

## Influence Of Corporate Social Responsibility(CSR) In Building Corporate Reputation Through Employee Trust As Mediating Variable

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### Abstract

*This study aims to examine the effect of Corporate Social Responsibility (CSR) through Employee Trust on the reputation of the company PT Wijaya Karya (Persero) Tbk. To overcome this, data was collected through questions that were disseminated online using a google form. Responses from 150 respondents with a sample of employees of PT Wijaya Karya (Persero) Tbk, then analyzed using PLS-SEM through SmartPLS3 Software. The data collected was tested using the Validity Test and Reliability Test. To find out the results of the analysis of the inner model, outer model. As for testing the hypothesis using the bootstrap method. The results of this study indicate that there is a positive influence of CSR activities and perceptions of CSR programs on the Company's Reputation. the perception of CSR activities and CSR activities will increase employee confidence to improve the company's reputation.*

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## INTRODUCTION

The importance of implementing good corporate social responsibility (CSR) which focusing on sustainability is increasingly relevant. Through CSR, an organization gains a commitment from the community and stakeholders to contribute on the sustainable development and social welfare, implement local and international regulations, as well as maintain ethical behavior and provide transparent management. (Emilio, Francisco, and Louis. 2019). Not only the CSR activities can bring a competitive advantage to the company, but also enacting its role to make the company distinguished from its competitors (El-Garaihy et al., 2014). It is generally believed that CSR can bring some benefits to companies such as improving consumer evaluation of their image and capabilities, creating brand recognition and impact, reducing advertising and operational expenses, as well as attracting investor (Fu et al., 2014; Li, Fu and Huang, 2018).

Currently, the CSR Program is considered as an investment for the companies's growth and sustainability. It is no longer seen as a means of cost (cost center) but as a means of profit (profit center) (Kurnia, Shaura, Raharjo, Resnawaty.2019). The study of CSR and brand image are largely focusing(Kurnia, Shaura, Raharjo, Resnawaty.2019). The study of CSR and brand image are largely

focusing on product-based industries and less on service industries. Although, it shows the important role of CSR in the service industry (Casado Nicolau, Ruiz & Sellers, 2014).

As one of the pillar industries in most countries, the construction industry is a driving force for national economic development. It plays an important role in promoting the urbanizations, new rural constructions and encouraging employment rates (Pheng, Jiang, 2013). Given the impact of construction activities on society, construction companies need to be aware of the need to meet CSR requirements and contribute to the implementation of sustainable construction (Glass, 2012). Therefore, PT Wijaya Karya, Tbk (WIKA) regularly in every year held various CSR activities. It themed on the Environment, Education, Health, Public Facility Development and Charitable Activities. The activities held in 2021 covering (i) the distribution of 1,145 Personal Protective Equipment (PPE) for Indonesian Hospitals and Red Cross around greater Jakarta areas; (ii) WIKA Group in collaboration with the ministry of SOE's distributed 15 thousand packages of basic groceries throughout Indonesia; (iii) distribution of disaster relief to communities affected by storms, landslides, and floods in East Nusa Tenggara; (iv) WIKA together with Telkom Indonesia established "WIKA Digital School" to facilitate a network for five schools in five provinces in Indonesia, in order to support online teaching and learning activities, for student grade 9 and 11; (v) Together with PT Kereta Cepat Indonesia China, provided Green Open Space (RTH) in Lotus Valley, Ngamprah District of Bandung Regency; (vi) Conducted CSR road construction along 20 km in West Bandung; further (vii) In the WIKA's 61st Anniversary, it held "WIKA Teaching" activities in 61 high schools/equivalents spread across various regions in Indonesia and many other CSR activities.

In 2020, various awards related to CSR were obtained by WIKA. It included (i) Appreciation of Iconic CSR Award 2020, as a Construction company with Emergency Response Initiative of Covid-19 Medical Infrastructure Construction Category; (ii) Padmamitra Award 2020 for Poverty Alleviation from the Ministry of Social Affairs; (iii) The Best PKBL of Indonesia CSR Award 2020, for the category of Building Construction with Outstanding Program in Quality Education and Training; (iv) Top CSR Awards 2020 by Top Business magazine with excellent predicate, also (v) President Director WIKA Mr Agung Budi Waskito, was awarded as Top Leader on CSR Commitment 2020. WIKA Group's also success in obtained the series of awards based on the judges' assessments with backgrounds of practitioners, consultants, non-profit organizations, and top business magazine, with indicators emphasized on the adoption rate of ISO 26000, CSR linkages with business strategies or Create Share Value (CSV) and Governance Practices. This strategy is also applied thoroughly both in WIKA and subsidiary entities.

CSR execution is a solid pointer for an organization's prosperity progression (Málovics, Csígné, & Kraus, 2008). Nonetheless, regardless of expanded interest, most exploration on CSR centers around the immediate connection among CSR and business results (Aguinis & Glavas, 2012). There is an absence of exploration on the fundamental components by which CSR exercises influence business and other related results (Yadav & Singh, 2016). Also, existing exploration generally focuses on external partners instead of inward stakeholders (employees; Lee, Park, & Lee, 2013; Raub & Blunschi, 2013). This examination plans to fill the hole by contemplating the instruments of CSR exercises that can construct an organization's standing among workers. Specialists have recognized a positive connection between trust advancement among workers and corporate CSR exercises (Berry, 1999; Hansen, Dunford, Boss, Boss, & Angermeier, 2011). Even though, the connection between representative confidence in the association and the organization's standing among workers has not been considered, despite the fact that there have been a few investigations led in the United States and Europe. A Study in India investigates the systems by which CSR insight helps organizations in fostering a positive corporate standing among representatives. It additionally tries to comprehend the connection between impression of CSR exercises and confidence in associations. It focused on CSR perception since (a) workers' impression of CSR influence their mentalities and behaviors and (b) workers might need data about the association's genuine CSR exercises. (Rupp, Shao, Thornton, and Skarlicki, 2013) stated that representative impression of CSR might be a higher priority than real CSR execution in molding worker perspectives. Trust between employees is chosen as a mediation variable between CSR perception and corporate reputation.

## LITERATUR REVIEW

### *CSR Activities*

Rahman (2009) stated that there are two underlying reasons for companies carrying out CSR activities, namely moral reasons, and economic reasons. Moral reasons are based more on how CSR is originated, from which company's initiative to be able to establish mutually beneficial relationships with stakeholders. While the economic reason is more on how the company can strengthen the image and credibility of the brand or product through CSR. The nuances of promotion are strongly felt if the company carries out CSR activities for economic reasons. The company tends to commercialize various carried out activities and expose these activities in big scales events. There are three categories of companies' reasoning in implementing CSR practices. First, it is because of a compulsion or courtesy. Second, it is an effort to fulfill company's compliance. Third, it is implemented because of a sincere encouragement and internal driven.

First, the companies that conduct CSR due to courtesies and compulsion is elicited from external driven, environmental driven (because of environmental problems), and reputation driven (because they want to boost the company's image). CSR activities are carried out only for cosmetics that are done just to meet the demands and give an image for the company as responsive company to social interests. Second, to fulfill compliance CSR is implemented to follow the regulations, laws, and rules that enforce it. The companies also conduct CSR because it is driven by global trends (market driven) and reward given. Third, it is no longer just compliance but beyond compliance or compliance plus. CSR is implemented because there is indeed a sincere drive from within (internal driven). The company has realized that its responsibility is no longer just economic activities to create profits for the sake of its business continuity, but also social and environmental responsibility.

CSR activities are within the corridors of corporate strategy directed to achieve the bottom-line business goal of bringing profits (Wibisono, 2007). Currently, the implementation of CSR programs is mostly on Community Development (CD) as community-oriented development programs. The implementation of CSR programs should create independency of the community and it is expected to build a positive image for the company that cares about social or environmental issues. The improved company's image will increase the trust of both consumers and business partners. Therefore, the effectiveness of a CSR initiative must be seen from whether the initiative has a positive impact on society or not.

### *Perception of CSR Programs*

Perception is the person assessment process on a particular object or experience about the object, event, or relationship gained by inferring information and interpreting messages. The perception of CSR programs in this study is the community assessment on the successes or goals achievements of CSR programs.

The variable in this study is employee perception on the CSR programs. While, the perception on CSR programs is the community assessment on the success of CSR programs conducted by WIKA. Perception about the effectiveness of CSR programs consists of: cognitive components, (i) in the form of community beliefs (beliefs) in the motivation, goals, and suitability of CSR programs conducted by WIKA, (ii) feelings (happy or unhappy) of the community in CSR programs conducted by WIKA.

Wibisono (2007) revealed that there are two indicators to measure the success of CSR: internal indicators and external indicators. Therefore, the object of this study is CSR activities outside the company environment, researchers only use external indicators as a benchmark for community assessment of the effectiveness of CSR programs. More internal indicators require assessment from the company's point of view.

### ***Employee Trust***

Trust refers to relationships and influences, which is defined as relationships in which one party has confidence in the reliability and integrity of a partner (Morgan & Hunt, 1994). It is additionally characterized as the inclination that those whose associations with us will satisfy our assumptions and didn't disappoint us (Choudhury, 2008, p. 590). The study relied on belief as relational concept rather than affective concept. Trusts have been analyzed as essential elements for the well functioning of organizations (Goodsell, 2006) and for establishing their authenticity (Bouckaert & Walle, 2003; Mitchell & Scott, 1987). Integrity, justice, and virtue have been found to be the components necessary to build trust (Kim, 2005; Menzel, 1995).

### ***Corporate Reputation***

A company's reputation is the result of an accumulation of stakeholders' perceptions regarding an organization's ability and intention to meet their demands and expectations (Park, Lee, & Kim, 2014). Therefore, the company's reputation is important to maintain the company's competitive position and ensure the company's future survival (Wang, Yu, & Chiang, 2015). A company's reputation is often conceptualized as perception, attitude and self-esteem with the stakeholders who hold an organization (Hillenbrand and Money, 2009).

A good company's reputation means when a company successfully meets the expectations of several stakeholders (Niazi, Haider, Islam, & Rehman, 2012). Companies need to meet the expectations of multiple stakeholders and compete for reputational status. In this context, a company's reputation plays a very specific role because stakeholders make their decisions based on the reputation status of the company in question (Maden, Arıkan, Telci, & Kantur, 2012).

## **Hypothesis Development**

### ***Effect of CSR activities on Employee Trust***

Trusts are developed based on ethical assessments and organizational values (Dirks & Ferrin, 2002). Signal hypothesis and social trade hypothesis help to interface CSR discernment with trust. CSR exercises make positive insights by conveying positive messages to representatives about the morals and upsides of the organization (Rupp, Ganapathi, Aguilera, & Williams, 2006). As indicated by signal hypothesis, positive signs can prompt fortifying representative certainty since organizations considered to be associated with CSR are probably going to be distinguished as 'watchmen' acting in light of a legitimate concern for all partners, including workers (Dirks & Ferrin, 2001; Urde, Greyser, & Balmer, 2007). This thinking is additionally upheld by exact examinations that tracked down a positive connection between view of CSR exercises and the advancement of trust among workers (Pivato, Misani, & Tencati, 2008).

**H1:** CSR activities have a positive effect on employee confidence.

### ***The Effect of CSR Perception on Employee Trust***

Social trade hypothesis, then again, predicts that complementary standards oversee worker responses (Gouldner, 1960). This proposes that a good CSR insight is probably going to build worker trust in their manager since representatives feel that the association serves the interests, everything being equal, and consequently more meriting their trust. In light of past conversations, we postulate that:

**H2:** Employee perception of CSR activities is positively related to employee trust levels

### ***The Impact of CSR Activities on a Company's Reputation***

Companies that conduct CSR will be able to increase credibility, inspire trust and improve the company's reputation for stakeholders, including consumers, Becker Olsen, et al. (in Pomeroy and Johnson, 2009). Research conducted by Moo Hur, et al. (2013) states that CSR has a positive influence on the company's reputation. Research conducted by Majid Khan (2013) states that there is a positive relationship between environmentally oriented CSR, community-oriented responsibility, customer-oriented responsibility, legal responsibility, and corporate reputation. Saeidi et al. (2014) states that the company's involvement in CSR has a positive effect on the company's reputation. The same research results are also shown by the results of Kamaludin's research (2010); Fombrun (2000); Maden et al. (2012); Khayer (2014). **H3:** CSR activities are positively related to the Company's Reputation

### ***The Effect of CSR Perception on a Company's Reputation***

A company's reputation depends largely on the stakeholder group's perception of the company's CSR. According to Unerman (2008), CSR has the power to influence stakeholder perceptions, thus contributing to maximizing a company's reputation (Unerman, 2008). Husted & Allen (2007) explains that CSR affects a company's reputation positively. Bayoud & Kavanagh (2012) said that CSR detailing works on an organization's standing and monetary exhibition in light of the fact that CSR is one approach to draw in unfamiliar financial backers and further develop client and representative fulfillment.

According to Melo & Galan (2011), the organization's upper hand is reinforced through CSR exercises. CSR exercises play a vital part in figuring out what items or administrations are given to clients. Castaldo et al. (2009) explain that customers are influenced by the company's CSR activities. In addition, Park, Lee, & Kim (2014) posited that CSR ethical practices can create and encourage customer confidence that companies adhere to high ethical standards and care about people's well-being, will emphatically affecting buyers' evaluation of an organization's standing. Lamberti & Lettieri (2009) said that client will know about the moral ramifications of an association's conduct and guarantees that the association will keep up with/or work on the quality principles and notoriety of his organization.

**H4:** Employee perception of CSR has a positive effect on the Company's Reputation

### ***Relationship between employee trust in company reputation***

Employee trust and company reputation can be learned from the point of view of employees as an internal stakeholder, and customers as an external stakeholder. A writing review shows that an organization's dependability and notoriety have zeroed in on outside partners or clients. A few examinations have recommended that an organization's standing among clients goes before and prompts expanded client trust in the association (Keh & Xie, 2009), while different investigations have recognized client trust as the forerunner of an organization's standing (Walsh, Mitchell, Jackson, & Beatty, 2009).

**H5:** Employee Trust has a positive effect on the company's reputation.

### ***Employee Trust as a mediator between CSR activities and corporate reputation***

Trusts have been distinguished as key go between the consequences of past representative level connections (Colquitt, Scott, & LePine, 2007) (Figure 1). Worker trust has been found to intervene the connection between saw CSR and representative exchanging goals, just as the city conduct of worker associations (Hansen et al., 2011). Among shoppers, trust has been found to intervene the connection between CSR exercises and corporate standing (Park et al., 2014). Along these lines, we propose comparable connections among representatives and theorize.

**H6:** Employee trust mediates the relationship between CSR activities and Corporate Reputation

### Research Framework and Hypothesis

This study focuses on the influence of Corporate Social Responsibility (CSR) implementation activities and the perception of the implementation of the CSR Program on corporate image by mediating employee trust its influence on the company's reputation.

Based on the above notion, the author provides the following conception:

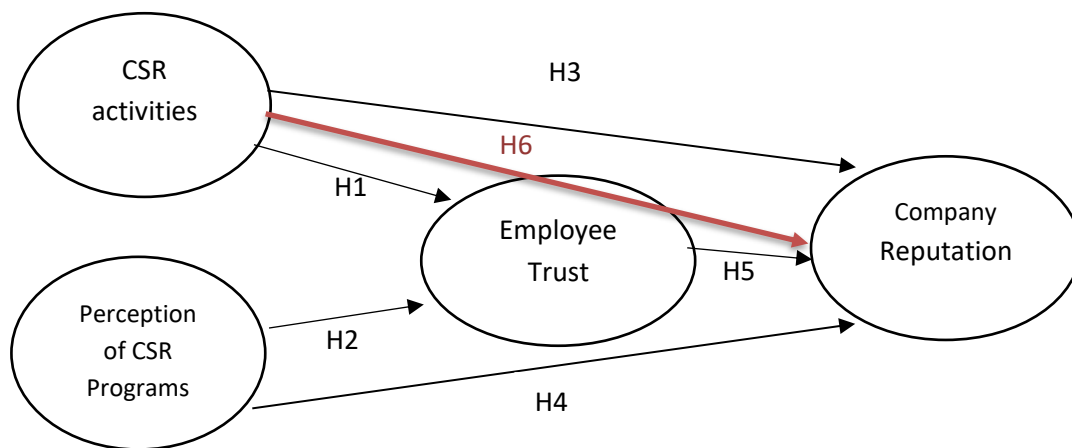


Figure 1. Research Framework

## METHODS

Considering the study objectives, models, and hypotheses developed, quantitative approaches are used. Quantitative approaches allow researchers to build statistical evidence on the strength of relationships between variables (Malhotra, 2004). Quantitative methods can be used to test the hypotheses and determine the reliability and validity of variable measurements (Malhotra, 2004; Zikmund & Babin, 2007).

Survey Research methods are used in this study because the objects studied are many while the aspects studied are very limited, the purpose of which is to get data that occurred in the past or present. The data collection method used is a questionnaire that distributed online using google form to WIKA employees.

### Study Operations

The operational definition according to Indriantoro and Supomo (2012: 69), is the determination of construct so that it can be measured. The operational definition of this study variable is as follows:

Variable	Conceptual Variables	Question Items	Measurement Scale
Activity Corporate Social Responsibility (Stojanovic, Milosevic, Arsic, Urosevic, Mihahajlovic, 2020)	The concept of where the company pay attention to Society and environment Integrated in business operations and in their interaction with Stakeholders of its nature voluntary	<ol style="list-style-type: none"> <li>1. The Company conducts CSR activities to encourage employee creativity</li> <li>2. The company conducts CSR activities to increase employee awareness</li> <li>3. CSR activities can stimulate a sustainable local economy</li> <li>4. CSR activities are beneficial to the community around the company's operations.</li> <li>5. CSR activities are beneficial for the environment around the company's operations</li> </ol>	Likert
Perception of CSR Programs (Sehic, Prutina, 2016) (Muhadjir, Qurani, 2011)	The process of assessing a person's or experience of a particular object, event, or relationship obtained by inferring information and interpreting messages	<ol style="list-style-type: none"> <li>1. Our company encourages its employees to participate in voluntary activities.</li> <li>2. Our company management prioritizes the needs and wants of employees</li> <li>3. Our company applies a flexible policy to</li> <li>4. provide a good work &amp; life balance for employees</li> <li>5. Our company policy encourages employees to</li> <li>6. Develop their skills and careers</li> <li>7. Employee Attention to CSR programs</li> <li>8. Employee curiosity about CSR programs</li> <li>9. Categorization of CSR programs</li> </ol>	Likert

		10. Conclusions on the program	
Company Reputation (Park, Lee, & Kim, 2014)	It is the result of the accumulation of stakeholder perceptions about the ability and intention of the organization to meet their demands and expectations.	<ol style="list-style-type: none"> <li>1. Good service delivery and satisfactory has been done in CSR programs in the environment company operations.</li> <li>2. CSR activities are Wika's attention to Company Operating environment</li> <li>3. The CSR program adds to the belief that WIKA company that have governance and good reputation.</li> <li>4. This activity can add information about WIKA Company.</li> <li>5. Facilities in this activity according to the demands and expectations desired.</li> </ol>	Likert
Employee Trust (Morgan & Hunt, 1994)		<ol style="list-style-type: none"> <li>1. When making important decisions, companies pay attention to our well-being.</li> <li>2. When we have important needs, we can rely on the company's support.</li> <li>3. We are confident that this company performs its duties professionally.</li> <li>4. The company has always been honest with us.</li> <li>5. We can count on company promises made to employees.</li> </ol>	

Table 1. Research Variable

**Study population**

The populace is a speculation region comprising of items/subjects that have certain characteristics and qualities set by analysts to be concentrated and afterward made determinations (Acha, 2014). The populace in the investigation was WIKA representatives. There was no involvement of researchers in establishing cause-and-effect relationships and the survey took place under natural conditions (minimal interference). While the study setting used is noncontrived / Field Experiment.

**Study sample**



The example is essential for the populace (part or delegate of the populace examined). An example study is a piece of the populace taken as an information source and can address the whole populace.

Sampling technique using the formula slovin. It is intended to take samples from population numbers aimed at minimizing error rates. Here's the slovin formula:

$$n = \frac{N}{1+Ne^2}$$

n = Number of samples / Number of elements

N = Population / Population member

e = Error Level

The populace is 2,500 employees and the Error Level used is 8%, the sample values obtained are:

$$n = \frac{2.500}{1 + (2.500)*(0.08)^2}$$

$$= 147.058$$

From these calculations to facilitate data processing, we rounded the sample number to 150 WIKA employees and will be randomly selected according to the purpose of the study, while for the trial we used a sample number of 50 respondents.

### ***Methods of Collecting and Analyzing Data***

Questionnaires are selected as the main source of data collection and the method of submitting questionnaires to prospective respondents selected is using the Google Form facility. Furthermore, each statement in the questionnaire was scored according to the measurement scale developed by Likert

Table 2. Likert Scale

Information	Answer Score
Strongly Agree	5
Agree	4
Neutral	3
Disagree	2

Strongly Disagree 1

Source: Riduwan, Skala Pengukuran Variabel-Variabel Penelitian, 2008:12

To obtain valid (precise) and reliable data (consistency) from the sample to be formed, this research uses Software Smart PLS 3.3.3 for Windows in conducting analysis to obtain the results of validity tests and reliability tests with the used of questionnaire instrument

### *Evaluation of Measurement Model*

#### **a. Validity Test**

The validity test is used to measure the validity or absence of a questionnaire. A questionnaire is said to be valid if the indicator on the questionnaire is able to reveal something that will be measured by the questionnaire (Ghozali 2018). Question item declared valid if the result  $> 0.361$  ( $r_{\text{calculate}} > r_{\text{table}}$ )

#### **b. Reliability Test**

According to Sekaran and Bougie (2017), reliability is a measurement showing the extent of the measurement without bias and therefore guarantees consistency of measurements over time and at various points on the instrument.

#### **c. Hypothesis Test**

The bootstrap method tests hypothesis analysis in SMART PLS 3.3.3. Analysis of hypothesis testing is done by looking at the appropriate p-value, where the null hypothesis is rejected if the p-value  $> 0.05$  (Obiageli et al., 2015).

## **RESULT**

Table 3 shows the socio-demographic characteristics of respondents. The number of respondents who filled out questionnaires for this analysis was 150 respondents. In this socio-demographic section, the questions given will filter respondents according to research targets. For ages, it is dominated by respondents aged 31-40 years at 36.0%, and aged 41-50 years at 26.0%. For the time of working at WIKA Group, dominated by employees who have worked for more than 15 years, which is 30.7%, and for the Job Title category, the level is dominated by Staff by 23.8%. So based on the data, respondents who were selected followed the target of respondent researchers.

**Table 3. Socio-Demographic Characteristics of Respondents**

<b>Characteristics</b>	<b>Number</b>	<b>Percent</b>
<b>Ages</b>		
$\leq 30$ years	32	21,3 %
31 - 40 years	54	36,0 %
$\geq 41 - 50$ years	39	26,0 %

> 50 years	25	16,7 %
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**Length of Work at WIKA Group**

≤ 5 years	23	15,3 %
6 – 10 years	45	30,0 %
11 – 15 years	36	24,0 %
> 15 years	46	30,7 %

**Job Title**

Directors	5	3,3 %
Head of Division	2	1,3 %
General Manajer	3	2,0 %
Division Manager	4	2,7 %
Bureau Manager	19	12,7 %
Field Manager	17	11,3 %
Coordinator	18	12,0 %
Project Manager/Deputy	8	5,3 %
Main Executor	9	6,0 %
Section Chief	30	20,0 %
Staff	35	23,3 %

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***Reliability and Validity Test***

Reliability and validity are concepts used to evaluate research quality. They show how well a technique or test measures something. Reliability is about the consistency of a measure, and validity is about measurement accuracy (Middleton, 2019). The validity check in this analysis is carried out with the appropriate parameters on Smart PLS 3 with valid criteria if the extracted mean variance (AVE) from each model is equal to 0.5 or above (Tjahjadi, 2020, p. 40; Bagozzi and Yi, 1988; Hair Jr., Sarstedt, Hopkins & Kuppelwieser, 2014). In PLS-SEM, the numbers are ordered based on the single reliability of their indicator, ranging from 0 to 1; a larger level indicates better reliability (Tjahjadi, 2020, p. 41; Rambut et al., 2014). The generally accepted standard for composite reliability is 0.7 or higher (Tjahjadi, 2020, p. 41; Bagozzi and Yi, 1988; Rambut et al., 1998). For exploratory research, the acceptable value of Cronbach's Alpha is above 0.6 (Tjahjadi, 2020, p. 41; Latan & Ghozali, 2012). For this study, the exact value of the reliability test > 0.7 and Cronbach's Alpha > 0.6.

**Table 4. Descriptive Statistics**

<b>Descriptive Statistics</b>					
	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviations</b>
CSR activities	150	2	5	4,51	0,623
Perception of CSR Programs	150	1	5	4,09	0,796
Employee Trust	150	1	5	4,38	0,642
Company Reputation	150	1	5	4,11	0,813
Valid N (listwise)	150				

Table 4 above shows that N or the amount of data for each valid variable is 150. Of the 150 CSR activity sample data, the minimum value is 2, and the maximum value is 5 with a mean value of 4.51 and a standard deviation of 0.623. For 150 CSR Program Perceptions sample data, the minimum value is 1, and the maximum value is 5 with an average value of 4.09 and a standard deviation of 0.795. For sample data of Employee Trust 150, the minimum value is 1, and the maximum value is 5 with an average value of 4.38 and a standard deviation of 0.642. For 150 sample company reputation data, the minimum value is 1, and the maximum value is 5 with an average value of 4.11 and a standard deviation of 0.813. The four variables indicate that the average value is greater than the normal deviation value so that the deviation of the data that occurs is low, so that the distribution of values is evenly distributed.

Table 5. shows the results of the measurement of reliability and validity. The results of the validity test can be seen in the factor loading column, where all indicators are more than 0.6, and in the AVE column, all hands are more than 0.5, so all indicators are declared valid. The results of the reliability measurement can be seen in the Cronbach Alpha and Composite Reliability column, where the results show that all indicators are above the minimum Cronbach Alpha ( $> 0.6$ ) and Composite Reliability (0.7), so that all hands are declared reliable.

**Table 5. Reliability and Validity Test**

<b>Variabel</b>	<b>Factor Loading</b>	<b>Cronbach's Alpha</b>	<b>Composite Reliability</b>	<b>Average Variance Extracted (AVE)</b>
	<b>&gt;0,6</b>	<b>&gt;0,6</b>	<b>&gt;0,7</b>	<b>&gt;0,5</b>
CSR Activities	0,853	0,849	0,892	0,625

Employee Trust	0,814	0,811	0,869	0,569
CSR Program Perception	0,892	0,891	0,917	0,648
Company Reputation	0,904	0,903	0,928	0,722

One way to assess discriminant validity is to measure using the Fornell-Larcker criterion, that the AVE of each latent construct must be greater than the highest squared correlation of the latent construction with other latent constructs (Hair, Kristen, and Marko, 2011).

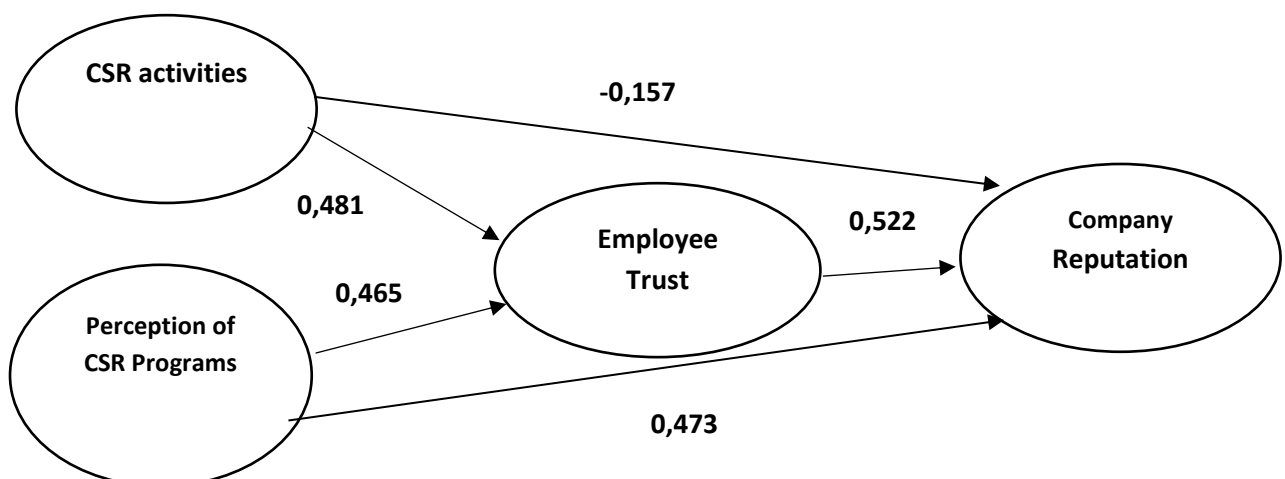
Table 4 shows that the value of the CSR Activity correlation variable is 0.791, where this value is greater than the correlation between CSR Activities of other variables. Likewise, other correlation variables show the same thing, so it can be concluded that the indicators in this study have met discriminant validity or are acceptable (votes).

**Table 6. Discriminant Validity**

Variabel	CSR Activities	Employee Trust	CSR Program Perception	Company Reputation
<b>CSR Activities</b>	<b>0,791</b>			
<b>Employee Trust</b>	0,774	<b>0,755</b>		
<b>CSR Program Perception</b>	0,631	0,769	<b>0,805</b>	
<b>Company Reputation</b>	0,546	0,764	0,775	<b>0,850</b>

### *Hypothesis test*

The bootstrapping method tested the analysis of hypotheses in SMART PLS 3.3.3. Hypothesis testing analysis was carried out by looking at the appropriate p value, where the null hypothesis was rejected if the p value > 0.05 (Obiageli et al., 2015). The results of hypothesis testing and the correlation between variables are shown in Figure 2.



## Figure 2. Model Test Results

Table 7. Result of R-square

Variabel	R Square
Employee Trust	0,730
Company Reputation	0,680

Table 8. Hypothesis Test

Hipotesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Conclusion
H1: CSR Activities -> Employee Trust	0,481	0,481	0,073	6,583	0,000	Accepted
H2: CSR Program Perception -> Employee Trust	0,465	0,468	0,064	7,252	0,000	Accepted
H3: CSR Activities -> Corporate Reputation	-0,157	-0,150	0,084	1,872	0,062	Rejected
H4 : CSR Program Perception -> Company Reputation	0,473	0,470	0,068	6,907	0,000	Accepted
H5 : Employee Trust -> Company Reputation	0,522	0,521	0,090	5,784	0,000	Accepted

**H6 : CSR Activities**

<b>-&gt; Employee Trust - &gt; Company Reputation</b>	0,251	0,251	0,063	4,014	<b>0,000</b>	<b>Accepted</b>
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The results of the hypothesis are presented in Table 8. To find out the relationship between positive and negative variables can be seen in the Original Sample column. Where this analysis shows that CSR activities have a positive relationship with employee trust (H1), perceptions of CSR programs have a positive relationship with employee trust (H2), CSR activities have a negative relationship with corporate reputation (H3), perceptions of CSR programs have a positive relationship with reputation Company (H4), Employee Trust has a positive relationship on Company Reputation (H5), and CSR Activities have a Positive relationship on Company Reputation with Employee trust as the mediation (H6). Meanwhile, to see a significant or insignificant relationship between variables, it can be seen in the T column statistics and P values. Based on the P-Values column, where the influence of CSR activities on employee trust, perceptions of CSR programs on employee trust, perceptions of CSR programs on company reputation, employee trust in the company's reputation, and CSR activities on the company's reputation with employee trust as a mediation is a significant effect (acceptable) because the P-VALUE is less than 0.05. Meanwhile, the influence of CSR activity variables on the company's reputation has no significant effect (rejected).

**DISCUSSION**

This research yields information that CSR activities and employee perceptions of CSR programs have a positive and significant influence on employee confidence, and through employee confidence in this company CSR activities and employee perception of CSR program programs can improve the company's reputation. From the results of this analysis, the average employee agrees that CSR activities carried out by the company and CSR program program have a positive impact on employee confidence in the company, then employee confidence in the company also has a positive impact on the company's reputation. However, this analysis also shows that CSR activities are not related to the company's reputation, this is possible because the company's reputation has been very attached and strong formed from the activities of the company's main activities engaged in construction, while CSR activities carried out are more related to social, humanitarian, and environmental aspects.

CSR activities and programs have a positive impact on employee confidence because in the analysis it was found that the average employee agrees that these activities and programs encourage employee creativity and increase employee concern, while this increased employee trust also has a positive effect on the company's reputation because employees believe in the professional aspect and fulfillment of company commitments that are benchmarks. Furthermore, employee perception of the company's CSR program also has a positive impact on the company's reputation with the average employee agreeing that the programs can provide better company-related information. Lastly, the average employee argues that CSR activities have no relationship to the company's reputation but still have an impact even though it is not significant.

**CONCLUSION**

The results proved that of the six existing hypotheses, five hypotheses were accepted and the remaining 1 were rejected. The results of the analysis showed a positive relationship between CSR activities and employee perceptions of CSR programs to employee trust and company reputation. Meanwhile, from the analysis of the data it was concluded that CSR activity did not significantly affect the company's reputation.

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