

**CSR and Sustainable Development :**  
*a Multinational Perspective*



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# Building University Image and Reputation through Social Responsibility

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## Abstract

*University as an organization established for a long period. In effort to maintain the survival and quality of development, university needs to develop the right strategy, commitment, and concern for handling social issues. Strategies that can be done to improve the image and reputation of the university in the minds of stakeholders is through social responsibility. The image of university reflects the public's perception about social responsibility which is done as a form of public perceptions, objectively based on their experience. Stakeholder assessment reflects the reputation of the university, either in the form of self-assessment in whole or obtained from comparing with other universities. Good image and reputation is one of the competitive advantages. University social responsibility is not only limited to the internal parties (faculty, staff, and students), but also to external parties (environment, community, business, and government). In addition, the implementation of social responsibility in university can partner with local governments and companies, both private and state enterprises.*

**Keywords:** *image, reputation, and responsibility social*

## 1. Introduction

The company was established in general for a long period of time. The company will exist if it has a good image and reputation in the minds of consumers and customers. There are many ways to establish the image and reputation of the company, one of which is through corporate social responsibility (CSR).

Nowadays, many companies are realizing the importance of CSR. CSR is the commitment of business world to act ethically, legally operate and contribute to economic development, improving the quality of life of employees and improving the quality of the local community and society at large. CSR not only fulfill the obligation set by the Act, but it is part of the company's business strategy relating to the sustainability of the business in the long run. It is recognized, considering the company must have the commitment and concern for the handling of social problems, to be able to survive (going concern). CSR program is the company's commitment to support the creation of sustainable development.

A good image will have a beneficial impact to the organization. According to Steinmetz cited in Sutojo (2004), image defines as the public perception of its corporate identity. Corporate image begins with the public perception of the activities of the company which can form the customer's perception of time (Gregory & Wiechmann, 2001). Furthermore Leblanc (2001) described the company's image as a public impression about what the company do.

Reputation is a value that is given to individuals or institutions. Reputation can not be obtained in a short time, because they need times to create something that can be judged by the public. Reputable companies have a positive effect on the survival and profitability of the company, as well as an effective mechanism to maintain or gain a competitive advantage (Fomburn et al., 1996). Reputation reflects the company's value for enterprise customers, whether it is their own assessment of the company as a whole or obtained from comparing with the company's competitors.

The reputation of the company is a strategic asset, because it can increase the company's value. Strong reputation helped the company not only in selling products with affordable prices, but also in attracting high-



potential employees to work on it. Company with a strong reputation tends to be the ideal company and mooring for a professional. Corporate image and reputation is built social activities through two entities from customer perception.

According to Rowe and Mason (1992), an organization has a responsibility towards the social environment and the natural environment. Organizations have a responsibility to the social environment for organizations (both profit-oriented, semi-profit oriented and socially oriented) is a legal entity. University as a legal organization entity can not be separated from social responsibility to the environment.

Indeed, the university has been carrying out CSR, which is carrying out social responsibility in education, research and community service, known as the *Tri Dharma Perguruan Tinggi*. As an organization in general, the university was established for a long period of time, therefore, universities need to bring up the image and perception of good in stakeholders mind.

Universities Social responsibility in this context is an analog of the term corporate social responsibility. Remember, characterized by a non-profit university, the term corporate becomes less precise, so use the term university as a counterpart (Widyatoro et al, 2009).

## 2. Corporate Social Responsibility

In short Corporate Social Responsibility (CSR) can be interpreted as a company socially responsible that is voluntary. CSR is a concept that encourages organizations to have a balanced social responsibility to customers, employees, communities, the environment and other stakeholders. Iriantara (2004) presents the elements of CSR activities as follows: (1) continuity and sustainability. This means that CSR activities should be carried out continuously in the long-term, systematic and planned to be evaluated; (2) Community empowerment 'community empowerment'. That is, the CSR program conducted in an effort to make the community more independent than before the CSR; (3) two ways, that is to say, the company is not acting as a communicator alone, but also to be able to listen to the aspirations of the community.

According Wibisono (2007) CSR implementation by a company provide many benefits, including: (1) maintain or boost the company's reputation and brand image; (2) deserve a social license to operate and; (3) reduce the risk of the company's business; (4) to widen access to resources; (5) spread access to markets; (6) to reduce costs; (7) to improve relations with stakeholders; (8) to improve relations with regulators; (9) improve employee morale and productivity; (10) the opportunity to get an award.

In a study conduct by Budiarsi, cited by Saputri (2010), there are several reasons why CSR is becoming very important in the formation of the company's image. The reason is that, the transparency factor that puts the company as always in the microscope lens, so it can be viewed by anyone and the impact is anyone can figure out social responsibility activities quickly. The next factor is the knowledge of the consumer in choosing a product or a company that not only underlying business from the financial sector, but also social and environmental factors. The third factor is the sustainability of the universe. And the last is this era of globalization where the community wants a balance between the desire of the company to a wider public desire.

CSR concept arising from distrust of the company. According Wibisono (2007), says that businesses increasingly realize that companies are no longer faced with the responsibility that rests on a single bottom line, ie the value of the company (corporate value) which is reflected in the financial condition, but must pay attention to social and environmental aspects. According Tjipta (2008), CSR will be a business strategy that is inherent in the company to maintain or improve competitiveness through product reputation and brand loyalty or corporate image. Secondly it is a competitive advantage that is difficult for competitors to imitate.



### 3. Corporate Reputation

The company's reputation is one of the important components in the business world in the form of goods or services. Reputation or good name is one of the targets to be achieved by a company. Good and bad reputation of the company is an important indicator of the success of the company. Maintaining the reputation of the company is a shared responsibility of each department contained in the company. Reputation is a value judgment regarding the quality of the company based on time series is focused on the activities and strategies are implemented. Reputation can not be obtained in a short time, but must be formed gradually and continuously to get an assessment of the various parties. Therefore, in chronological dimension is always attached to the company's reputation. The company has a good reputation as a result of the ability to provide high quality products, have credibility, and in accordance with social responsibility (Nguyen and LeBlanc, 2001).

Reputation is essentially a representation of past perceptions and future prospects that describe the company's overall performance (Fombrun, 1996). There are five factors that affect the organization, namely being, action (doing), communicating, listening, and seeing. Organizations need to take action planned to build an impression in the eyes of its stakeholders, the confidence in the organization can be maintained. Meanwhile, according to Helm (2007), defines reputation as an overview of the perception of each stakeholders about how well the company provide a response or responses.

The company's reputation is an important issue for the sustainability of the company. Reputation may explain why customers prefer products or services offered by a company rather than by competitors and that distinguishes between success or failure. The more credible, then the company will be more confident to defend himself face of external claims and negative publicity.

In order to properly manage the reputation it needs measurement. This process, if well done, will be able to show the condition of the company's reputation when compared to competitor's reputation. In addition, the measurement of a company's reputation can also show the sectors and stakeholders that need to be prioritized to be addressed. In general, the results of this measurement also serves as a road map for reputation management process itself. Some of the company do reputation measurement by a simpler approach. For example, by looking at the media coverage and further analyzed into a reputation score cards. This option is better than no action at all evaluation. This approach is more focused on recording the outcomes of public relations activities in the media, while its impact on the target audience has not been detected from the measurement. Especially if it is associated with the actual role of public relations in the field often only act as a transmitter, not as a decision maker.

In measuring the reputation is not only by calculate the gap between what is presented and perceived media has been done by the company. Reputation measurement process is done in the following way:

1. Determine the stakeholder is the key of the company. Stakeholders consist of employees, customers, potential customers, suppliers, shareholders, NGOs, the media, analysts, the House, or the government. Who are the key stakeholders are determined by the type, scope (local, national, regional, global), and situation (before the IPO, the crisis) facing the company. Each of these stakeholders have realized the degree of interest and different needs.
2. Determine the directional components (drivers), in the form of attributes, qualities, feelings, and image or other form. In this phase of qualitative research plays an important role in tapping into the steering components. In general, there are four basic indicators that can be used as capital in tapping the steering components to determine how strong the reputation of a company.
  - a. The competitive of companies in selling their products at a premium price in a long time period.
  - b. The company's ability to recruit and retain qualified key staff.



- c. firm consistency in words of mouth support in the form of either a positive recommendation from the supply side as well as marketing.
- d. Alignments public when there are problems, not limited to the company's ability to circumvent the media or public criticism.

Fombrun (1996) claims that in order to build a favorable reputation four attributes need to be developed. These are credibility, trustworthiness, reliability and responsibility.

1. Credibility - the extent to which stakeholders believe an organization is objective, expert and that statements and claims are likely to be fulfilled.
2. trustworthiness - the extent to which an organization can be depended upon to deliver on its promises.
3. Reliability - the extent to which an organization achieves a consistent level of product / service performance.
4. Responsibility - the extent to which an organization is perceived to act in the interests of its stakeholders and communities.

#### 4. Image University

The image can be said to be a community-oriented perception of experiences, beliefs, feelings, and knowledge of the company. Aspects of company-owned facilities and services delivered to consumers employees can affect consumers' perceptions of the image. Thus, the image is one of the most important assets of the company or organization that should continually be built and maintained. A good image is a powerful device, not only to attract consumers to choose the product or the company, but also can improve the attitude and customer satisfaction with the company. Corporate image can not be manipulated, means that the image does not come by itself, but shaped by society, communication and disclosure of company activities. Build the image can not be done spontaneously at a given time, but it is a long process. Imagery is all perception of the object formed by the consumer by way of processing information from various sources all the time.

Kotler explains that, "corporate image is the consumer's response to the total offering and is defined as a sum the belief, ideas, and impressions that a public has an organization". Nguyen and Leblanc revealed that the company's image as: "Corporate image is described as the overall impression made on the minds of the public about organization. It is related to business name, architecture, variety of products / services, tradition, ideology, late to the impression of quality communicated by each employee interacting with the organization's clients ". Meanwhile, according to Dowling, "the corporate image is a set of beliefs and feeling about an Organizations".

Soemirat and Ardianto (2007), argued the benefits of the establishment of good corporate image and strong which is as follows:

1. Mid and long term sustainable competitive position
2. An insurance for adverse time
3. Increase of the attractiveness exclusive
4. Increase of effectiveness of marketing strategies
5. Operational cost savings

According to Smith, quoted by Roslina (2009), factors that affect the image of the company (corporate image) are: (a) the product or service, including product quality and concern for the consumer; (b) social



responsibility, membership corporation, ethical behavior, and problems community; (c) Environment, including office, showroom and factory; (d) communications including advertising, public relations, personal communication, brochures, and corporate identity programs. According to Ulrich and Eppinger in Hutapea (2012), some factors that affect the image of an organization are: (a) Leadership; (b) policy and strategy; (c) personnel policy; (d) asset management; (e) process management; (f) customer satisfaction, (g) Employee satisfaction; (h) social responsibility; (i) business result/profit. Elements that forming the image of the company consists of: financial capability, financial capability, quality of products and services, human resource excellence, reliability, innovation, environmental responsibility, social responsibility and uphold good corporate governance.

## 5. Relationship Image and Reputation With CSR

Companies that have a good reputation and image, usually carry six things: good relationships with community leaders, positive relationship with the local government, smaller risk of crisis, a sense of pride in the organization, mutual understanding between internal and external, and increase the loyalty of the staff of the company (Anggoro, 2002). There are some basic concepts as the motivation of the company is trying to respond and develop social responsibility in line with its business operations, i.e.: (1) company is a part of the community and should realize that they are operating in an order of society. This serves as a social activity or effort reciprocal compensation over control of natural resources and economic resources by companies that sometimes is expansive and explorative, in addition to a social compensation since the onset of discomfort in the community. For that, to the awareness of the importance of the implementation of CSR is increasingly excited by the global public awareness on environment-friendly products and manufactured with attention to social norms. (2) The business community and the public should be symbiotic mutualism to get support from the community, so the company must, positively contributing to the community so that it can create a harmonious relationship and raised the reputation and image of the company. Companies should be aware that the responsibility is not just economic activity to create profit the continuity of the business, but also social and environmental responsibility. (3) The social responsibility is one way to curb and prevent social conflict. Given the potential conflicts that can come as a result of company's operations impact or as a result of structural and economic disparities that arise between the company.

Some studies on the association of corporate social responsibility and reputation, for example: Brown (1998), which conducts research on reputation with regard to public recognition of the social behavior carried out by the company for the community and the environment. Schultz et al. (2001), stated that the company's reputation depends not only social behavior that is done today but the community also assess social behavior in the past. Although there are some studies that say that there is no relationship or there negative relationship between corporate social responsibility and corporate performance, but research conducted by different researchers found a positive relationship between corporate social responsibility and corporate performance (Abratt and Sacks et al.). Social responsibility is a consequence results of the company's policy against the norms, values and the expected performance of the company to the social system (Miles, 1987). In that regard, Dowling (1986) conduct research in public perceptions of corporate image associated with social behavior does through performance marketing (sales).

## 6. University Social Responsibility

In line with the development of the concept of CSR, the social responsibility of the university currently has been changed compared to a few decades ago. Social responsibility universities can no longer be seen as limited to the manufacturer or laboratory science, education, research, teaching, community service, academic freedom and institutional pulpit to obtain the truth, but has undergone a remarkable transformation into active community life. Thus, the university social responsibility is no longer limited to the ivory tower producing a mere scholar, but has grown so complex may even exceed the social responsibility of a company. In the public's mind, now a university / university has been considered as an institution versatile, powerful and reliable in the patent as well as address



concerns and changes that occur in people's lives (Firdausy, 2009). However, the formulation of the concept of clear and adequate to position exactly how social responsibility that should be played university almost still very limited.

The role of universities in the intellectual life of the nation is not doubt, but universities also play a role in developing the socio-economic environment, including the natural environment around the campus, making it useful and able to develop socio-economic levels of society around the campus in the context of sustainable development. College needs the surrounding community as a supporting element activity, because the college is not a solitary institution that can support them without involving the supporting elements in the vicinity. Community in college circle as a supporting element also requires care for themselves in order to develop the potential that has been owned by the people around. If college care with its social environment, its presence will undoubtedly mean a lot to college circle community, so the surrounding communities into thriving, which in turn can manifest college circle community development and sustainable college development

University social responsibility can be done by partnering with other institutions or by itself. Through Tri Dharma, universitys can implement their social responsibilities to foster SMEs through training (preparation of financial statements, tax consulting, financial management), helping village in managing cooperative, participates in preserving the environment, for example, go green university, hygiene river around university, no smoking area, recycle, reduction in the use of plastic bags, periodically hold treatment and free medical checks, provide legal advice and helped the poor to make latrines, water pumps, etc.

In addition, the university also can implement social responsibility in partnership with other institutions, for example, corporate positioning itself to assist in formulating and implementing CSR programs in accordance with its core business, helping the government to draft a CSR audit, even in terms of formulating the draft policy of tax incentives, certification or labeling for corporates who have to implement Corporate Social Responsibility, CSR training for auditors, incorporate Corporate Social Responsibility in the course curriculum, finding corporate scholarships for poor students but smart and talented, holding seminars on CSR and helping S1, S2, S3 student which is looking for data or information which will conduct research on CSR. Concepts used in this case is to help companies to plan for CSR, while at the same time being inaction university doing social responsibility.

## 7. Conclusion

An organization, including university was established in general for a long period of time. The university will exist on a long time if it has a good image and reputation in the minds of stakeholders. One way to build the image and reputation of universities is through social responsibility. University social responsibility is not only limited to the internal parties (faculty, staff, students), but also to external parties (the environment, society, business/industry, local government). Implementation of university social responsibility can also collaborates with local governments and companies, both private companies and the State companies.

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