

THE ROLE OF TRUST AND AFFECTIVE IDENTIFICATION AS A MEDIATOR BETWEEN PERCEIVED CSR AND INTENTION

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Abstract - This research about CSR was conducted at educational institutions, where the purpose of this study was to evaluate CSR activities. It is known that CSR activities are an obligation from the government to companies. This study examined CSR being perceived by the participants, where the perception influences trust and affective identification that will ultimately have an impact on intention. Intention means a reaction to attend the training which one matching with what the participants need. CSR activities do not only aim to fulfil the responsibility, but the company sincerely provides training to improve the quality of community life. The rresearch uses smartPLS 3.0. and a total of 100 respondents. The results of this study showed a significant relationship between perceived CSR to the trust as well as affective identification. Trust and affective identification showed a successful mediator between perceived CSR and intention.

Keywords: *purchase intention, perceived CSR, affective identification, trust.*

Introduction

Companies can be recognized as one of national economy lives. The majority of companies are established for the purpose of making profits as maximum as possible and reduce losses as minimum as possible. On the other hand, Hernan (2010) claims that 75% of social and environmental issues are caused by companies. It is expected that by the practice of corporate social responsibility, social and environmental issued can be resolved. Moreover, in its development, CSR becomes global business norms involving international non-governmental organizations such as World Resources Institute (WRI) and standardization institutions such as International Standards Organization (ISO) and UNO (United Nation Organization). All these institutions have the initiative to achieve specific targets to improve social involvement and performance of the world's business community (Godfrey and Hatch, 2007). UNO held Millennium Development Goals (MDG) commencing from 2000 to 2015 and then establish Sustainable Development Goals (SDG) which runs from 2016 to 2030. According to the news of Tempo (August 2015), MDGs were entirely successfully executed, not only in Indonesia but also in other countries and later UNO re-created the goals for new world's development called SDG. There are 17 points of SDGs and most of the goals in MDG are still valid in SDG.

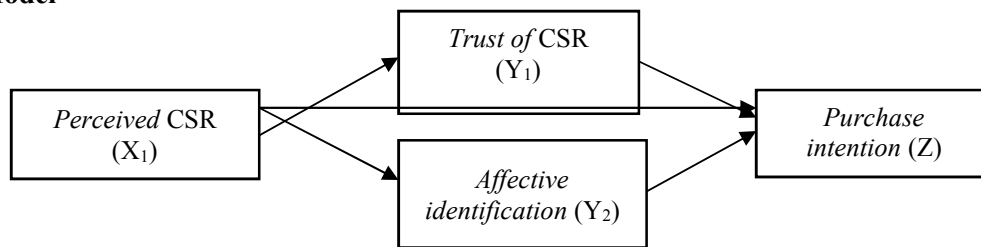
The purposes of SDGs are to: eradicate poverty, eliminate hunger, good health and well-being for all ages, quality education, gender equality, clean water and sanitation, affordable and renewable clean energy, decent work and economic growth, innovation and infrastructure, reduce inequality among countries, sustainable communities, responsible consumption of resources, combat climate change, conserve the seas, responsible use of land, peace and justice, and partnership for sustainable development. It means that CSR is expected to help companies achieve the targets of SDG.

All companies conduct CSR with no exception to educational institutions. The activity of Higher educationis training such as seminars and direct teaching inside or outside the institution building aiming at increasing knowledge and capacity of the community. Of the various activities held by Higher education, there are numerous topics given to the participants but regular scheduling is highly dependent on the availability of HR and room facility which at the present time still become an ongoing obstacle. Under these existing limitations, Higher education continually finds ways to improve performance quality

of its CSR. A good CSR performance of an institution will achieve success expected to be beneficial not only for the institution itself but also for the surrounding community. Recent perception of CRS needs evaluation in order that community's trust toward institution's existence can be continually maintained so that people are motivated to regularly attend the training to increase their quality. It should be appropriate that communities around an institution benefit from its existence. An institution does not only benefit its organisation but also provide a lot of benefits for the welfare of its environment.

Based on the above data, it is important to conduct a research on the role of trust and affective identification as a mediator between perceived CSR and intention.

Model



Research Method

The research employs quantitative method with the research type of associative. The sampling technique employed is probability sampling which means a technique that provides equal opportunities for every member of the populations selected to be the sample. The population of this research is training participants who have completed a minimum of one training. The sample is calculated using Slovin formula:

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

$$n = \frac{6360}{1+6360.(0.1)^2} = 98.45$$

The analysis is using SEM PLS method and smartPLS 3.0 tool.

Discussion

Validity

This value is a value of cross loading factor that is useful to find out whether the construct has sufficient discriminant that is by comparing if the loading value on the targeted construct should be greater than the loading value on the other construct. Variable indicators of perceived CSR, trust, affective identification and intention meet the requirements of discriminant validity.

Reliability

Composite Reliability is a test to show consistency level or the extent to which a measuring device can be trusted to be reliable. Basis for decision making to the test of internal consistency reliability, according to Wong, K. Kwong-Kay (2013) are as follows:

	Composite Reliability
affective identification	0.852
perceived csr	0.916
purchase intention	0.928
trust of csr	0.918

Figure 2 The Result of Composite Reliability

Based on the above output, it is shown that the value of composite reliability >0.7 means it is reliable .
R-Square

R Square

	R Square
affective identification	0.309
purchase intention	0.134
trust of csr	0.316

Figure 3 Output R-Square

Based on the above results, it can be seen that affective identification is influenced by perceived CSR by 30.9 %. Whereas simultaneously perceived CSR, trust and affective identification influence Intention as 13.4%. Meanwhile trust is influenced by perceived CSR by 31.6% .

Path Coefficients

The significance of path coefficient can be seen from the value of t statistic (critical ratio) obtained from a bootstrapping process (resampling method).

Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
affective identification -> purchase intention	0.054	0.056	0.142	0.376	0.707
perceived csr -> affective identification	0.556	0.572	0.067	8.339	0.000
perceived csr -> purchase intention	0.093	0.091	0.112	0.838	0.403
perceived csr -> trust of csr	0.563	0.565	0.065	8.596	0.000
trust of csr -> purchase intention	0.265	0.270	0.132	2.009	0.045

Figure 4 T-Statistics from Path Coefficients

Based on the results of path coefficients after performing bootstrapping, the results of direct effect between variables reveal the following:

- Perceived CSR has an influence on trust
Tstatistics : 8.596
Tvalue : 1.96
Perceived CSR significantly influences trust.
- Perceived CSR with affective identification
Tstatistics : 8.339
Tvalue : 1.96
Perceived CSR significantly influences affective identification.
- Perceived CSR has an influence on intention.
Tstatistics : 0.838
Tvalue : 1.96
Perceived CSR does not significantly influence intention.
- Trust toward intention
Tstatistics : 2.009
Tvalue : 1.96
Trust significantly influences intention.
- Affective identification toward intention
Tstatistics : 0.376
Tvalue : 1.96
Affective identification does not significantly influence intention.

Indirect Effects

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics (O...	P Values
perceived csr -> purchase intention	0.179	0.184	0.071	2.522	0.012

Figure 5 T-Statistics from Indirect Effects

Meanwhile the result of indirect effect after bootstrapping are conducted at path coefficients reveals that perceived CSR has an influence on intention through affective identification and trust of CSR.

Tstatistics : 2.522
Tvalue : 1.96

Perceived CSR significantly influences intention through affective identification and trust. It can be stated that affective identification and trust serve as a mediator between perceived CSR and intention.

Someone who perceives positive about CSR may influence trust level within her/himself. This is consistent with previous studies that Tian (2011) mentioned that perceived CSR positively influences trust of CSR. Perceived CSR results in customer's expectation which is able to foster trust on the CSR activity. In this study, communities who perceive positively about CSR can foster their trust to CSR activities. Lin (2011), Vlachos (2009) revealed that companies that have CSR activities with the proper ethics will affect consumer's trust on the company. Majority of the respondents were women in line with the previous study that Lin (2011) mentioned that it is true that women are more supportive to companies conducting CSR activities.

Participants who have attended training have positive perception towards educational institutions organizing the CSR so that the community feels that they are part of the activity. This is a success for the institution performing the CSR when they get a positive perception in the community that their existence is accepted in the surrounding environment. In the previous study, Lin (2011) stated that perceived CSR can create affective identification within the customer. Lin (2011), Lichtenstein (2004) revealed that a person's affective identification may be created from the consumer's presumption in perceiving the primary value of CSR. This identity is formed from the company's missions, regulations, activities, and social status that will represent the company's values and characteristics (Lin 2011; Scott 2000). A good and positive judgement from the community towards a CSR performance will provide differentiation compared to other institutions, especially if the community themselves feel that they are part of the institution itself.

This study shows that not all positive perception on an institution's CSR performance will directly influence community's intention for involvement. The CSR positive perception does not directly influence the community's interest on the training offered. The previous research explained that consumers of a service have two considerations for involvement; information and individual encouragement (Öberseder, 2011). Supported by (Öberseder 2011; Bray 2011; Devinney 2006) investigating that information is one of consumers' considerations on their consumption decision. In this study, the information received by the community is insufficient as the information is conveyed online by Higher education whereas not all community follows online information. It will be a valuable suggestion for Higher education when the information is published by other various offline media so it stimulates trust what will eventually raise the interest for involvement.

Consumers' trust is defined as consumers' faith towards a company (Lin 2011; Crosby 1990). Previous studies realized that trust is a prerequisite in building relationships with consumers that will result in purchase intention (Lin 2011; Vlachos 2009; Sen 2003). A number of studies claim and conclude that the higher the consumers' trust is, the higher their intention will be, therefore it is necessary to build a strong trust.

In cognitive and affective identification in organizational settings by Johnson (2012), it is mentioned that affective identification is associated with a positive feeling about membership that includes pride, enthusiasm, a sense of affinity with others. These emotional experiences illustrate “value significance” from social identity, meaning that individuals evaluate their membership value positively or negatively. Direct emotional experiences and personal identity create affective identification, defined as individual feelings about themselves in relation with social referrals and their assessment upon their community’s social identity. In this research, experiences and personal identity do not directly boost their motivation to attend trainings. Each member of the community attend trainings due to their individual needs and not because of community or organizational identity where they attend the training.

Consumers’ trust on CSR actions by a company is a directly visible consequence from the company’s social performance (Pivato 2008; Tian 2011), and significantly influence further consumers’ attitudes and actions in response to CSR (Aqueveque 2005; Tian 2011). As the participants believe in the institution upon its CSR performance, the next attitude is they will be interested in continuing attending the trainings so that institution’s goal in improving community’s capacity will be achieved.

Conclusion

The results of analysis answer the following hypotheses:

1. Perceived CSR significantly influences trust.
2. Perceived CSR significantly influences affective identification.
3. Perceived CSR does not significantly influence intention.
4. Trust significantly influences intention.
5. Affective identification does not significantly influence intention.
6. Perceived CSR significantly influences intention through affective identification and trust.

Suggestions

Suggestions for Higher Education

- Affective identification does not have any significant influence on intention. Participants are likely to feel that they are part of the institution organizing the CSR activities but there are other things affecting the interest to attend the training. Therefore, a further study needs to be conducted about another variable affecting the interest in attending trainings such as involving a control variable that is respondents’ working status in order to find out the driving factors of the needs to affiliate with the institution. This affective identification function also needs to be investigated more deeply in order to find out in details the factors of values perceived different from other places thus it can be used for the development of the next CSR performance. In this case, Higher Education needs to campaign for the novelty level of the offered training topics so the participants feel the urgency of this material in order to continue improving their competence sustainably and build up a strong affiliation between the participants and the institution organizing the training.
- Perceived CSR has directly influence community’s interest in participating in the training. Journal of Consumer responses to corporate social responsibility (CSR) in China (2011) claims that not all industries managed to satisfy their customers in the use of CSR practices. In reality, CSR perception is not merely able to boost interest in the training offer. Participants who only know CSR activities without being involved from inside as well as their thoughts will not be influenced in their purchase intention. Therefore, Higher education should build up community’s trust and increase the involvement of the community in order to have a significant effect to gain interest in the offered training.
- Öberseder (2011) explained about the interest in CSR and the role of CSR towards buying attitudes. This study reveals three factors that can be used to determine consumers’ behaviors; core factor, central factor, and peripheral factor. Core factor mentions that information given to the consumers has two dimensions. The first dimension is the level of information and type of information, meaning that CSR activities should be distributed properly (not too little and not too excessive). The second dimension is that CSR activities are perceived to have positive and negative impacts. As an example: the positive impact of CSR activities give benefits of specific knowledge and skill, but the negative impact is that there are participants who are not committed to the schedule so that it disrupts the

learning process which gives a less interesting training perception. Peripheral factor shows three additional factors in influencing participants' interest to attend the training. These factors include company's image, CSR credibility, and influence of peer group. The company's image comes from the company's actions where it is expected that they can give their best in the implementation of the activities. CSR credibility is influenced by the suitability between the company's activities with the institution's core competence.

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