets (Bahta, Jordaan , & Sabastain, 2020). CSR activities leading to better management practices and stakeholder CSR activities are part of a strategy to overcome the lack of research on the mediating role of creative skills between CSR and management practices in developing countries (Bahta, Jordaan , & Sabastain, 2020).

Although many studies have shown a significant relationship between CSR and firm performance (Nurhidayah & Ni'am, 2022) and (Pranata, 2022), many previous studies on CSR and firm performance have found conflicting results. Some of them suffer negatively (Lata and Kumar, 2022). Other studies have concluded that there is no relationship between CSR and performance. This means that more research has been done on the impact of CSR on the company's performance (Wrespatiningsih & Mahyuni, 2022) and (Adhiwardana & Daljono, 2013).

Companies are required to make changes in the company so as not to lose out on competition with other companies. Innovation in business is needed as in product innovation, technology and management, Innovation is a tendency to develop new elements or new combinations of a product, technology or previous management and is used for new knowledge (Hartini, 2012). The reason innovation is needed by companies at this time is because there are many companies that do not want to innovate in their companies, companies tend to be in a comfort zone so they do not want to innovate.

A study on the impact of CSR on performance and innovation (Martinez-Conesa, Soto-Acosta, & Palacios-Manzano, 2017) shows that CSR affects innovation and corporate social responsibility, and innovation shows its impact based on the company's activities. A CSR study on capability and innovation (Bahta, Jordaan , & Sabastain, 2020) concluded that CSR has a positive and significant impact on economic performance and innovation capability. Creative talent has a positive and significant impact on business results.

The development of tourism potential in the village cannot be separated from tourism awareness campaigns conducted by organizations or groups called Pokdarwis. The formation of Pokdarwis is stipulated by Law No. 10 of 2009 for Tourism. According to chapter 4 of Law no. 10 of 2009, one of the objectives of tourism is to encourage economic growth and social welfare. In addition, protecting the environment, nature and resources and promoting culture are important objectives of tourism. Therefore, article 5 of Law No 10 of 2009, tourism should be managed in relation to the empowerment of local communities and the protection of the environment and the environment. Therefore, within the framework of regional autonomy, it is necessary to pay attention to the principle of integration between sectors, between regions, between the center and the regions, and stakeholders so as to create a systematic component.

In addition, the government can not only develop the city's tourism sector, but it is a community project. As the subjects, actors and beneficiaries of sustainable tourism development in the region, the community can come together to form a company called Pokdarwis.

Bantul, one of Yogyakarta's special regions, has 255 tourist sites covering village tourism assets, nature tourism, human tourism, and cultural tourism in 17 Kapanewon by 2023 (Widiyastuti, et al., 2023). To support the implementation of various activities in the tourism area, the local community formed a Tourism Awareness Group (Pokdarwis). Here, the formation of Pokdarwis is mandated by Tourism Law No. 10/2009. According to chapter 4, one of the objectives of tourism is to encourage economic growth and social welfare and more importantly, the concept of tourism must be able to protect nature, the environment and resources and develop culture.

As of 2023, the number of Pokdarwis in Bantul Regency is 30 groups. The task of Pokdarwis is to mobilize Tourism Awareness and Sapta Pesona in the environment in tourist destinations, as well as to become partners of the central government and district and city governments in efforts to realize and develop Tourism Awareness in the regions. As a partner of the government, both central and local governments, Pokdarwis also helps channel various CSR funds that are widely rolled out by various institutions/companies, both BUMN, BUMD and private companies that will channel their CSR funds (UU PT and PP 47/2012), All companies are required by law to allocate corporate funds for social responsibility purposes. The amount of CSR funds is 2% to 4% of total annual revenue, and CSR funds are used to contribute to sustainable economic development to improve economic welfare and a good environment. CSR will be beneficial for the company, the company and society in general (Article 40 article 1 paragraph 1 of the Law on Limited Liability Companies of 2007 concerning Limited Liability Companies and Article 1 paragraph 3, including activities in the tourism sector, where CSR funds are used to improve tourist sites, bringing in more new types of jobs to make them more beautiful. In this case, Pokdarwis can act as the person responsible for distributing CSR funds.

Based on the above background. The purpose of this study is therefore to investigate the effect of CSR programs on innovation activities, to investigate the effect of CSR programs on Pokdarwis activity, and to investigate the mediating effect of innovation variables on the relationship between CSR programs and Pokdarwis activity.

A. Research Model

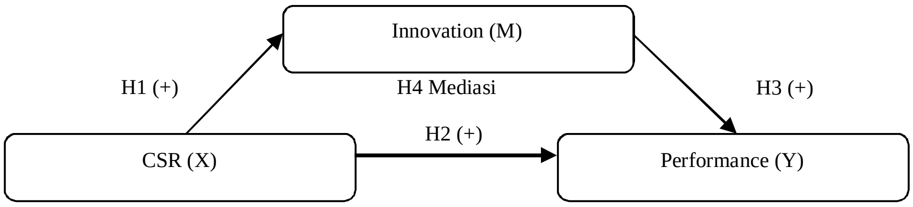

Figure 1. Research Model

Based on the above background, the hypothesis of this study (as shown in Figure 1) can be stated as follows:

Hypothesis 1 (H1): Corporate Social Responsibility (CSR) has a positive effect on innovation.

Hypothesis 2 (H2): Corporate Social Responsibility (CSR) has a positive effect on the performance of Pokdarwis.

Hypothesis 3 (H3): Innovation has a positive effect on Pokdarwis' performance

Hypothesis 4 (H4): Innovation mediates the effect of corporate social responsibility (CSR) on Pokdarwis' performance.

II. Research Methods

A. Research Object

The object of this research is the Pokdarwis organization in Bantul Regency, which includes the Pokdarwis chairman, Pokdarwis secretary, Pokdarwis treasurer and Pokdarwis members.

B. Research Variables

The variables in this study consist of CSR as an independent variable/exogenous variable measured by 16 indicators (Nurhidayah & Ni'am, 2022), innovation as an exogenous and endogenous variable measured by 4 indicators (Martinez-Conesa, Soto-Acosta, & Palacios-Manzano, 2017), while institutional performance is an endogenous variable measured by five indicators (Bahta, Jordaan , & Sabastain, 2020).

C. Research Population and Sample

The population of this study was all members of Pokdarwis consisting of Bantul Regency administrators and members of Pokdarwis. The sample for this study was drawn using the purposive sampling method where the respondents of this study were all presidents, secretaries, treasurers and two members of Pokdarwis Bantul Regency, a total of 120 respondents.

D. Data Analysis Method

i. Research Instrument Test: Valid and reliable tests to check the list of questions or statements that will be given to respondents. This validity and reliability test presents a list of questions in a questionnaire filled out by respondents who are considered correct and reliable.

- Validity Test: The validity test is used to determine the validity of items/statements in the questionnaire when defining variables. A tool is considered valid if it can measure what is being measured. An item/statement is considered valid if from statistical calculations, the r-count value is greater than the r-table (Nugroho, 2005).
- Reliability Test: Reliability is the ability of a measuring device to produce consistent and error-free data. If the value of Cronbach's alpha > 0.6, the construct reliability of the variable is considered good or reliable (Nugroho, 2005).

ii. Test for Normality, Heteroscedasticity and Multicollinearity:

- Test for data normality: The purpose of the normal test is to determine the data distribution of the variables used in the study. The test of data statistics in this study uses the Kolmogorov-Smirnov (K-S) non-parametric statistical test where the data is normally distributed if the value of the K-S test is greater than 0.05 (Ghozali, 2006).
- Heteroscedasticity Test: The purpose of the heteroscedasticity test is to check whether the variance of the residuals of the regression model from one observation to another is significant. In this study, to test for heteroscedasticity using Glejser's test, where if the independent variable has a significant effect on the dependent variable (Abs/Absolud), heteroscedasticity is considered to be present (Ghozali, 2006).
- Multicollinearity Test: The purpose of the multicollinearity test is to test whether a regression model is able to detect a relationship between independent variables. Multicollinearity occurs when the indicator value is less than 0.10 and the VIF value is greater than 10 (Ghozali, 2006).

iii. Regression Test of Mediating Variables with Step Causal Method

- Stages of regression analysis using the causal stage method (Suliyanto, 2011):
- Construct a regression equation for the independent variable (X) on the dependent variable (Y)
- Construct a regression equation for the independent variable Parameter (X) for (M)
- Construct a regression equation for the independent variable (X) on the dependent variable (Y) by inserting the parameter into the equation (M).
- Conclusion

Mediation regression equation:

$$\text{Equation 1: } Y = \alpha 1 + b1X \quad (1)$$

$$\text{Equation 2: } M = \alpha\neg 2 + b2X \quad (2)$$

$$\text{Equation 3: } Y = \alpha 3 + b3X + b4M \quad (3)$$

Where is it:
X symbol of CSR
M symbol of Innovation
Y symbol of Performance
α symbol of constant
b symbol of regression coefficient

Mediating variable criteria

- After the addition of the parameter (M), the effect of the independent variable (X) on the dependent variable (Y) becomes significant before (before the addition of the parameter (M)) and shows the parameter (M) as complete parameter. After including the parameter (M)) becomes negligible after the parameter (M) is included in the regression equation model.
- A mediator variable (M) is presented as a partial mediating variable if, after the inclusion of variable M, the effect of variable X on Y decreases, but does not become zero or the effect of the variable in the regression equation model, but rather decreases the regression coefficient. 3. A mediating variable (M) is presented as a partial mediating variable if, after the inclusion of variable M, the effect of variable X on Y increases but does not become zero.

iv. Sobel tests: The Sobel test is a test to determine if a relationship through a mediating variable can significantly mediate the relationship between an independent variable and a dependent variable (Abu-Bader & Jones, 2021). In this study, the Sobel test used an online Sobel calculator.

III. Research Results

A. Questionnaire Test Results

i. Validity Test: Based on the results of data processing using the SPSS application program, the validity test results for the three research variables (CSR, Innovation, and Performance) are as follows:

TABLE I. VALIDITY TEST RESULTS OF CSR (X) VARIABLES

Items	Corrected Item-Total Correlation	r-tabel	Explanation
x11	0.44	0.388	Valid
x12	0.42		Valid
x13	0.44		Valid
x14	0.57		Valid
x15	0.52		Valid
x16	0.41		Valid
x17	0.42		Valid
x18	0.40		Valid
x19	0.67		Valid
x110	0.69		Valid
x111	0.67		Valid
x112	0.62		Valid
x113	0.62		Valid
x114	0.49		Valid
x115	0.43		Valid
x116	0.56		Valid

TABLE II. VALIDITY TEST RESULTS OF INNOVATION (M) AND PERFORMANCE (Y) VARIABLES

Items	Corrected Item-Total Correlation	r-tabel	Explanation
m11	0.79	0.32	Valid
m12	0.77		Valid
m13	0.64		Valid
m14	0.71		Valid
y11	0.50	0.325	Valid
y12	0.66		Valid
y13	0.55		Valid
y14	0.48		Valid
y15	0.46		Valid

Based on Tables 1 and 2, all indicators can be recognized as valid because the r-count value (corrected multiple-to-total correlation) > the r-table value.

A. Reliability Test Results

The results of statistical calculations for the reliability test of research variables using the SPSS application program can be explained in the following table:

TABLE III. RELIABILITY TEST RESULTS

CSR		Innovation		Performance	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
0.833	16	0.87	4	0.759	5

Based on Table3. Cronbach's Alpha value of each research variable > 0.6, so that all research variables (CSR, Innovation and Performance) can be declared reliable.

B. Normality, Multicollinearity And Heteroscedasticity Test Results

A linear regression model can be called a good model if the regression model satisfies the data normalization assumptions, and most importantly, a good linear multiple regression model has a model that is free from the classical statistical assumptions, namely multilinearity, and heteroscedasticity. The results of the data normality test, multicollinearity, and heteroskedasticity calculation performed using the SPSS application program are as follows:

TABLE IV. NORMALITY, MULTICOLLINEARITY AND HETEROSCEDASTICITY TEST RESULTS

			Equations		
			Y = a + b1X	M = a + b2 X	Y = a + b3X + b4M
Normality (K-S Test)	Asymp. Sig. (2-tailed)		0.162	0.086	0.128
Heteroskesdastisitas (Glejser)	CSR	Sig.	0.355		
	CSR	Sig.		0.077	0.100
	Inovation	Sig.			0.665
Multikolinieritas	CSR	Tolerance			0.808
		VIF			1.238
	Inovation	Tolerance			0.808
		VIF			1.238

Based on table.4:

- The data from the three regression equations can be said to be normally distributed because Sig. > 0.05.
- Data from the three equations, there is no Heteroscedasticity, because the value of Sig. > 0.05
- The third equation is free of multicollinearity because the tolerance value is > 0.1 and VIF < 10.

C. Regression Test Results

The regression coefficient (b) and significant probability value of each regression equation are obtained from the regression test results using the SPSS application program as follows:

TABLE V. REGRESSION TEST RESULTS

Equations	Explains	
	b	Sig
Y = a1 + b1X1	0.212	0.000
M = a2 + b2X2	0.236	0.000
Y = a3 + b3X3 + b4M	0.148	0.000
	0.267	0.001

Based on Table 5, all regression coefficients of each regression equation (b) are positive and significant which means that:

- The first regression equation shows that CSR (X) has a positive and significant effect on performance (Y).
- The second equation shows that corporate responsibility (X) has a positive and significant effect on innovation (M).
- The third equation shows that corporate responsibility (X) and innovation (M) have a positive and significant effect on performance (Y).
- The innovation variable (M) mediates the effect of CSR (X) on efficiency (Y) because, after the inclusion of variable M, the effect of variable X on Y decreases but does not become zero, nor does the effect of the variable. afterward. When variable M is included in a new regression equation model, the value of the regression coefficient decreases.

D. Sobel Test Results

To perform the Sobel test, regression coefficients and standard errors were calculated from the second regression equation (impact of corporate social responsibility on innovation) and the third regression equation (impact of corporate social responsibility and innovation on performance). The calculation results are shown in the following figure and table:

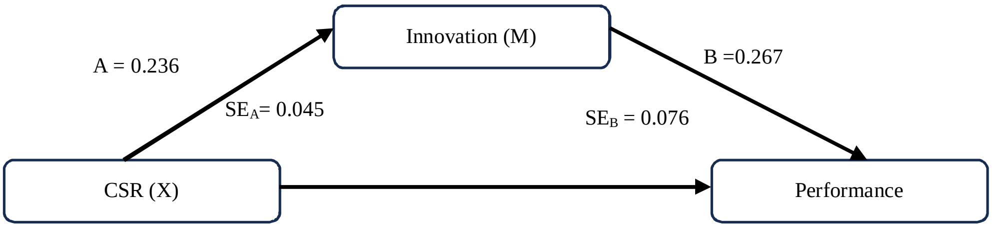

Figure 2. Research Model and Results of Regression Coefficient and Standard Error

TABLE VI. SOBEL TEST RESULTS

Equations	Explains	
	b	Sig
Y = a1 + b1X1	0.212	0.000
M = a2 + b2X2	0.236	0.000
Y = a3 + b3X3 + b4M	0.148	0.000
	0.267	0.001

Based on the Sobel test calculation results, the Sobel test calculator web application (www.danielsoper.com) obtained the Sobel test results with a p-value of 0.0035, where 0.0035 < 0.05,which means that the mediator variable Innovation has a significant effect on CSR, to convey the effect of efficiency.

E. Discussion and Conclusion

Based on the results of the calculations made with the SPSS program, it was determined that the CSR program has a positive and significant impact on the performance of Pokdarwis Bantul Regency. Statistically, the regression coefficient is 0.212 and the probability value is 0.000 < 0.05 (Table 5), which means that the CSR program has a positive and significant effect on the performance of Pokdarwis Bantul Regency. This shows that the CSR program has a positive and significant impact on the performance of Pokdarwis as a social institution in the tourism community. The results of this calculation support previous studies by (Nurhidayah & Ni'am, 2022) and (Pranata, 2022). Some of the CSR programs that can improve the performance of Pokdarwis in Bantul Regency include training programs in the field of tourism, including training in the preparation of food produced in the area of Pokdarwis, occupational safety training for Pokdarwis members, household management training etc. Other CSR programs related to the environment include environmental management activities around tourist attractions, procurement of tools to recycle waste at tourist sites and so on.

Another finding of this research is that the CSR program has a direct positive and significant impact on the innovation activities of Pokdarwis. Statistically, this is indicated by a regression coefficient of 0.236 and a probability of 0.000. Various CSR programs provided to Pokdarwis to increase the innovative power of Pokdarwis include organizational culture development programs for Pokdarwis institutions that support and encourage the emergence of new innovations that make Pokdarwis institutions more advanced and developed. Also in this CSR program, training activities are provided for the development of new tourism products that have their own uniqueness compared to tourism products in other places. The results of this study support the results of previous research (Bahta, Jordaan , & Sabastain, 2020) and (Nasir, 2017).

F. Recommendation

The distribution of CSR funds from companies significantly affects the performance of Pokdarwis institutions, therefore, in the future the distribution of CSR funds needs to be increased.

Innovative activities are very helpful in determining the distribution of CSR funds to Pokdarwis, so activities related to innovation need to be increased.

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