

Analysis of the Implementation of Corporate Social Responsibility and Branding Strategy through Employee Engagement in Organizational Performance

(STUDY ON KALLA TOYOTA SOPPENG BRANCH)

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Abstract:- This study aims to analyze the effect of (1) corporate social responsibility on employee engagement, (2) branding strategy on employee engagement, (3) employee engagement on organizational performance, (4) corporate social responsibility on organizational performance, (5) branding strategy on organizational performance, (6) corporate social responsibility on organizational performance through employee engagement, and (7) branding strategy on organizational performance through employee engagement.

Keywords:- Corporate Social Responsibility, Branding Strategy, Employee Engagement, and Organizational Performance.

I. INTRODUCTION

The COVID-19 pandemic has had a huge impact on the world's economic and social sectors, including Indonesia. On March 2, 2020, the government announced the first two positive cases of this disease in the country (Pranita, 2020).

Saiful, who is a public policy observer and business person, highlighted the three major impacts of the COVID-19 on the national economy (Fikri, 2021). First, the weakening of household consumption or purchasing power, and the second is the uncertainty about the end of the pandemic, while the third is the weakening of the investment sectors and the cessation of businesses.

For example, several service companies such as restaurants, kiosks and shops selling household needs, clothing, and work equipment, as well as other secondary needs are relatively unable to survive (Soetjipto, 2020). Furthermore, Kalla Toyota Soppeng Branch is one of the companies that decreased due to the pandemic as recorded in the sales data for the 2018-2021 periods shown in Figure 1.

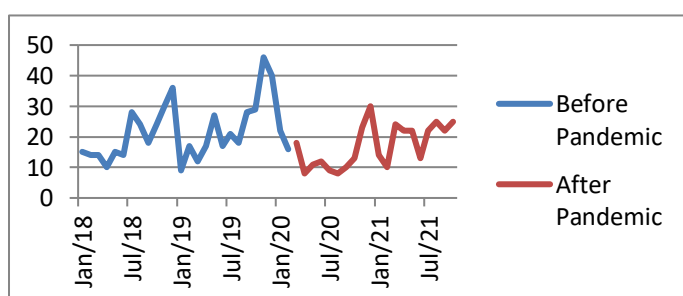


Fig. 1

It was observed from the sales data of Kalla Toyota Soppeng Branch for the last four years (2018-2021), that the organizational performance has decreased during the pandemic. The theory suggested that this decline was caused by several elements, one of which is corporate social responsibility (CSR). According to Indrawan (2013), the CSR creates positive perceptions in the minds of the public and consumers, increases competitiveness, improves stakeholder and regulatory relations, minimizes risk, and it is a financial analysis tool for investors.

Mulyadi & Yuliarti (2012) stated that the next element is the branding strategy with its fairly strong positive effect on organizational performance. As reported by Merrilees *et al*, the two important marketing capabilities, namely branding and innovation, are the main players in explaining marketing performance and the core of how marketing works (Walangitan, 2017). This simply means that the company is able to use Branding Strategy during the pandemic.

Another element affecting organizational performance is employee engagement, and based on Markos & Sridevi (2010), it is a situation in which employees with high engagement tend to have better performance because they have positive feelings and do not make their work a burden. According to the theories above which show a correlation between variables, it is important to conduct a study related to Corporate Social Responsibility, Branding Strategy, Employee Engagement, and Organizational Performance with the topic, "Analysis of Implementation of Corporate Social Responsibility and Branding Strategy through Employee Engagement in Organizational Performance (Study on Kalla Toyota Soppeng Branch)".

The CSR is used for making a three-way attack, which relies on proper legal, ethical, and socially responsible behavior (Kotler & Keller, 2016). It emphasizes that marketers need to leverage their social conscience skills when dealing with customers and stakeholders. Some of the top-rated companies for corporate social responsibility include, Whole Foods, Walt Disney, Coca-Cola, Johnson & Johnson, and Google. Presently, information about a company's social media and environmental responsibility track record is needed to help people decide which companies to buy from, invest in, and work. Further explained that communicating CSR is often challenging, reason being that the moment the company touts an environmental initiative.

II. METHODS

The independent variables (X1) and (X2) consisted of corporate social responsibility and branding strategy, respectively while, employee engagement was the intervening variable (Y). The dependent variable was organizational performance, and the population was all employees and leaders of the Kalla Toyota Soppeng Branch, totaling 30 people. A total of 28 samples were taken using the Slovin formula, while the data collection techniques include questionnaires using google forms, observation, documentation, and interviews.

Furthermore, path analysis technique with SPSS 25 software were used to determine the effect of (1) corporate social responsibility on employee engagement, (2) branding strategy on employee engagement, (3) employee engagement on organizational performance, (4) corporate social responsibility on organizational performance, (5) branding strategy on organizational performance, (6) corporate social responsibility on organizational performance through employee engagement, and (7) branding strategy on organizational performance through employee engagement.

III. RESULTS

A. Path Analysis

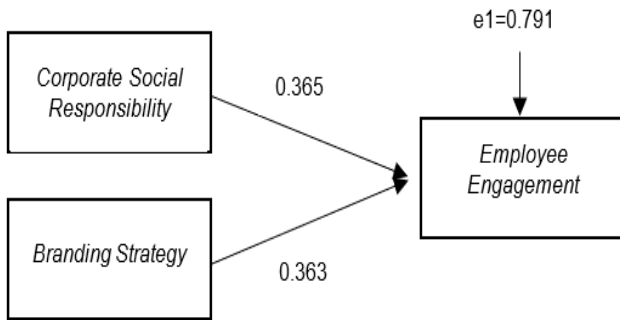


Fig. 1: Path Analysis I

Source: Peneliti, 2022

It was found that for every unit increase, the employee engagement variable increases by 0.365 units from corporate social responsibility impact and 0.363 from brand strategy, assuming other variables are constant. This showed that corporate social responsibility and branding strategy partially have a positive effect on employee engagement, indicating that the proposed hypothesis was accepted.

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.612 ^a	.374	.324	2.105

Table 1: Coefficient of Determination Test on Model 1

Source: Hasil SPSS, 2022

The correlation coefficient for this model was 0.612, which indicated a strong correlation between the independent and dependent variables because R was positive and close to one. Also, the determination coefficient (R Square) of 0.374 indicated that the percentage contribution of the effect of corporate social responsibility and branding strategy variables on employee engagement was 37.4%, while the remaining 63.6% was affected by other factors not included in this study.

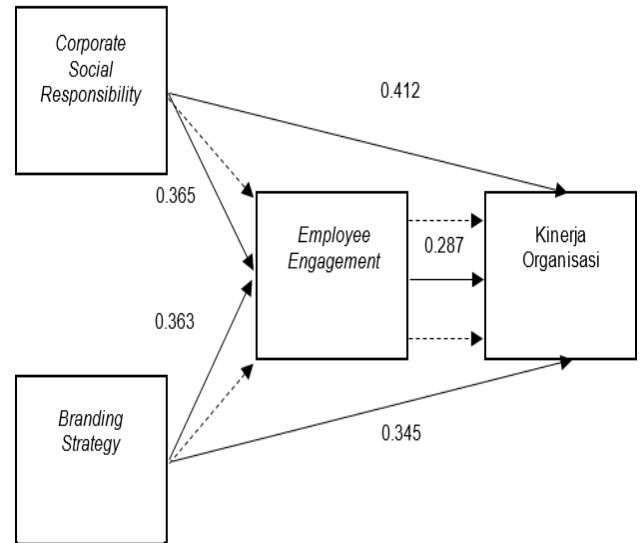


Fig. 2: Path Analysis 2

Source: Peneliti, 2022

It was also observed that for every one-unit increase, assuming other variables are constant, the organizational performance increased by 0.412 units from the effect of corporate social responsibility, 0.345 from branding strategy, and 0.287 from employee engagement. This implied that corporate social responsibility, branding strategy, and employee engagement partially have a positive effect on organizational performance, therefore the proposed hypothesis was accepted.

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
2	.844 ^a	.712	.676	1.860

Table 2: Coefficient of Determination Test on Model 2 Model Summary

Source: Hasil SPSS, 2022

Furthermore, the correlation coefficient for this model was 0.844, which indicated a strong correlation between the independent and dependent variables since R was positive and close to one. Also, the determination coefficient (R Square) was 0.712, indicating that the percentage contribution of the effect of corporate social responsibility, branding strategy, and employee engagement variables on organizational performance was 71.2%, while the remaining 29.8% was affected by other factors not included in this study.

IV. DISCUSSION

This study was conducted to analyze the results obtained from the observations at Kalla Toyota Soppeng Branch, and it was discovered that direct corporate social responsibility and branding strategy partially have a positive and significant effect on employee engagement. Similarly, direct corporate social responsibility, branding strategy, and employee engagement partially have a positive and significant effect on organizational performance, thereby leading to the following discussions.

A. *The Effect of Corporate Social Responsibility on Employee Engagement*

It was found that corporate social responsibility had an effect on employee engagement. In this case, the implementation of corporate social responsibility by Kalla Toyota Soppeng Branch always pays attention to environmental conditions, as well as the impact on the surrounding community and the workforce. Therefore, there is need for an intervention from the employees for a smooth running. This is reinforced by Caligiuri et al. (2013), that there is a positive correlation between corporate social responsibility and employee engagement, including the three-way interaction of project meaningfulness, social support, and availability of resources on employee engagement.

B. *The Effect of Branding Strategy on Employee Engagement*

The result showed that branding strategy had an effect on employee engagement. For example, the good image of a brand of Kalla Toyota as reported by the customer affected employee involvement in an organization. This is reinforced by Kaliannan & Adjovu (2015), that strategic employee retention initiatives support organizational branding and employee reputation.

C. *The Effect of Employee Engagement on Organizational Performance*

Based on the analysis, employee engagement has an effect on organizational performance, such that when the employee engagement in a company is high, it results to an increase in the organization performance. This agreed with Kazimoto (2016) that the involvement of employee in job assignments helps to promote the longevity and profitability of the organization.

D. *The Effect of Corporate Social Responsibility on Organizational Performance*

It was found that corporate social responsibility had an effect on organizational performance, in which the concern for the community and the surrounding environment creates a positive perception. Similarly, the existing workforce and products are able to increase the level of employee trust in an organization. This is in line with Natalia et al. (2016), that companies with high levels of corporate social responsibility have high corporate values because the market reacts positively to corporate responsibility disclosures.

E. *The Effect of Branding Strategy on Organizational Performance*

The analysis revealed that branding strategy had an effect on organizational performance. In this context, a good image of Toyota products stays in the minds of customers, indicating that customers are likely to be a bridge to get new people for an organization. This is supported by Mulyadi & Yuliarti (2012), that the brand has a positive effect on organizational

performance, meaning that their performance is improved by maintaining and improving the brand image that represents their characteristics and vision.

F. *The Effect of Corporate Social Responsibility on Organizational Performance Through Employee Engagement*

This analysis also showed that corporate social responsibility had an effect on organizational performance through employee engagement. In this scenario, the implementation of corporate social responsibility in a company affected the performance of Kalla Toyota Soppeng Branch. This means that there is a need to pay attention to the employee engagement factor as an intervening variable for strengthening the impact of corporate social responsibility on organizational performance. This is supported by Mayasari & Kaihatu (2015), that the implementation of corporate social responsibility has a good impact on creating a good reputation for the community and internal stakeholders, specifically employees.

G. *The Effect of Branding Strategy on Organizational Performance Through Employee Engagement*

This analysis revealed that branding strategy had an effect on organizational performance through employee engagement. In this scenario, the company's branding strategy has an effect on the performance of Kalla Toyota Soppeng Branch. Meanwhile, there is a need to pay attention to the employee engagement factor as an intervening variable in order to further strengthen this effect on organizational performance. This is in accordance to Tkacal (2021), that there is a significant and positive correlation between the independent variables measured, such as employee involvement, perceived organizational support, and brand as measured by employer attractiveness.

V. CONCLUSIONS AND SUGGESTIONS

In conclusion, corporate social responsibility and branding strategy have an impact on employee engagement at Kalla Toyota Soppeng Branch, and also affected the organizational performance. Furthermore, both corporate social responsibility and branding strategy affect organizational performance through employee engagement, indicating that corporate social responsibility, branding strategy, and employee engagement are able to improve organizational performance.

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