



The Influence of Corporate Social Responsibility (CSR) on The Performance of MSME Innovations Under the Guidance of PT. Indocement. Tbk Cirebon during the Covid-19 Pandemic

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ABSTRACT

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The performance of innovation in MSMEs is part of economic growth, the existence of MSMEs can support the national economy even though there is a storm of economic crisis, especially during the Covid-19 pandemic. This study aims to find out the influence of Corporate Social Responsibility on the performance of MSME Innovation in PT. Indocement during the Covid-19 pandemic. The research was quantitative, using Primary and Skunder data in taking primary data using a questionnaire distributed to 30 respondents while secondary data from the Cirebon Regency SME Cooperative Office of Industry and Trade. Furthermore, the analysis technique uses simple regression and classical assumption tests using SPSS software. The results of the analysis obtained from this study show that CSR has a positive and significant effect on the innovative performance of MSMEs under the guidance of PT Indocement during the Covid-19 pandemic. (9 pt).

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INTRODUCTION

The rapid pace of Micro, Small and Medium Enterprises (MSMEs) in Indonesia. MSMEs can withstand various kinds of economic turmoil and even experience a significant increase during the Covid-19 pandemic. The increasing development of MSMEs in terms of quantity has not been balanced by the even improvement in the quality of MSMEs. The classic problem faced is the low productivity in innovation. This situation is caused by internal problems faced by MSMEs, namely the low quality of MSME human resources in the organization, mastery of technology, and limited access of MSMEs to capital, information, technology and markets. Various developments and obstacles faced, it requires participation or involvement from the Government as a Regulator or from larger business units. The involvement of the business world in the development and development of MSMEs to achieve MSME innovations expected by entrepreneurs is applied in the form of

Corporate Social Responsibility (CSR) activities. Several research results prove that Corporate Social Responsibility (CSR) is considered to still be able to have a positive influence on innovation performance. Martinez-conesa et al (2017), Ratajczak & Szutowski (2016) proved that Corporate Social Responsibility (CSR) affects innovation performance. Pousing (2018) explained that Corporate Social Responsibility (CSR) has an impact on the adoption of social innovation and open innovation (Menkes, 2018). Whereas Research gaps arise regarding corporate social responsibility (CSR) and growing innovation, according to Anna Ujwari & Krzysztof Klincewicz (2016) It seems that in the current state of knowledge progress is hampered by the lack of conceptual elaboration and the lack of a comprehensive conceptual model presenting the relationship between Corporate Social Responsibility (CSR) and innovation.

Its development in Corporate Social Responsibility (CSR) states that social and environmental responsibility or Corporate Social Responsibility (CSR) is the concern of the business world for the surrounding environment. This aims to be able to help msME players who are fostered, one of which is in innovating so that they can increase the selling value of a product. PT Indocement's Corporate Social Responsibility (CSR) continues to provide support in terms of developing Micro, Small and Medium Enterprises (MSMEs) through its Corporate Social Responsibility (CSR). By having MSME assistance, it is certainly a big concern and is manifested in various activities that have been carried out, be it training, coaching and providing direct assistance. This is one of the tangible manifestations of Indocement in terms of developing MSME innovations through Corporate Social Responsibility CSR. Therefore, researchers will review research related to the influence of CSR on the performance of Micro, Small and Medium Enterprises (MSMEs) Innovations fostered by PT Indocement.

RESEARCH METHOD

Research is quantitative, using Primary and Secondary data. The primary data collection uses a questionnaire while the secondary data is from the Cirebon Regency Industry and Trade MSME Cooperative Service. According to Sugiyono (2016) said that the object of research is an attribute or trait or value of people, objects or activities that have certain variations set by the researcher and then conclusions are drawn. This study measured the influence of Corporate Social Responsibility (CSR) on the performance of MSME innovations. The variables in this study consist of independent variables and dependent variable MSME Innovation Performance. The location of research and observation at CSR PT Indocement Palimanan Cirebon.

In this study, the population amounted to 30 MSME respondents assisted by PT Indocement, the sample to be tested was the total number of the population, namely 30 MSME respondents. According to Sugiyono (2019) stated that the sample size that was feasible in the study was between 30 and 500. The sampling technique used in this study used saturated sampling, which means that all members of the population were sampled. The data collection technique used in this study was by survey method. Meanwhile, data analysis techniques use simple regression and classical assumption tests Tables and Figures are presented center, as shown in Table 1 and Figure 1, and cited in the manuscript before appeared. The validity test results in the following table:

Table 1 Test of Corporate Social Responsibility (X) and Innovation Performance (Y) validity

Variable (X)	Number	rhitung	rtabel	Description
Corporate Social Responsibility	1	0,602	0,361	Valid
	2	0,363	0,361	Valid
	3	0,439	0,361	Valid
	4	0,494	0,361	Valid
	5	0,646	0,361	Valid
Variable (Y)	Number	rhitung	rtabel	Description

Variable (X)	Number	rhitung	rtabel	Description
Innovation Performance	1	0,377	0,361	Valid
	2	0,543	0,361	Valid
	3	0,794	0,361	Valid
	4	0,836	0,361	Valid
	5	0,838	0,361	Valid

Source : Primary Data Processed, 2022

It is based on table 1 above that the statement of each item is valid, since all rhitungs show greater than rtabel.

Reliability Test, it is said to be reliable when it reaches 0.70. Here's table 2 below:

Table 2 Realiability

Variable	Reliability Statistics	
	Cronbach's Alpha	N of Items
<i>Corporate Social Responsibility (CSR)</i>	0,799	5
Innovation Performance	0,746	5

Source : Primary Data Processed, 2022

From table 2 above, it shows that the 5th measurement of independent variable statements and 5 dependent variable statements is quite reliable because Cronbach's Alpha > 0.70 (sufficient reliability).

RESULTS AND DISCUSSIONS

1. Hypothesis Test using partial test

Table 3 Hypothesis Test.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constan)	12.249	2.935		4.174	.000
	X	.391	.164	.412	2.390	.024

a. Dependent Variable: Y

In the output table 3 above related to the hypothesis test, it is known that t count 2.390 with a significance of $0.024 < 0.050$, then H_0 can be said to be rejected so that H_1 is accepted which means that there is a positive influence related to CSR on the Performance of MSME Innovation.

CSR in sustainability practices can increase the role of innovation in improving the sustainability of the company's image. The results of research by Martinez-conesa et al (2017) and Ratajczak & Szutowski (2016) prove that CSR affects innovation performance. This research is in line with Tia Surya Ningsih (2020) and Setiawan et al that it shows a positive and significant influence of CSR on Innovation Performance.

Likewise, the findings of this study can increase awareness for MSMEs and policymakers regarding the relationship between CSR and business actors as a driver to help understand the importance of CSR as a mechanism for companies to become more innovative and competitive. Rajapathirana & Hui (2017) said that the type of innovation can affect the performance of innovation so as to improve market performance and financial performance and others related to the impact of innovation. Innovation performance can be explained as a combination of an asset and existing resources. Therefore, it takes a variety of resources, assets, and capabilities through a rapidly changing environment to achieve success. According to Rajapathirana & Hui (2017) innovation capability is defined as the capacity of new product development that meets the needs of the market, the capacity of applying appropriate process technologies to produce new products, the capacity to develop and adopt new products and processing technologies to meet future needs and the capacity to respond

to deliberate technological activities and unexpected opportunities created by competitors. Martinez-conesa et al (2016) put forward several ways to realize CSR as a driver of innovation, namely setting clear social and environmental goals for innovative products. Corporate Social Responsibility (CSR) has a significant effect on the performance of MSME innovation under the guidance of PT Indocement Palimanan Cirebon. These results provide a paradigm that the innovation performance of MSMEs obtained by the existence of activities or programs from CSR to the development of innovative products can produce and improve their business through the role of stakeholders or policymakers in the company. From various MSMEs fostered by PT Indocement, there have been significant changes related to innovations in their products, one of which is snack products ranging from packaging design, packaging contents to the validity period of the product. On the other hand, income from sales has also increased because consumers experience an interest in innovations in new products after being fostered by PT Indocement's CSR and provide convenience to get additional capital for MSME players who need their fostered business.

CONCLUSION

The results of this study resulted in Corporate Social Responsibility having a significant effect on innovation performance. The increase in CSR activities will have an impact on the performance of innovation that is increasing as seen from the existing innovation capabilities because of the evaluation from consumers, so that it can encourage product development activities because it can affect business actors. CSR utilizes the resources owned by business actors to innovate their product development in the form of changes in product design, components and architecture. CSR's ability to apply knowledge that comes from various sources through training and performance improvement provided to MSMEs assisted by PT Indocement as a form of strategy to increase market share in order to achieve progress in their business..

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