University Social Responsibility, University Image, And Higher Education Performance

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ABSTRACT.

The purpose of the study was to test the direct and indirect influence of university social responsibility, university image, and higher education performance empirically. Data used primary data, using questionnaire instrument with total respondents 138 people consisting of leaders of private universities (11 universities and 48 faculties), sample determination used purposive sampling technique, after validity and reliability test, the number of statements processed as many as 38 items. Furthermore, data processing was using Structural Equation Model with partial least square approach (PLS). The findings showed that university social responsibility had a positive and significant impact to the image of the university, while university social responsibility influenced positively and insignificant to the height education performance, university image also had a positive and significant impact on the higher education performance. The limitations of this study did not consider the variable number of students, the total assets owned by the university and the ownership status of the university. The research results had implications in the preparation of university work program and budgeting process, as well as the university promotion tool.

Keywords: University social responsibility, Image, and Performance

JEL Classification: M14, I23
INTRODUCTION

Corporate social responsibility included: economics, law, ethics and philanthropy, Carroll (2016). Sustainable growth was the key to success for corporations, and corporate social responsibility was the key to sustained growth success, companies investing in CSR, through research and label development, thereby improving company performance, (Oh, Hong & Hwang, 2017). On the other hand, understanding of human resource managers and mechanisms in CSR practices affected CSR perceptions of company performance (Kang, 2014). Overall, CSR investments were linked to income, resulting in two years after CSR investments (health programs, employee retirement, and education programs) had a positive impact on revenue.

Furthermore, internal control contributed to improved corporate performance, the corporate responsibility to shareholders and the government contributed positively to the performance of the company, on the other hand, creditor liability had a negative impact on internal control, while corporate responsibility to suppliers, employees, control customers internal (Yongming & Yini, 2016). Employee involvement in CSR had a positive and significant impact on organizational performance (Obeidat, 2016).

Corporate social responsibility in universities had mostly been done through a program of community service, both funded by internal or external. Community service activities performed well produce an image (image) of society. Image is an appreciation, a feeling that exists in society about a company or an institution about an object, person, or institution. University social responsibilities included four main areas: (1) research, teaching, support for learning and public engagement, (2) governance (3) environmental and social sustainability and (4) fair practice, (Menezes et al., 2017). The relationship between honesty and corporate social responsibility, corporate social responsibility as part of organizational culture. Higher education institutions should facilitate the role of social responsibility in the community and entrepreneurship. CSR was one of the university's strategies to gain reputation and competitive advantage, to be successful in CSR strategy, CSR actions might be internalized and supported by management, (Dahan & Senol, 2012). The implementation of CSR universities in India carried out through university partnerships with non-governmental organizations; and work with the community and
experts in dealing with some social issues, to promote the university (Shafi, 2014). The benefits of CSR could improve the image or reputation of a better company, improve relationships with stakeholders, work motivation, good communication, and effective expenditure control.

CSR concept that had been widely studied was the concept of CSR applied to companies that were "go public" or large in the world. The importance of research in the University because of the university’s existence could contribute to the realization of sustainable development, by implementing the scope of university social responsibility, the social field, the economic field and environment field in the work program of the university and also connected with the vision and mission of the university.

College was an educational service institution that should always try to fulfill the customer’s wishes. The company's image begins with the feelings of customers and business people about the company concerned as a manufacturer of certain products and as a result of individual evaluations of it.

The effectiveness of marketing communications begun with the apparent existence of the company image. Until now, college assessment "tends to focus only on aspects of academic activity, that was research and teaching, and even extending the various dimensions used to assess universities did not include the social impact dimension of universities" (Leichsenring, 2016). The implication of University Social Responsibility was policy and practiced that promoted equity, justice, and democracy in college were still a significant challenge. In this sense, the new idea of university social responsibility (USR) needed to develop benchmark standards for university social responsibility, so that it could play a central role not only conceptually, (Martin, 2016).

The purpose of this study was to test the influence of university social responsibility on university image and university performance empirically. The research contributed to the theory of legitimacy about improving the image of the university and the performance of the university, with university social responsibility activities that got public recognition (including government accreditation).

LITERATURE REVIEW

University Social Responsibility

University social responsibility acted as a critical player for social change, which had an ethical quality policy, governing the performance of the
university community, this was done through responsible management of the cognitive, labor, and environmental impacts of the university, in its interactive dialogue with the community, in order to promote sustainable human development through education, service delivery, research, teaching and scholarship.

University social responsibility as the ability to disseminate and use a set of principles and values through four processes: responsible campus, social knowledge management, professional education and citizenship, and social participation (Vallaey, 2013). On the other hand, university social responsibility was packed in three questions: what universities were responsible for, to whom they were responsible and how they were responsible (González-Alcántara, 2010). The concept of university social responsibility, outlined in the vision and mission, Maribor university was keen to compete with leading universities in Europe and around the world. Professional excellence, innovation, and ethical values would make it possible to improve the quality of education as well as to promote sustainable regional development and environmental, social responsibility.

Maribor university to fulfill its vision was carried out with the following activities, based on sustainable development principles and environmental, social responsibility: (1) achieving education and research with high standards, (2) encouraging entrepreneurial cooperation at international, national, regional, (3) developing a center of excellence, scientific and technological, (4) developing a comprehensive system for knowledge discovery, intellectual property and intellectual property management, (5) providing funds for the development of various fields and disciplines (6) developing interdisciplinary degree programs, improving communication between lecturers with effective students, (7) increasing the number of foreign students and lecturers, (8) introducing sustainable development and social responsibility to all the program degree offered.

Impacts that might have USR, namely: a). Impact organization "which meant that the university had a social, environmental responsibility to the employees and the Environment, b) cognitive impact" related to knowledge because the university had scientific and technical responsibility research activities, c). Social impacts "through improving the" Community of mutual learning towards social development "and d) impact of education" through the preparation of students and development
into responsible citizens and their ability to participate in community development,[14]. University social responsibility should be integrated into the curriculum to assist students in making social and environmental decisions as entrepreneurs,[15]. They found that some universities promoted environmental initiatives to minimize impacts (e.g., greenhouse gas emissions reduction). Important CSR included: organizational governance, human rights, labor practices, the environment, fair operation practices, consumer issues, and community engagement and development, [16].

University social responsibilities were reflected in need to strengthen active and voluntary citizenship responsibilities, ethical approaches, developed a sense of civic citizenship by encouraging students and academic staff to provide social services to local communities or to promote commitment to local and sustainable global development based on environmental sustainability,[17]. The case at the Faculty of Economics of the University of Osijek Croatia developed a voluntary program to raise students’ awareness of the importance of voluntary and active community involvement. Some of the programs were real Work Lectures and entrepreneurial skills as well as competencies (self-awareness development, learning how to learn, managing stress, analyzing and solving problems, and stimulating communication development), [38].

The concept of university social responsibility was still largely concerned with how to shift the supply curve of the right bachelor’s degree, the link and match problem, the college’s contribution to the Tri Dharma of Higher Education or in the effort to educate students to be more responsible.

The level of university social responsibility practice should be considered as a critical component of university social responsibility practiced: (1) economic level, (2) ethical level, (3) Sub-social level, (4) philanthropic level, and (5). The results of this study concluded that: (1) information technology was not used effectively to enable interaction necessary to inform stakeholders in terms of elements of accountability; (2) environmental information was not easily found on university websites as well as in annual SR reports, (3) there was little awareness of the importance of social responsibility between participants and stakeholders, and (4) university social responsibility was more focused on legitimacy and public image rather than on the needs, hopes, and demands of the communities in which they operated, [18].
University Image

The image was the public perception of the company or its product. The type of image could be identified, that was: (1) corporate image, that was the society's view toward the whole company, (2) the product image, the society view to a product, and (3) brand image, against a product brand, [19]. Company Image was people perception of the image of an organization and these perceptions were created through the senses: sight, hearing, smell, feeling of feelings and feelings experienced through the used of products, customer services, the commercial environment, and corporate communications,[20]. Divide the four categories of image (image): product class image, brand image, user image, and corporate image. The corporate image was categorized as product reputation, customer relationship, employee role, ethical reputation, and others,[21].

Measurement dimension of corporate image, that was: (1) dynamic that organization or company had to be dynamic became pioneer, attract attention, active and goal-oriented. (2) the cooperative that an organization might be able to cooperate (friendly, liked, made people happy and had good relations with others). (4) the character was a good organization, might have a good character, for example, had good ethics, good reputation and honorable, (5) successful was a good financial performance and had a sense of confidence, (6) withdrawn the organization might be able to hold back, [19].

Performance

The performance was a description of the achievement level of activity implementation, program, policy in realizing the goals, objectives, mission, and vision of the organization contained in the formulation of the strategic scheme (strategic planning) of an organization. Some experts suggested that the most commonly used company performance measures in empirical research were the financial performance, operational performance, and market-based performance, [22].

The performance was usually assessed using accounting-based data measurement or financial data. The disadvantages of all accounting-based data measurements were focused on past performance, [23]. Data from previous years very little could indicate the future potential of a company. The increasing used of the balanced scorecard concept suggested that non-financial performance was also an important aspect of company performance measurement, [23]. This non-financial performance was also
known as an operational performance in which aspects were able to measure performance when available information was linked to existing opportunities but had not yet been realized financially. Overall market-based performance would be affected when the market knew information about the company’s operations that were not included in the financial performance results.

**Development of hypotheses**

Some companies in Pakistan that implemented CSR and could improve the company’s brand image, [24]. Corporate social responsibility positively affected the brand image of the company Telkom, [25]. Corporate social responsibility positively affected the brand image, [26], [27], [28]. So the first hypotheses proposed: H1: University social responsibility had a positive and significant impact on the university image.

Corporate social responsibility has a positive and significant impact on company performance [29]. Corporate social responsibility positively influences profitability [30]. Universities can win the goodwill of stakeholders through corporate social responsibility [31].

Corporate social responsibility was positively related to firm value, if customer awareness was high, while customer awareness was low, then CSR was negatively related to firm value, [32]. Corporate social responsibility had a business commitment to enhancing economic development, quality of family life, and the broader community to enhance the reputation of the university and its competitive advantage, [33]. So the second hypothesis proposed: H2: University social responsibility had a positive and significant impact on university performance.

The effect of corporate image on corporate performance, which results were positive and significant, [21]. There was a positive relationship between corporate image and benefits for the company. [20]. Image companies were able to moderate the influence of CSR on customer satisfaction and loyalty [39]. So the third hypothesis proposed: H3: University image had a positive and significant impact on university performance.

**METHODS**

**Data and samples**

The data used primary data, by sending questionnaires to respondents to be filled, consisting of university leaders (vice-rectors academic and head
of research institutes and community service) and faculty leaders (deans and vice deans academic). Selection of the university as a place of study because the university had a larger activity than a high school or institute so that university social responsibility was greater. The number of universities in the city of Palembang was 11 universities with the division of the number of respondents was the number of faculty that was 48 faculties and every two respondents plus rectorate each 2, so there were 138 respondents, sampling technique used purposive sampling.

After the validity test, the variable of university social responsibility was 20 valid items, university image variable was 8 items, and valid university performance variable was 10 items, (invalid statement no longer used/ eliminated) after it was tested the reliability where the composite reliability for university social responsibility variable (X) was 0.928, the universality image variable (Y₁) was 0.845, and the variable of university performance (Y₂) was 0.910, it was said to be reliable if the composite value was above 0.70, so the three variables otherwise reliable could further be processed.

Measurement Variable

Independent variables of this research were: University social responsibility, which consisted of 1). CSRU of social field, which was proxied by: (a) right, (b) sustainable human resource development, (c) labor policy, (d) gender (e) poverty, (f) disability (g) opportunity and equity, (h) ethnicity, (i) work culture, (j) voluntary, and (k) acts of charity, 2). CSRU of economic field, which was proxied by: (a) openness, (b) principles of governance, (c) availability of quality and security of services, (d) code of Ethics, (e) protection of intellectual property rights, (f) copyright protection, and (g) Small Medium, micro-enterprise training. 3). CSRU of Environmental, which was proxied by: (a) natural seminar protection, (b) the surrounding environmental organization structure, (c) environmental technology investment (d) service environment, and (e) campus environment [18], [16], [34], Vallaeys (2013), [35], & [36].

Dependent variable 1 (intervening) which used in this study was university image, which was proxied by 1) Dynamic 2) cooperative, 3) business 4) character, 5) confidence and 6) self-restraint, [19]. Dependent variable two, which used in this study was university performance, which was proxied with financial performance and operational performance, [23].
RESULTS

Statistic descriptive

Here was a description of the university profile and respondents from 11 universities and 138 respondents who were sampled in the study.

Table 1. Characteristics of Universities and Respondents

<table>
<thead>
<tr>
<th>No</th>
<th>Information</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>University existence</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>until ten years</td>
<td>2</td>
<td>18.18</td>
</tr>
<tr>
<td></td>
<td>above ten years</td>
<td>9</td>
<td>81.82</td>
</tr>
<tr>
<td>2</td>
<td>Study program accreditation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>unaccredited</td>
<td>15</td>
<td>10.87</td>
</tr>
<tr>
<td></td>
<td>accredited</td>
<td>123</td>
<td>89.13</td>
</tr>
<tr>
<td>3</td>
<td>Institutional accreditation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>unaccredited</td>
<td>5</td>
<td>45.45</td>
</tr>
<tr>
<td></td>
<td>accredited</td>
<td>6</td>
<td>54.55</td>
</tr>
<tr>
<td>4</td>
<td>Website</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>inactive</td>
<td>2</td>
<td>18.18</td>
</tr>
<tr>
<td></td>
<td>active</td>
<td>9</td>
<td>81.82</td>
</tr>
<tr>
<td>5</td>
<td>Last education respondents</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Master degree</td>
<td>76</td>
<td>55.07</td>
</tr>
<tr>
<td></td>
<td>doctoral degree</td>
<td>62</td>
<td>44.93</td>
</tr>
<tr>
<td>6</td>
<td>Long of respondents</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>One year until four years</td>
<td>56</td>
<td>40.58</td>
</tr>
<tr>
<td></td>
<td>Five years until eight years</td>
<td>73</td>
<td>52.90</td>
</tr>
<tr>
<td></td>
<td>above eight years</td>
<td>9</td>
<td>6.52</td>
</tr>
<tr>
<td>7</td>
<td>Age of respondents</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>under 40 years</td>
<td>15</td>
<td>10.87</td>
</tr>
<tr>
<td></td>
<td>above 40 years</td>
<td>78</td>
<td>56.52</td>
</tr>
<tr>
<td></td>
<td>until 55 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>above 55 years</td>
<td>45</td>
<td>32.61</td>
</tr>
<tr>
<td>8</td>
<td>Gender of respondents</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Man</td>
<td>104</td>
<td>75.36</td>
</tr>
<tr>
<td></td>
<td>Woman</td>
<td>34</td>
<td>24.64</td>
</tr>
</tbody>
</table>

Convergent Validity and Composite Reliability

The test of the questionnaire was done 2 times, because the first test contained some statement items whose results were not valid (university social responsibility variable of 28 items after tested only 20 valid items (outer loading value might be above 0.5), for image variables the university of 8 items after tested turned out to be all valid, while the university performance variable of 11 items after tested turned out to be only 10 items valid. So total items to be processed as many as 38 items.
For Composite Reliability might be above 0.7 and could be seen table below.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Composite Reliability Before elimination</th>
<th>Composite Reliability After elimination</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USR</td>
<td>0.928</td>
<td>0.919</td>
<td>Good</td>
</tr>
<tr>
<td>2</td>
<td>Image</td>
<td>0.845</td>
<td>0.793</td>
<td>Good</td>
</tr>
<tr>
<td>3</td>
<td>Performance</td>
<td>0.91</td>
<td>0.890</td>
<td>Good</td>
</tr>
</tbody>
</table>

**Model Structure Testing**

Based on the calculation of R-Square construction of University Image (Y1) was 0.591 and University Performance (Y2) was 0.443, the bigger independent variable explained dependent variable so that stronger of the structural equation. The hypothesis proposed testing can be seen from the t-statistics after processing the data. The limit for rejecting and accepting the proposed hypothesis was that if the value of t exceeds the t-table value (α = 0.05) of 1.96 and the correspondence of the hypothesis (positive or negative), then the hypothesis would be accepted or rejected by the null hypothesis. The result of statistical estimation could be seen in table 3 below.
Table 3. t-statistics and hypothesis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Standard Error</th>
<th>t-statistic</th>
<th>Hypothesis</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>X -&gt; Y1</td>
<td>0.769</td>
<td>0.776</td>
<td>0.034</td>
<td>22.409</td>
<td>H1</td>
<td>accepted</td>
</tr>
<tr>
<td>X -&gt; Y2</td>
<td>0.124</td>
<td>0.116</td>
<td>0.097</td>
<td>1.274</td>
<td>H2</td>
<td>accepted</td>
</tr>
<tr>
<td>Y1 -&gt; Y2</td>
<td>0.566</td>
<td>0.578</td>
<td>0.094</td>
<td>5.989</td>
<td>H3</td>
<td>accepted</td>
</tr>
</tbody>
</table>

DISCUSSION

First Hypothesis (H1)

The result of test to parameter coefficient between university social responsibility toward university image showed positive influence that was 76.90% (that was based on original sample value X → Y1 with the value 0.769) and significant at (α = 0.05) with statistic value 22.409 (above 1.96) so that the results of this study accepted the first hypothesis (H1). Based on the results of this study, it could be concluded that university social responsibility had a significant positive impact on the university image.

These results indicated that the greater university social responsibility both the social, economic, and environmental fields that they did, then the image of the university would be even greater. This was because the more and greater activities of university social responsibility, it would lead to more people know the activities of the university, the public would get a positive impression and ultimately the image of the university through the dynamics of the university, cooperation both domestically and abroad, understanding the business mindset by the leadership, the achievement that they got and able to held themselves when having problems. The larger the area that used as TJSU activities, it would also be the broader university image, in the end, the prospective students would vary when viewed from the origin of the region. The results of this study were consistent with previous research [24].

Second Hypothesis (H2)

The result of the test to parameter coefficient between university social responsibility toward university performance showed a positive influence 12.40% (that was based on original sample X → Y2 with value 0.124) and significant at (α = 0.05) with statistical value 1.274 (below 1.96) so that
the results of this study accepted the first hypothesis (H₁). Based on the results of this study, it could be concluded that university social responsibility positively and negatively affected the university image.

These results indicated the greater university social responsibilities that they undertook through the implementation of human rights, sustainable human resource development, regulated labor policies, no gender issues at the turn of the leadership, contributing to the condition of society (poverty), accepting students who were physically disabled, provided employment opportunities to all employees and lecturers, did not challenge ethnicity, had a conducive working culture, volunteer in various activities and did charity to help the community, then university performance would increase but less significant. The more and greater activities of university social responsibility, it would result in the public increasingly knew the activities of the university, the public would get a positive impression, but indirectly the university performance would grow bigger and wider. The broader the area used for the university social responsibility activities would also increase the university performance so that the university performance would be established through the university image first. The results of this study are less consistent with previous studies.

**Third Hypothesis (H₃)**

The result of the hypothesis test on the parameter coefficient between university image to university performance showed a positive influence 56.60% (that was based on original sample value Y₁ → Y₂ with value 0.566) and significant at (α = 0.05) with statistical value 5.989 (at below 1.96) so that the results of this study accepted the first hypothesis (H₃). Based on the results of the study could be concluded that the university image had a significant positive effect on university performance.

These results indicated that the greater university image or, the broader the university image was captured by the community so that university performance would increase significantly. The more and greater positive university image formed by the community; then, the public would inform or inform others to make the selection of universities that were considered good image. In the end, university performance would also increase both operational performance and financial performance. The results of this study were consistent with previous research, [21], [20], & [37].
To see the contribution of the independent variable to the dependent variable could be seen from the result of r square analysis, that was Y1 of 0.591 and Y2 of 0.443. This value showed the magnitude of the influence of university social responsibility variable to the variable of university image of 0.591, or 59.10 percent, while other factors outside the unobserved model influenced the rest (40.90 percent). Furthermore, the influence of university social responsibility on the university performance variable was 44.30 percent. This value meant that the university social responsibility contributed to the university performance of 44.30 percent, while the rest 55.70 percent was influenced by other variables which were not researched.

CONCLUSION

This research could be concluded that: 1). The head of the university in Palembang City, in principle, had done most of the forms of university social responsibility but had not realized the importance of it to image and performance. 2). a. Implementation of university social responsibility positively and significantly affected the university image, b. University social responsibility had a positive but insignificant effect on university performance, c. University image had a positive and significant impact on university performance.

The limitations of this study did not consider the variable number of students, the total assets owned by the university and the ownership status of the university. Recommendations to university leaders, so that the commitment to the university social responsibility program was enhanced by pouring in the vision, mission, goals and worked programs of university and faculty and incorporated into university and faculty budgets. Recommendation for government, so that this program could be incorporated into the instrument of accreditation both institution and study program.

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