

# Public Perception as a Mediator between Blue Ocean Strategy-Based Environmental CSR and Community Participation in Rinjani Indah Eco-Village, Bogor

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## Article Info

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Participation.

## Abstract

Innovative Corporate Social Responsibility (CSR) based on Blue Ocean Strategy is key to enhancing community participation in environmental programs. This study analyzes the influence of program innovation, value differentiation, and resource efficiency on community perception and participation in the Environmental Friendly Village (KRL) Rinjani Indah, Gunung Putri, Bogor. A quantitative method with purposive sampling and Structural Equation Modeling (SEM) analysis using SmartPLS 3.0 was applied to 90 respondents. The results show that program innovation, value differentiation, and resource efficiency have a significant positive effect on community perception and participation. Community perception also plays a significant mediating role between program innovation and value differentiation on community participation, while resource efficiency is not effective through community perception. These findings provide important contributions for developing more effective and sustainable CSR programs. Future research is recommended to expand variables and methods to enrich the results.

## 1. Introduction

Corporate Social Responsibility (CSR) has become one of the main issues in the modern business world, especially in the context of sustainable development. In increasingly tight business competition, companies are not only forced to achieve financial profits, but also need to pay attention to the social and environmental impacts caused by each of their operational activities. In Indonesia, the obligation of companies to carry out social responsibility is regulated in Article 74 of the Limited Liability Company Law (UU PT) No. 40 of 2007, which requires every company to carry out social and environmental responsibilities. This regulation emphasizes that CSR is not just an option, but an obligation that must be fulfilled by companies operating in Indonesia. Along with the increasing public awareness of environmental issues, companies that ignore their social responsibility can face the risk of losing public trust and experiencing a decline in business reputation.

In this context, Corporate Social Responsibility (CSR) is not just about providing

assistance or donations, but rather emphasizes the formation of a mutually beneficial correlation between companies and the community. Research by (Septiadi, R., 2019) revealed a positive and significant relationship between public perception of the implementation of CSR programs and their level of participation. The results of this study show that public understanding and attitudes towards CSR programs are the main factors that can increase their involvement in various initiatives aimed at improving environmental quality. In this case, the community does not only act as a passive beneficiary, but also plays a role as an active partner in the implementation of the CSR program. Therefore, in addition to focusing on program implementation, companies also need to build effective communication with the community, so that they feel they own and are encouraged to participate in the program.

As a program that has the main objective of improving the welfare of the community, Corporate Social Responsibility (CSR) should involve the community in its process. In the

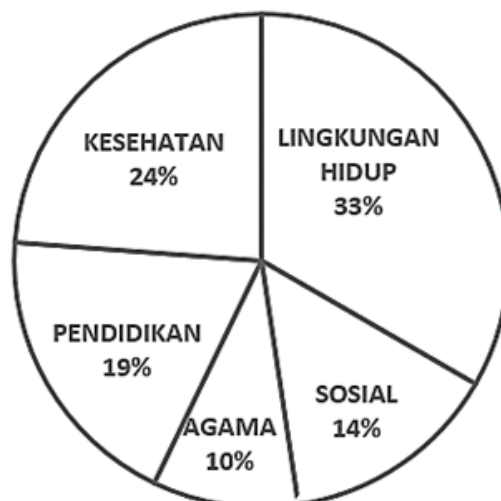
planning, implementation or evaluation process. Participation from the community is also a sign of support for the program so that it runs sustainably. The programs created should not be determined by the company without listening to the aspirations of the community (top down) but must come from what is needed by the community itself (bottom up). The programs created must also create an independent community in managing the potential they have so that they do not always depend on assistance from the company (Wahyudy LA, & Murlianti, S., 2023)

This study has a novelty in the Corporate Social Responsibility (CSR) approach based on Blue Ocean Strategy which is specifically applied to the environmental aspect. Previous studies have discussed the implementation of CSR in general, but there has not been much research that explicitly integrates Blue Ocean Strategy in environmental CSR programs. This approach emphasizes the creation of new unfilled market space by offering innovations that can significantly increase community participation. By implementing Blue Ocean Strategy in environmental CSR, this study contributes to introducing a new method that not only focuses on corporate social responsibility, but also creates added value for society and the environment in a sustainable manner. Also, this study also attempts to fill the

gap in previous research that tends to highlight CSR implementation without considering innovative strategies to increase its effectiveness and impact on society. Thus, the results of this study are expected to be a reference for companies in designing CSR programs that are more effective and have a higher appeal to the community.

PT Aspex Kumbong, a company located in Bogor, West Java, is engaged in the paper and tissue industry with a significant production capacity, reaching 330,000 MT per year of paper and 18,000 MT per year of tissue. The company adopts the principle of sustainability by utilizing raw materials such as pulp from third-party suppliers and recycled paper. As a form of commitment to sustainability, PT Aspex Kumbong received the UNEP award from the United Nations for its environmentally friendly initiatives. This award is not only recognition, but also a motivation for the company to continue to innovate in terms of sustainability. The company also works on CSR programs through a special unit tasked with maintaining correlation with the surrounding community, as well as running various CSR programs that focus on environmental aspects. The following is data on the implementation of the Corporate Social Responsibility (CSR) Environmental program of PT. Aspex Kumbong in 2024:

**Table 1**  
*Number of Corporate Social Responsibility (CSR) for the environment in 2024*



PT Aspex Kumbong's CSR program is divided into five main pillars, including: (1) Religion, (2) Socio-Culture, (3) Infrastructure, (4) Health, and (5) Environment and Education. In terms of the environment, this program includes greening initiatives to support ecosystem sustainability. The implementation of PT Aspex Kumbong's CSR program is carried out through two main approaches. The first approach is to receive community aspirations through the submission of assistance proposals, which are then evaluated and selected by the Corporate Social Responsibility (CSR) team. The second approach is to assign CSR personnel to become village coordinators, tasked with mapping community conditions and overseeing program implementation in fostered villages. This approach shows the company's efforts to listen to community needs and ensure that the CSR programs being run are truly relevant to their needs.

PT Aspex Kumbong is located in Dayeuh Village, Cileungsi District, Bogor Regency, West Java Province. Meanwhile, this study was conducted in the Ring III area of PT Aspex Kumbong, precisely in Bojong Nangka Village, Gunung Putri District, Bogor Regency, West Java. In determining the beneficiaries of the CSR program, PT Aspex Kumbong has compiled criteria based on geographical location and the level of impact of mining activities. These criteria are divided into three levels:

1. Ring I: Areas around the mining site, including Dayeuh Village, Babakan Village, Dayeuh Village (Cileungsi District), and Parung Dengdek Village, Wanaherang Village (Gunung Putri District).
2. Ring II: Communities in Cileungsi District and Gunung Putri District who are still affected by mining activities.
3. Ring III: A wider area, covering Bogor Regency, which has interests related to the company.

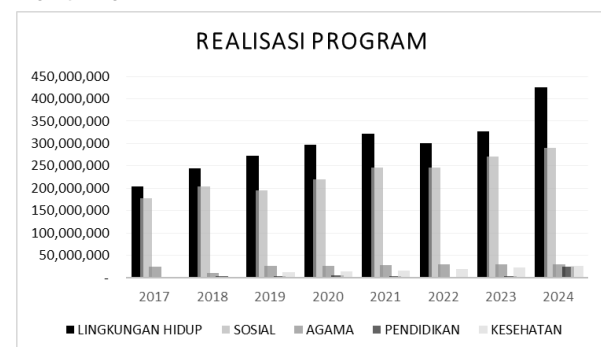
Based on (Wibisono, Yusuf, 2007), the mapping of priority scales for areas for implementing Corporate Social Responsibility (CSR) can be described in Table 1.2:

Ring	Lokasi	Dampak Operasi	Keterangan
I	0-500 m dari pabrik	Terkena dampak langsung	Desa yang berhimpitan dengan pabrik
II	501-1000 m dari pabrik	Potensi terkena dampak langsung	Desa sekitar pabrik diluar Ring I
III	1001-1500 m dari pabrik	Tidak terkena dampak langsung	Kecamatan di sekitar pabrik
IV	Lebih dari 1500 m dari pabrik	Tidak terkena dampak langsung	Seluruh wilayah diluar Ring I & II

(Wibisono, Yusuf, 2007)

Corporate Social Responsibility (CSR) initiatives implemented by PT Aspex Kumbong are carried out annually, covering various work programs categorized into four basic domains, which include: Religious, Socio-Cultural, Infrastructure, Health, Environment, and Education. The following is the realization of PT Aspex Kumbong's CSR program for each program pillar table 1.3:

Table 1.3 CSR Program Realization (per Pillar) 2017-2024



(Source: Corporate Social Responsibility Report of PT Aspex Kumbong)

The research was conducted in the Kampung Ramah Lingkungan (KRL) Rnjeni Indah RW 19 Bojong Nangka Village, Gunung Putri District, Bogor, which is the recipient area of Corporate Social Responsibility (CSR) of PT. Aspex Kumbong. The Kampung Ramah Lingkungan (KRL) program is one of the initiatives carried out by the Bogor Regency Environmental Service. The establishment of KRL is based on the Bogor Regency Regional Regulation Instruction Number 6 of 2015, which regulates the establishment of Kampung Ramah Lingkungan (KRL) in the area. This program was then implemented in various areas in Bogor Regency. Based on the results of the study (Lestari, 2024) it shows that in the implementation of the Kampung Ramah Lingkungan (KRL) program policy,

communication regarding the implementation of the program has reached many parties, but its implementation has not been running optimally. In terms of human resources (HR), there are still many people who are less concerned and apathetic towards the KRL program because they are busy with personal matters. Therefore, more innovative and interesting initiatives are needed to increase community involvement in this program. Rinjani Indah Eco-Friendly Village (KRL) is located in Bojong Nangka Village, Gunung Putri District, and is located in RW 19, which covers 17 RTs with a total of 420 Family Heads (KK). From Table 1.4, it can be seen that Rinjani Indah Eco-Friendly Village (KRL) has contributed to the Eco-Friendly Village program as much as 15% of the total RTs (Neighborhood Associations) in Bojong Nangka Village, as in the table below:

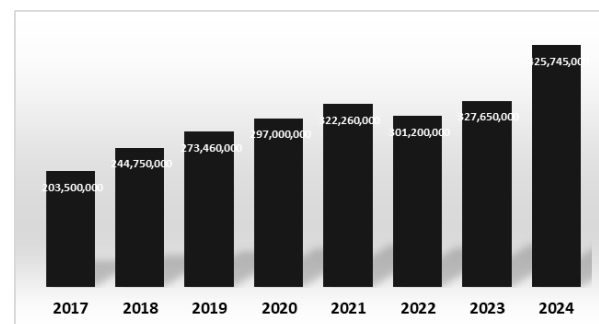
Table 1. 4 RT-RW of Gunung Putri District

Village	Residents' Association (RW)	Neighborhood Association (RT)
essay	13	68
Mount Princess	14	46
The South End	32	140
Jackfruit Tree	34	112
Cicadas	18	73
Wanaherang	27	102
Cikeas Village	26	86
The Nagrak	23	76
Ciangsana	48	188
Bojong Kulur	41	220

Source: Population and Civil Registry Service, Bogor Regency

For the 2025 CSR program strategy, PT. Aspex Kumbong will prioritize the environmental pillar. In order to increase the attractiveness and involvement of the community, the implementation of Corporate Social Responsibility (CSR), especially in the Environmentally Friendly Village, will be based on the Blue Ocean Strategy approach. In the context of the Rinjani Indah Environmentally Friendly Village (KRL), the Corporate Social Responsibility (CSR) approach based on the Blue Ocean Strategy is very relevant. This strategy emphasizes the creation of new

unfilled market space, so that companies can innovate and produce unique added value. Thus, the implementation of Corporate Social Responsibility (CSR) within the Blue Ocean framework not only provides greater benefits to the community but also strengthens the correlation between the company and the community. (Naufal, N., 2023) emphasized that Corporate Social Responsibility (CSR) is directly and indirectly influenced by public perception and community participation. This shows that in order to achieve the success of the CSR program, the company needs to identify how the community views the initiative. The following is the CSR program of PT. Aspex Kumbong environmental pillar in table 1.5 below:



(Source: PT Aspex Kumbong CSR Report)

Statistical data shows that community participation in environmental programs is often low, even though awareness of the importance of sustainability is increasing. A survey conducted by the Ministry of Environment and Forestry in 2022 showed that only 35% of the community were actively involved in environmental programs in their area. This emphasizes the need for a more strategic approach in involving the community, including through increasing positive perceptions of CSR. With a more inclusive and participatory approach, it is hoped that the level of community participation can increase, thereby creating a positive impact on the environment and society as a whole.

Public perception can also be influenced by various factors, including personal experiences, information received, and interactions with the company. (Nurhadi, A.,

2017) noted that public perception has a positive effect on the level of public participation. In the context of the Rinjani Indah Commuter Line, it is important to explore how public perception of Corporate Social Responsibility (CSR) can function as a mediating variable that influences the level of public participation in environmental programs. By identifying these dynamics, companies can design more effective Corporate Social Responsibility (CSR) strategies that are in line with the needs and expectations of the community. This approach will not only increase public participation but can also strengthen the correlation between the company and the community.

Based on this background, this study is expected to contribute to identifying the relationship between Corporate Social Responsibility (CSR), public perception, and the level of public participation. And also, the findings of this study are expected to be a reference for companies in designing and implementing more efficient and sustainable CSR programs. Through an approach based on the needs and expectations of the community, it is hoped that public participation in environmental programs can increase, thus creating a positive impact on the environment and society as a whole. Thus, it is hoped that this study will not only share new insights, but also encourage companies to be more responsive to the needs and expectations of the community in carrying out their social responsibilities.

## 2. Literature Review

### Strategic Management

Strategic management is a series of processes that include planning, organizing, directing, and controlling organizational resources to achieve long-term goals. Based on (Wheelen, 2018), strategic management is the art and science of decision making that affects the future of the organization.

In the context of Corporate Social Responsibility (CSR), strategic management plays a role in integrating social responsibility into the company's business strategy. This approach not only shares the company's

benefits, but also creates value for society and the environment.

This is becoming increasingly important as increasing public awareness of social and environmental issues has a direct impact on a company's reputation. In practice, strategic management includes internal and external environmental analysis, strategy formulation, strategy implementation, and evaluation and control (Wheelen, 2018). This stage forms a framework that aims to integrate the organization's vision and goals into the decision-making process. Strategic management is a series of managerial decisions and actions that are oriented towards long-term planning in a company. This process includes environmental analysis, both external and internal, strategy formulation, strategy implementation, and evaluation and control to ensure the effectiveness of its implementation.

Strategic management is a series of decisions and actions to formulate and implement strategies to achieve company goals. This process involves making long-term decisions that are future-oriented, complex, and require the allocation of large amounts of resources. Therefore, the involvement of top management is a crucial factor in ensuring the success of the strategy implemented (Robinson, JA Pearce and RB, 2009).

### Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) or corporate social responsibility is a form of corporate commitment to play an active role in supporting economic development. In addition, CSR also aims to improve the welfare of employees, local communities, and the general public as a whole. The concept of CSR itself has various definitions that can be used as guidelines in identifying and implementing its programs.

The World Business Council for Sustainable Development (WBCSD) defines CSR or corporate social responsibility as: "Continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of



the local community and society at large." In free language, it means more or less, the commitment of the business world is realized through sustainable actions by upholding ethics, compliance with regulations, and contributing to economic growth. And also, this commitment also includes efforts to improve the quality of life of employees and their families and share positive impacts for the local community and society at large (Wibisono, Yusuf, 2007).

Based on (Wibisono, Yusuf, 2007) Corporate Social Responsibility (CSR) is defined as the company's responsibility to stakeholders to act ethically, minimize negative impacts, and optimize positive impacts in economic, social, and environmental aspects (triple bottom line). The implementation of CSR aims to support the achievement of sustainable development.

Kotler and Lee (Kotler, 2005) provide the formulation: "Corporate Social Responsibility is a commitment to improve community well-being through discretionary business practices and contribution of corporate resources" In this definition, Kotler and Lee emphasize the term discretionary, which means that Corporate Social Responsibility (CSR) activities are a voluntary commitment of companies to contribute to improving community welfare. CSR is not a binding legal obligation, such as paying taxes or complying with employment laws. Also, the use of the term discretionary also emphasizes that companies that carry out CSR activities should have met all legal provisions in their business operations. (Ismail Solihin., 2009).

Social and Environmental Responsibility, as regulated in Law Number 40 of 2007 on Limited Liability Companies Article 1, is a company's commitment to participate in sustainable economic development in order to improve the quality of life and environmental sustainability, thereby sharing benefits for the company, local communities, and society at large. One of the concrete forms of strengthening this policy is the implementation of various awards, such as the Corporate Performance Assessment Program in Environmental Management (PROPER)

initiated by the Ministry of Environment. This program emphasizes the importance of implementing corporate social responsibility (CSR). Also, the Indonesian Government has regulated the operational framework of CSR through Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility. In Article 74 Paragraph 1 of the regulation, it is expressly stated that companies that run businesses in sectors related to natural resources are required to carry out social and environmental responsibilities. In principle, the three main obligations regulated in Law Number 40 of 2007 must be interpreted as part of the company's needs in implementing a community-based CSR program. This is due to the company's obligation to adapt to its social environment in order to gain the trust of the community. In Indonesia, many industries share social impacts on society, both positive and negative. The positive impact of industry can be seen from the increase in community welfare, while the negative impacts include the potential for environmental pollution due to industrial waste.

Based on (Prastowo, Joko and Miftachul Huda., 2011) Corporate Social Responsibility (CSR) is a mechanism run by companies as an effort to balance the large profits obtained. This concept is based on the reality that in the process of achieving profits, companies, either directly or indirectly, can have a negative impact on other parties. CSR is called a natural mechanism because it is a consequence of various decisions and activities of companies that affect society and the environment. Therefore, it is the responsibility of the company to restore the conditions of the affected community in order to achieve a better state.

CSR can be divided into several types, including environmental CSR, social CSR, and economic CSR. Environmental CSR focuses on the company's efforts to reduce negative impacts on the environment, such as reducing carbon emissions, waste management, and sustainable use of resources. Social CSR focuses on improving the quality of life of the community, such as education, health, and

social welfare. Meanwhile, economic CSR focuses on the company's contribution to economic growth and job creation.

A relevant case example is the CSR program carried out by PT. Aspex Kumbong, which has implemented various initiatives to support environmental and social sustainability. Based on the 2024 CSR annual report of PT. Aspex Kumbong, the company has increased its CSR program focused on the environment.

### **Blue Ocean Strategy**

1. Blue Ocean Strategy was first introduced by (Kim, WC, & Mauborgne, R., 2005) in the book *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant*. This strategy focuses on creating new market space (uncontested market space), where companies not only compete in existing markets, but also create new value for customers through unique product or service innovations. The main principle of Blue Ocean Strategy is to build new demand rather than compete in existing demand. In the context of Corporate Social Responsibility (CSR), this strategy is relevant because it allows companies to develop innovative social initiatives and share broader and more sustainable impacts on society;
2. Avoiding the Same CSR Competition: Many companies run similar CSR programs (e.g., donations or greening), so the impact becomes less significant. Blue Ocean Strategy encourages companies to create programs that are not only relevant, but also unique. Creating Shared Value.
3. Integrating business and community interests through innovative CSR programs, so as not only to help the community but also to share business benefits for the company.
4. Strengthening Differentiation: With innovative CSR programs, companies can build a different image in the eyes of the public and increase competitiveness.
5. By adopting Blue Ocean Strategy in CSR activities, companies can create innovative initiatives that not only support their

financial growth, but also provide significant benefits to society and the environment.

### **Public Perception**

Public perception refers to the way individuals or groups assess and identify a phenomenon, issue, or event. In the context of Corporate Social Responsibility (CSR), public perception of programs run by companies plays a crucial role, as it can influence the level of participation and support provided. Here are some definitions of perception based on experts:

1. Based on (Philip Kotler & Kevin Lane Keller, 2009), perception is defined as the process in which individuals select, organize, and interpret the information received in order to form a meaningful understanding of their surrounding environment.
2. Based on (Sugihartono, et al., 2007), in his statement perception is the brain's ability to process and translate stimuli obtained through human senses.
3. Based on (Asrori, 2009), in his explanation, perception is the individual process of interpreting, structuring, and sharing meaning towards stimuli from the environment, which is formed through experience and the learning process.
4. Based on (Thoha, Miftah, 1999), in defining perception as a cognitive process experienced by individuals in identifying information about their environment through various senses, such as sight, hearing, smell, feeling and appreciation.
5. Based on (Fadila, 2013), perception includes a series of processes including the selection, organization, and interpretation of sensory information received through sight, hearing, feeling, smell, and touch in order to form a meaning.

Based on (Walgito, Bimo, 1989) the process of forming perception consists of several main stages. The initial stage starts from the object that produces the stimulus, which is then received by the senses (receptors) in a physical process. Furthermore, the stimulus is transmitted through the sensory nerves to the

brain in a physiological process. After reaching the brain, the individual begins to realize the stimulus received, so that there is awareness of the stimulus - this stage is known as the psychological process. In the final stage, the individual fully identifies the information received through the senses and assigns meaning to it, so that perception is formed.

### **Community Participation**

Community participation is a process in which individuals or groups are actively involved in decision-making that affects their lives. Based on A (Arnstein, 1969), community participation can be grouped into eight levels, ranging from manipulation to full control. In the context of sustainable development, community participation is very important because it can increase the effectiveness of the programs being carried out, as well as create a sense of ownership among the community. Data from the Central Statistics Agency (2021) shows that areas with high levels of community participation tend to have better development indicators, such as education and health.

In the context of the Rinjani Indah Environmentally Friendly Village (KRL), community participation is key to ensuring the success of the environmental programs implemented. A study by (Putri, 2020) shows that communities involved in environmental programs tend to have a higher awareness of environmental issues and contribute more actively to preserving the environment. This shows that community participation not only has a positive impact on the environment, but also on the social and economic welfare of the community itself.

### **Eco-Friendly Village (KRL)**

Environmentally Friendly Village (KRL) is a program initiated by the Bogor Regency Environmental Service with the aim of handling various types of waste, including household waste, glass, metal, paper, and plastic. This study aims to describe how the implementation of the Environmentally Friendly Village (KRL) program policy is carried out. The results of the data analysis show that in its implementation,

communication about this program is already quite well-known by the community, but its implementation is still not optimal. One of the obstacles faced is the lack of community participation, where many individuals are less concerned about this program due to personal busyness.

And also, in terms of disposition, the KRL program has not received incentive support from the village government. Meanwhile, the bureaucratic structure in the implementation of this program has not been formed optimally so that the handling of environmental issues has not been running effectively. Therefore, support and collaboration from the company's CSR program are needed to strengthen the implementation of KRL.

The Environmentally Friendly Village (KRL) Program is based on the Bogor Regency Regional Regulation Instruction No. 6 of 2015, which regulates the formation and implementation of KRL in various regions in Bogor Regency. The implementation of this program is carried out in a structured manner through the village head in each region, who then instructs each RW in their respective villages to implement the program.

Community participation in the KRL program plays an important role in achieving sustainability goals. Based on the report of the Ministry of Environment and Forestry (2023), active community involvement in natural resource management can increase their awareness and participation in environmental conservation efforts.



Regency. The selection of this location was

KEGIATAN	November 2024				Desember 2024				Januari 2025				Februari 2025				Maret 2025				April 2025			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Penelitian Pendahuluan																								
Penyusunan Proposal																								
Pengumpulan Data																								
Analisis Data																								
Pelaporan																								
Pelaporan Penelitian																								

### 3. Research Methods

#### Place and Time of Research

This study was conducted in Rinjani Indah Environmentally Friendly Village (KRL), Bojong Nangka Village, Gunung Putri District, Bogor

#### Research Design

This study applies an explanatory quantitative method with a survey approach. This method aims to explain the phenomena that occur based on the data and information obtained. This approach is used to analyze the correlation between independent variables and dependent variables through structured data collection from population samples, which are then analyzed statistically (Sugiyono, 2022)

The type of research used in this study is explanatory research, which focuses on explaining community participation by considering predetermined variables. The purpose of this study is to test the hypothesis that has been proposed, whether it can be accepted or rejected. The survey approach is one of the techniques in quantitative research used to collect data from a group of respondents in a population. Data collection is carried out using research instruments, such as questionnaires or structured interviews, in order to obtain data that can be processed and analyzed statistically. .

#### Population, Sample, and Sampling Method

##### Population

The population in this study is the area that will be studied by the researcher. Population is a generalization area consisting of objects or subjects that have certain qualities

based on the characteristics of the location proposed as a model of Environmentally Friendly Village (KRL) which is one of the locations of PT. Aspex Kumbong's CSR program, and has high community participation in environmental programs:

and characteristics that are determined by the researcher to be studied and then conclusions drawn (Sugiyono, 2022). The population in this study were residents of RW 19 Kampung Ramah Lingkungan Rinjani Indah. In this context, population is not only the number of individuals, but also reflects diversity in society. Residents in the Kampung Ramah Lingkungan Rinjani Indah area come from various educational backgrounds, ages, and types of jobs. .

##### Sample

In this study, the sampling technique used Purposive Sampling, while the number of samples was calculated using the Slovin method. The population was grouped based on the criteria of age 35 years and above, which is considered the most active group in the Eco-Friendly Village activities. Every individual in this population group has an equal opportunity to be part of the study.

This study was conducted in KRL Rinjani Indah, RW 19, Bojong Nangka Village, Gunung Putri District, Bogor Regency. This area covers a population spread across 7 RT (Neighborhood Associations) with a total of 420 Heads of Families (KK). Samples were taken from people aged 35 years and over, because this group is considered the most active in

various activities carried out by KRL Rinjani Indah.

## Data Collection Methods

### Primary Data

Obtained directly from respondents through questionnaires distributed to PT Maju Bersama Trussco employees.

### Secondary Data

Collected from previous research, journals, books, and online resources related to the variables under study.

### Measurement Scale:

**Table 3.4**  
**Likert Scale**

Response	Score
<b>Strongly Agree (SA)</b>	5
<b>Agree (A)</b>	4
<b>Neutral (N)</b>	3
<b>Disagree (D)</b>	2
<b>Strongly Disagree (SD)</b>	1

## Research Instrumentation

### Validity Test

The validity test ensures that the questionnaire accurately measures what it intends to measure. Validity is assessed based on the logical construction and correlation of items with the variables.

### Reliability Test

Reliability refers to the consistency of the instrument. A Cronbach's Alpha value  $> 0.70$  indicates good reliability.

## Analysis and Hypothesis Testing

This research utilizes **Structural Equation Modeling (SEM)** using **Partial Least Squares (PLS)** via SmartPLS software. SEM is used to analyze relationships between latent variables.

### Descriptive Statistical Analysis

Describes data through mean, standard deviation, maximum, and minimum values to provide a clear overview of each variable (Ghozali, 2016).

### Inferential Statistical Analysis

Inferential statistics are used to draw conclusions about the population based on sample data. This study applies SEM-PLS with the following advantages (Hamid & Anwar, 2019):

- Can model multiple dependent and independent variables
- Handling multicollinearity
- Robust with non-normal or missing data
- Suitable for small samples

### Measurement Model (Outer Model)

The outer model assesses the validity and reliability of indicators through:

- **Convergent Validity** (Loading factor  $\geq 0.60$ )
- **Discriminant Validity**
- **Composite Reliability** ( $\geq 0.70$ )
- **Cronbach's Alpha** ( $\geq 0.70$ )
- **Average Variance Extracted (AVE)** ( $\geq 0.50$ )

## Research Results and Discussion

### Research results

#### Object Overview Study

#### Brief History of the Company

This study focuses on the implementation of an environmentally oriented Corporate Social Responsibility (CSR) program implemented by PT. Aspex Kumbong in the Rinjani Indah Environmentally Friendly Village (KRL), Bojong Nangka Village, Gunung Putri District, Bogor Regency. This village was selected because it is one of the beneficiary areas of PT. Aspex Kumbong's CSR program, and has high community participation in various environmental initiatives. This location is identified as a model of the Environmentally Friendly Village (KRL), which is part of the Bogor Regency government's efforts to develop areas that support ecosystem sustainability.

The object of this study is the community living in Rinjani Indah Environmentally Friendly Village, especially related to community perceptions of environmental-based CSR programs implemented by PT. Aspex Kumbong. This study

aims to analyze how community perceptions act as mediating variables in the relationship between environmental CSR and the level of community participation in these environmental programs.

In this study, researchers will explore the social dynamics that occur in the village, focusing on the impact of implementing CSR based on the Blue Ocean Strategy - an innovative strategy that leads to the creation of new market spaces that can increase community involvement. This approach aims to explore the potential of the community as active partners in environmental conservation and ecosystem sustainability efforts, not just as passive beneficiaries.

The object of this study also includes data on CSR implementation that has been carried out by PT. Aspex Kumbong in Kampung Ramah Lingkungan Rinjani Indah, which includes various programs in the environmental sector, such as reforestation and sustainable environmental management. Community participation in this program, although it has great potential, still faces challenges in terms of the level of involvement, which is often relatively low, especially at the planning and evaluation stages .

#### 1. Vision and Commitment

To become a leading company in the paper and tissue industry that is committed to creating added value for society and the environment through the implementation of innovative sustainability strategies based on corporate social responsibility (CSR).

#### 2. Structure Organization

Structure PT Aspex Kumbong organization consists of from a number of departments main consisting of from production, HRD, Warehouse, QC, *Finance* and *Purchasing* , as well as *Sales* .

Respondents in this study were residents of RW 19 KRL Rinjani Indah aged 35 years and above. They are the group considered to be the most active in social activities and environmental programs in the area. These

respondents come from various gender, age and educational backgrounds that reflect the diversity of the local community. With these characteristics, respondents are expected to be able to provide comprehensive insights into the community's perspective on CSR programs and their level of participation in environmental activities run by KRL Rinjani Indah. The description of the respondents is described in the following table:

Table 4.1 Respondent Data Based on Age

No.	Age	Total	Percentage (%)
1	35 - 39	37	41%
2	≥ 40	53	59%
Total	90	100%	

Source: Primary Data (processed data, 2025)

From the table above, the data on respondent characteristics based on age background can be seen. Respondents aged ≥ 40 years dominate with a total of 53 respondents and a percentage of 59%. While respondents aged 35-39 number 37 respondents with a percentage of 41%. This can be seen in the pie chart below:

Table 4.2 Respondent Data by Gender

No.	Gender	Number	Percentage (%)
1	Male	48	53%
2	Female	42	47%
Total		90	100%

Source: Primary Data (processed data, 2025)

Based on the results of the study conducted on 90 respondents regarding gender, it states that 48 respondents with a percentage of 53% are male, and 42 respondents with a percentage of 47% are female. This can also be seen in the pie chart below:

Figure 4.2 Respondent Gender Diagram

No.	Education	Number	Percentage (%)
1	SMP	33	33%
2	SMA	65	72%
3	S1	22	24%
Total		90	100%

Source: Primary Data (processed data, 2025)

From the table above, the data on respondent characteristics based on educational background can be seen. Of the 90 respondents studied, there were 3 people or 3% who were educated at junior high school level, 65 people or 72% who were educated at high school level, and 22 or 24% of people who reached S1. In the pie chart below, the percentage of Respondents' education will be seen more clearly;

The population in this study were residents of RW 19 KRL Rinjani Indah, located in Bojong Nangka Village, Gunung Putri District, Bogor Regency. This population includes 420 Heads of Families (KK) consisting of various individuals with different backgrounds, such as education, age, and occupation. This diversity is very important because it provides a broader perspective on Corporate Social Responsibility (CSR) and the level of community participation in environmental programs. There are groups of

residents with high levels of education who work in the formal sector, as well as other groups with low levels of education who work in the informal sector. This diversity can provide valuable insights into the acceptance and implementation of CSR programs at the local level.

### Descriptive Statistical Analysis

Analysis statistics descriptive that is all data that has been collected What existence through sizes statistics poured out in the form of words or schemes, then described so that can give realistic clarity. Analysis This aims to give description or description of a data in variables viewed from mean value, standard deviation , maximum, and minimum.

Analysis results statistics descriptive For each grain statement on each variable can be seen in table 4.3 below :

**Table 4.3**  
**Analysis Results Statistics Descriptive**

Variables	Symbol	Answer				Number of Respondents	Score	Average
		2	3	4	5			
Program Innovation (X1)	X1-1	4	20	53	13	90	345	3.83
	X1-2	3	22	54	11	90	343	3.81
	X1-3	3	18	61	8	90	344	3.82
	X1-4	7	15	56	12	90	343	3.81
	X1-5	3	16	58	13	90	351	3.90
Average of Variable X1 (Program Innovation)								3.84
Value Differentiation (X2)	X2-1	2	20	60	8	90	344	3.82
	X2-2	3	15	59	13	90	352	3.91
	X2-3	2	17	57	14	90	353	3.92
	X2-4	4	19	52	15	90	348	3.87
	X2-5	6	16	57	11	90	343	3.81
Average of Variable X2 (Value Differentiation)								3.87
	X3-1	5	18	54	13	90	345	3.83
	X3-2	4	13	55	18	90	357	3.97

Resource Efficiency (X3)	X3-3	3	16	56	15	90	353	3.92
	X3-4	3	17	55	15	90	352	3.91
	X3-5	7	18	51	14	90	342	3.80
Average of Variable X3 (Resource Efficiency)								3.89
Public Perception (Z)	Z-1	2	17	62	9	90	348	3.87
	Z-2	3	14	59	14	90	354	3.93
	Z-3	9	8	64	9	90	343	3.81
	Z-4	5	13	56	16	90	353	3.92
	Z-5	3	14	62	11	90	351	3.90
Average of Variable Z (Public Perception)								3.89
Community Participation (Y)	Y-1	5	12	58	15	90	353	3.92
	Y-2	5	11	57	17	90	356	3.96
	Y-3	6	10	61	13	90	351	3.90
	Y-4	6	10	53	21	90	359	3.99
	Y-5	4	12	56	18	90	358	3.98
Average of Variable Y (Community Participation)								3.95

Source : SmartPLS Output (Processed data, 2025)

Information :

- X1 : Program Innovation  
X2 : Value Differentiation  
X3 : Resource Efficiency  
Z : Public Perception  
Y : Community Participation

#### Program Innovation

This variable measures the level of program innovation received by respondents. The highest point on X1-5 with an average score of 3.90, indicating that this element is considered very good by respondents, while X1-4 and X1-2 have slightly lower average scores (3.81), although they are still in the positive category. X1-1 to X1-5 have average scores ranging from 3.81 to 3.90, indicating that most respondents feel the program is innovative and quite useful.

#### Differentiation of Values

This variable measures respondents' perceptions of the existence of

value differentiation in the program. The slightly higher mean score compared to variable X1 (3.87) indicates that value differentiation is considered quite important or has an impact for most respondents. X2-3 has the highest mean score (3.92), indicating that respondents highly value value differentiation in the program. X2-5 has a slightly lower mean score (3.81), indicating that there is little disagreement or dissatisfaction with this aspect. Overall, the variation in scores indicates that respondents tend to support good value differentiation.

#### Resource Efficiency

This variable measures the extent to which the program is considered efficient in using resources. With an average of 3.89, this score reflects that the majority of respondents consider the program's efficiency quite high. X3-2 has the highest average score (3.97), indicating a very positive assessment of resource efficiency



on this item. X3-5 is slightly lower (3.80), indicating that some respondents feel that the program is less efficient in certain aspects. Overall, the Resource Efficiency variable has a higher average score than the previous two variables (3.89), indicating that respondents view the resource efficiency implemented very positively.

#### Public Perception

This variable describes how the community views the program. The mean of 3.89 indicates that the community perception is generally positive, although there is some variation between items. Z-2 has the highest mean score (3.93), indicating that the community perception of this aspect is very positive. Z-3 is slightly lower (3.81), but still in the positive range, indicating that there are differences in perception of certain elements of the community. Overall, the Community Perception variable has the same mean score as Resource Efficiency (3.89), indicating that the community has a very good perception of the program or service offered.

#### Community Participation

This variable measures the level of community participation in the program. With an average of 3.95, this variable indicates a very positive level of community participation. Y-4 and Y-5 have the highest average scores (3.99 and 3.98), indicating that respondents strongly agree that community participation in the program is very good in this aspect.

Y-2 also has a very high score (3.96), indicating that community participation in this section is very active. Overall, the Community Participation variable has the highest average score compared to other variables (3.95), indicating that the community is very active and involved in the programs or activities offered.

Validity test calculation results convergent (value *Outer Loading*, *Cronbach's Alpha*, *Composite Reliability*, and *AVE*) for each item measurements served in table 4.4 below This :

**Table 4.4**  
**Validity Test Results Convergent**

Variables	Measurement Items	Outer Loading	Cronbach's alpha	Composite reliability	(AVE)
Program Innovation (X1)	X1-1	0.853	0.877	0.91	0.67
	X1-2	0.851			
	X1-3	0.865			
	X1-4	0.843			
	X1-5	0.863			
Value Differentiation (X2)	X2-1	0.847	0.896	0.923	0.706
	X2-2	0.814			
	X2-3	0.781			
	X2-4	0.798			
	X2-5	0.851			
Resource Efficiency Power (X3)	X3-1	0.85	0.908	0.931	0.731
	X3-2	0.810			
	X3-3	0.826			
	X3-4	0.844			
	X3-5	0.871			
	Y-1	0.849	0.918	0.938	0.753

Community Participation (Y)	Y-2	0.863			
	Y-3	0.892			
	Y-4	0.857			
	Y-5	0.877			
Public Perception (Z)	Z-1	0.853	0.909	0.932	0.734
	Z-2	0.841			
	Z-3	0.891			
	Z-4	0.863			
	Z-5	0.835			

Source : SmartPLS Output (Processed data, 2025)

Based on table 4.4, the results of the convergent validity test can be described as follows:

Program Innovation (X1)

Outer Loading: All measurement items have an outer loading value above 0.7, which indicates that all indicators are valid and contribute significantly to the Program Innovation construct (X1).

Cronbach's Alpha: A value of 0.877 ( $> 0.7$ ) indicates excellent internal reliability.

Composite Reliability: A value of 0.91 ( $> 0.7$ ) indicates high internal consistency.

AVE: A value of 0.67 ( $> 0.5$ ) indicates that the Program Innovation construct (X1) is able to explain more than 50% of the variance of its indicators.

In conclusion, the Program Innovation Construct (X1) meets the convergent validity criteria.

Value Differentiation (X2)

Outer Loading: All measurement items have outer loading values above 0.7, except X2-3 (0.781) and X2-4 (0.798) which are close to the minimum limit. However, in general, all indicators can be considered valid.

Cronbach's Alpha: A value of 0.896 ( $> 0.7$ ) indicates excellent internal reliability.

Composite Reliability: A value of 0.923 ( $> 0.7$ ) indicates high internal consistency.

AVE: A value of 0.706 ( $> 0.5$ ) indicates that the Value Differentiation construct (X2) is able to explain more than 50% of the variance of its indicators.

In conclusion, the Value Differentiation Construct (X2) meets the convergent validity criteria.

Resource Efficiency (X3)

Outer Loading: All measurement items have outer loading values above 0.7, indicating that all indicators are valid and contribute significantly to the Resource Efficiency construct (X3).

Cronbach's Alpha: A value of 0.908 ( $> 0.7$ ) indicates excellent internal reliability.

Composite Reliability: A value of 0.931 ( $> 0.7$ ) indicates high internal consistency.

AVE: A value of 0.731 ( $> 0.5$ ) indicates that the Resource Efficiency construct (X3) is able to explain more than 50% of the variance of its indicators.

In conclusion, the Resource Efficiency Construct (X3) meets the convergent validity criteria.

Public Perception (Z)

Outer Loading: All measurement items have an outer loading value above 0.7, indicating that all indicators are valid and contribute significantly to the Public Perception construct (Z).

Cronbach's Alpha: A value of 0.909 ( $> 0.7$ ) indicates excellent internal reliability.

Composite Reliability: A value of 0.932 ( $> 0.7$ ) indicates high internal consistency.

AVE: A value of 0.734 ( $> 0.5$ ) indicates that the Public Perception construct (Z) is able to explain more than 50% of the variance of its indicators.

In conclusion, the Public Perception Construct (Z) meets the convergent validity criteria.

Community Participation (Y)

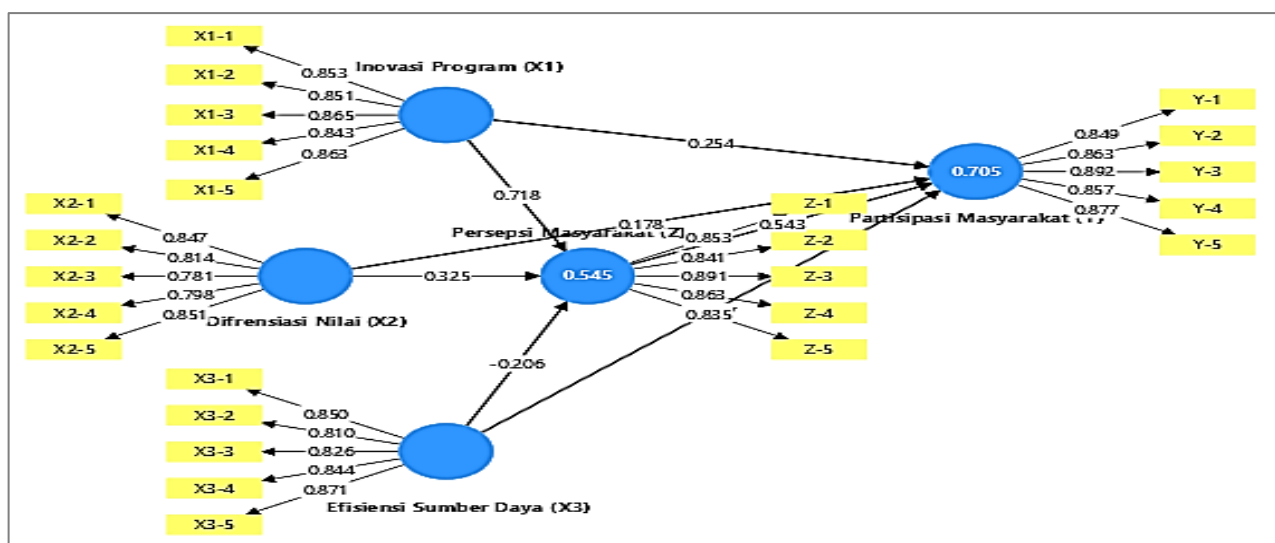
Outer Loading: All measurement items have an outer loading value above 0.7, indicating that all indicators are valid and contribute significantly to the Community Participation construct (Y).  
Cronbach's Alpha: A value of 0.918 ( $> 0.7$ ) indicates excellent internal reliability.  
Composite Reliability: A value of 0.938 ( $> 0.7$ ) indicates high internal consistency.  
AVE: A value of 0.753 ( $> 0.5$ ) indicates that the Community Participation construct (Y) is able

to explain more than 50% of the variance of its indicators.

In conclusion, the Community Participation Construct (Y) meets the convergent validity criteria.

Outer Loading results are presented in picture form as follows :

**Figure 4.1**  
**Outer Loading Results**



Source : SmartPLS Output (Processed data, 2025)

After the convergent validity evaluation was conducted, the next step was the discriminant validity evaluation through the Fornell-Larcker test, HTMT (Heterotrait-

Monotrait Ratio), and cross loadings. The results of each discriminant validity evaluation are presented in the following table :

**Table 4.5**  
**Fornell-Larcker Test Results**  
Discriminant Validity Larcker Criteria

Variables	X1	X2	X3	Z	Y
Program Innovation (X1)	<b>0.834</b>	0.385	0.805	0.522	0.557
Differentiation of Values (X2)	0.385	<b>0.819</b>	-	0.519	0.556
Resource Efficiency (X3)	0.805	-	<b>0.840</b>	0.672	0.682
Public Perception (Z)	0.522	0.519	0.672	<b>0.803</b>	0.768
Community Participation (Y)	0.557	0.556	0.682	0.668	<b>0.857</b>

Source : SmartPLS Output (Processed data, 2025)

The diagonal value is the root of AVE and the other values are correlations. Evaluation of discriminant validity needs to be

done by looking at the Fornell-Larcker criteria. Discriminant validity is a form of evaluation to ensure that variables are theoretically different

and proven empirically/statistical testing. The Fornell-Larcker test is used to evaluate the discriminant validity of a construct in a research model. Discriminant validity measures the extent to which a construct is empirically different from other constructs. The main criteria in the Fornell-Larcker test are:

- The square root value of AVE ( $\sqrt{\text{AVE}}$ ) of a construct must be greater than the correlation between the construct and other constructs.
- If the  $\sqrt{\text{AVE}}$  value of a construct is greater than the correlation with other constructs, then the construct has good discriminant validity.

Based on the table provided, the  $\sqrt{\text{AVE}}$  values for each construct are as follows:

- Program Innovation (X1): 0.834

- Value Differentiation (X2): 0.819
- Resource Efficiency (X3): 0.840
- Public Perception (Z): 0.803
- Community Participation (Y): 0.857

Based on Table 4.8, the results of the Fornell-Larcker Test show that all constructs (X1, X2, X3, Z, and Y) meet the criteria for discriminant validity. The  $\sqrt{\text{AVE}}$  value for each construct is greater than the correlation between constructs, indicating that each construct is truly empirically different from the other constructs. Thus, this research model has good discriminant validity, and all constructs can be maintained in further analysis. . .

**Table 4.6**  
**HTML Test Results**

Variables	Value Differentiation (X2)	Resource Efficiency (X3)	Program Innovation (X1)	Community Participation (Y)	Public Perception (Z)
Value Differentiation (X2)					
Resource Efficiency (X3)	0.433				
Program Innovation (X1)	0.426	0.925			
Community Participation (Y)	0.617	0.606	0.742		
Public Perception (Z)	0.583	0.57	0.734	0.878	

Source : SmartPLS Output (Processed data, 2025)

(Hair et al, 2021) recommends HTMT because this measure of discriminant validity is considered more sensitive or accurate in detecting discriminant validity. The recommended value is below 0.90.

The results of the HTMT (Heterotrait-Monotrait Ratio of Correlations) Test are used to evaluate discriminant validity in a research model based on Partial Least Squares (PLS). HTMT measures the extent to which two constructs differ empirically by comparing the correlation between indicators of different constructs (heterotrait) with the correlation

between indicators in the same construct (monotrait). The HTMT evaluation criteria are:

- The HTMT value must be less than 0.90 (for more stringent models, the limit is 0.85).
- If the HTMT value is greater than the limit, then the constructs do not have good discriminant validity, and may need to be combined or revised.

The following is an analysis of the HTMT values for each pair of constructs:

- Differentiation of Value (X2) with Other Constructs:
  - X2 vs X3: 0.433 ( $< 0.90$ ) → Valid

2) X2 vs X1: 0.426 ( $< 0.90$ ) → Valid

3) X2 vs Y: 0.617 ( $< 0.90$ ) → Valid

4) X2 vs Z: 0.583 ( $< 0.90$ ) → Valid

Conclusion: Construct X2 has good discriminant validity against all other constructs because its HTMT value is below 0.90.

b. Resource Efficiency (X3) with Other Constructs:

1) X3 vs X1: 0.925 ( $> 0.90$ ) → Invalid

2) X3 vs Y: 0.606 ( $< 0.90$ ) → Valid

3) X3 vs Z: 0.570 ( $< 0.90$ ) → Valid

Conclusion: Construct X3 does not have good discriminant validity against construct X1 because its HTMT value (0.925) exceeds the limit of 0.90. However, X3 is valid against Y and Z.

c. Program Innovation (X1) with Other Constructs:

1) X1 vs Y: 0.742 ( $< 0.90$ ) → Valid

2) X1 vs Z: 0.734 ( $< 0.90$ ) → Valid

Conclusion: Construct X1 has good discriminant validity against Y and Z because its HTMT value is below 0.90.

d. Community Participation (Y) with Other Constructs:

1) Y vs Z: 0.878 ( $< 0.90$ ) → Valid (but close to the limit)

Conclusion: Construct Y has good discriminant validity against Z, although its HTMT value (0.878) is close to the limit of 0.90.

e. Public Perception (Z) with Other Constructs:

1) Z vs Y: 0.878 ( $< 0.90$ ) → Valid (but close to the limit)

Conclusion: Construct Z has good discriminant validity against Y, although its HTMT value (0.878) is close to the limit of 0.90.

For the Invalid Constructs, Resource Efficiency (X3) and Program Innovation (X1) have high HTMT values (0.925), indicating that these two constructs may measure similar or overlapping concepts.

Consider combining these two constructs if theoretically feasible, or revising their indicators to improve discriminant validity.

For the Constructs Approaching the Limit, Community Participation (Y) and Community Perception (Z) have HTMT values that are close to the limit (0.878). Although still below 0.90, it is advisable to re-examine the indicators to ensure that these two constructs are truly different.

**Table 4.7**  
**Cross Loading Results**

	Value Differentiation (X2)	Resource Efficiency (X3)	Program Innovation (X1)	Community Participation (Y)	Public Perception (Z)
X1-1	0.174	0.672	0.853	0.506	0.541
X1-2	0.328	0.714	0.851	0.568	0.564
X1-3	0.397	0.769	0.865	0.581	0.521
X1-4	0.367	0.728	0.843	0.653	0.602
X1-5	0.364	0.679	0.863	0.592	0.632
X2-1	0.847	0.341	0.328	0.479	0.372
X2-2	0.814	0.307	0.338	0.484	0.478
X2-3	0.781	0.348	0.358	0.443	0.447
X2-4	0.798	0.243	0.216	0.445	0.399
X2-5	0.851	0.349	0.33	0.423	0.43
X3-1	0.192	0.85	0.747	0.412	0.402
X3-2	0.38	0.81	0.669	0.434	0.373
X3-3	0.329	0.826	0.698	0.507	0.463



X3-4	0.406	0.844	0.676	0.521	0.488
X3-5	0.307	0.871	0.715	0.444	0.435
Y-1	0.366	0.403	0.553	0.849	0.664
Y-2	0.523	0.446	0.569	0.863	0.677
Y-3	0.534	0.518	0.575	0.892	0.723
Y-4	0.467	0.536	0.648	0.857	0.72
Y-5	0.517	0.501	0.611	0.877	0.698
Z-1	0.434	0.347	0.511	0.688	0.853
Z-2	0.508	0.475	0.528	0.668	0.841
Z-3	0.415	0.474	0.649	0.719	0.891
Z-4	0.45	0.451	0.599	0.688	0.863
Z-5	0.432	0.474	0.584	0.678	0.835

Source : SmartPLS Output (Processed data, 2025)

From table 4.6, it can be seen that the correlation value of the construct with its indicator is greater than the correlation value of other constructs. For example, indicator X2.1 (service quality indicator) has an outer loading value of 0.838. This value is higher than the outer loading value of other constructs, namely 0.428, 0.556, and 0.363. The table also shows that indicators X2.1-X2.10 of the service quality variable have a higher outer loading value than the outer loading value of other constructs. Thus, it can be concluded that all latent constructs show good discriminant validity because they can predict indicators in their respective blocks better/higher than indicators in other blocks.

#### *Structural Model Evaluation ( Inner Model )*

Structural model evaluation is related to testing the hypothesis of the influence between research variables. The structural model

evaluation examination is carried out in three stages, namely first, checking for the absence of multicollinearity between variables with an inner VIF (Variance Inflated Factor) size <5. Second, testing the hypothesis between variables. Third, the f square value which is a specification of the relationship between latent variables, also called the inner relation. This test is a test of the type and magnitude of the influence of the independent variable on the dependent variable. This test consists of 2 stages, namely the Determination Coefficient test (Adjusted R Square), which is a test that calculates how much the independent variable is able to explain the variance of the dependent variable and the hypothesis test which is a test of the research model hypothesis.

The results of the evaluation of the structural model (inner model) are presented in the form of a table as follows:

**Table 4.8**  
**Inner VIF Value**

Variables	VIF
X1-1	2,528
X1-2	2.432
X1-3	2,678
X1-4	2.214
X1-5	2,569
X2-1	2.395
X2-2	2,079
X2-3	1,848

<b>X2-4</b>	<b>1,904</b>
<b>X2-5</b>	<b>2,462</b>
<b>X3-1</b>	<b>2.493</b>
<b>X3-2</b>	<b>2,072</b>
<b>X3-3</b>	<b>2.213</b>
<b>X3-4</b>	<b>2.291</b>
<b>X3-5</b>	<b>2,684</b>
<b>Y-1</b>	<b>2,531</b>
<b>Y-2</b>	<b>2.622</b>
<b>Y-3</b>	<b>3.154</b>
<b>Y-4</b>	<b>2,513</b>
<b>Y-5</b>	<b>2,843</b>
<b>Z-1</b>	<b>2.452</b>
<b>Z-2</b>	<b>2.458</b>
<b>Z-3</b>	<b>3.189</b>
<b>Z-4</b>	<b>2,621</b>
<b>Z-5</b>	<b>2.277</b>

Source : SmartPLS Output (Processed data, 2025)

Table 4.7 shows the results of the estimation of the inner VIF value  $< 5$ , so the level of multicollinearity between variables is low. This result strengthens the results of parameter estimation in SEM PLS which is robust (unbiased).

**Table 4.9**  
**R Square Test Results**

<b>Variables</b>	<b>R-square</b>	<b>R-square adjusted</b>
Community Participation (Y)	0.705	0.691
Public Perception (Z)	0.545	0.529

Source: SmartPLS Output (Processed data, 2025)

Based on Table 4.8 above, the results of the R-square and R-square adjusted tests in the table provided provide information on how well the independent variable (X) explains the variation in the dependent variable (Y and Z). The R-square ( $R^2$ ) test or coefficient of determination is used to measure how much the independent variable is able to explain the dependent variable in a regression model. The  $R^2$  value ranges from 0 to 1, where the closer it is to 1, the better the independent variable is in explaining the dependent variable. Here is a detailed explanation:

1. Community Participation (Y)
  - a. The R-square value of 0.705 indicates that 70.5% of the variation in Community Participation (Y) can be explained by the independent variables (X) used in the model.
  - b. This means that the model has a fairly good ability in predicting or explaining Community Participation.
  - c. The remaining 29.5% of the variation is explained by other factors not included in the model.
2. Public Perception (Z)
  - a. R-square shows a value of 0.545, which means that 54.5% of the variation in the Public Perception variable (Z) can be explained by the independent variables in the model, while 45.5% is influenced by other factors outside the model.
  - b. R-square adjusted shows a value of 0.529. This value shows that after adjusting the number of variables in the model, the level of explanation for the dependent variable decreased slightly to 52.9%.

### Hypothesis Testing

Hypothesis testing is done through the bootstrap resampling method (bootstrapping) using SmartPLS. Hypothesis calculations can be

seen from the path coefficient value, P-value ( $<0.05$ ), and also f square. The bootstrapping results are presented in the following figure:

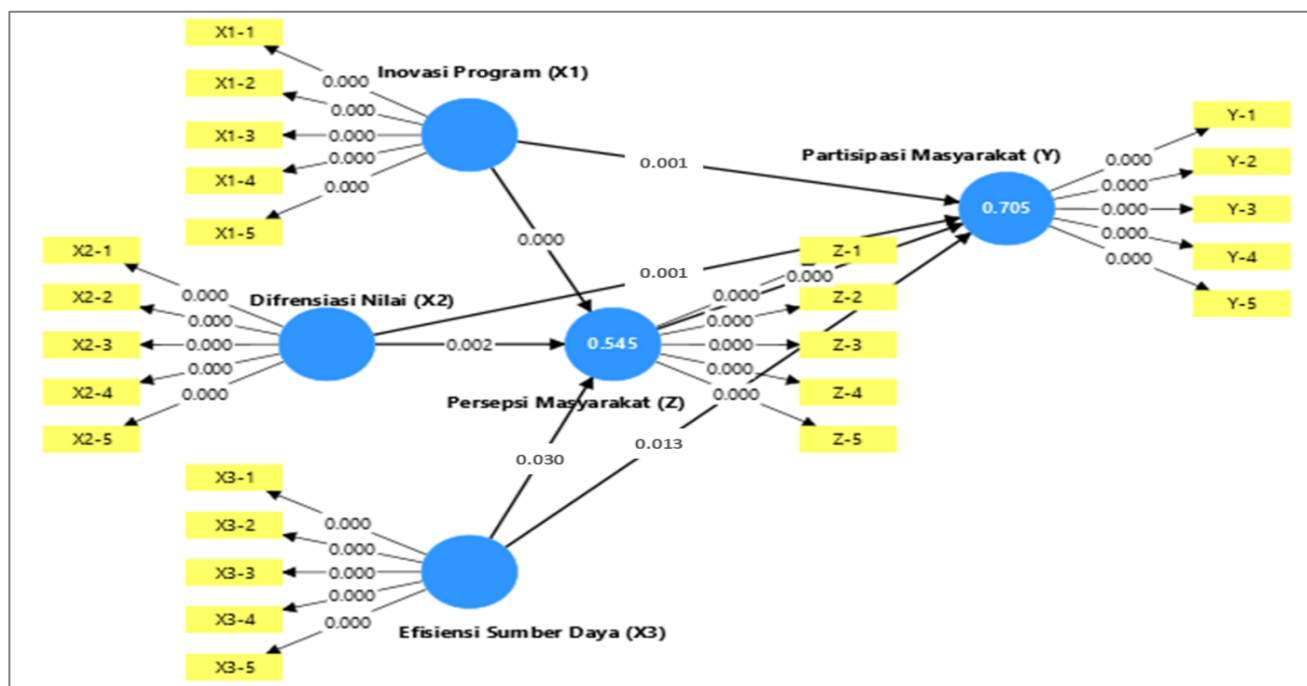


Figure 4.2

### Bootstrapping Results

Source: SmartPLS 3.0 output (processed data, 2025)

The results of the hypothesis testing (direct and indirect effects) are described in the following table:

Table 4.11  
Test Results Hypothesis (Direct Influence)

Path Coefficient	Original sample (O)	P values	f Square
Program Innovation (X1) -> Public Perception (Z)	0.718	0.000	0.34
Value Differentiation (X2) -> Public Perception (Z)	0.325	0.002	0.194
Resource Efficiency (X3) -> Public Perception (Z)	0.306	0.030	0.128
Program Innovation (X1) -> Community Participation (Y)	0.454	0.000	0.49
Value Differentiation (X2) -> Community Participation (Y)	0.378	0.001	0.27
Resource Efficiency (X3) -> Community Participation (Y)	0.307	0.013	0.24
Public Perception (Z) -> Public Participation (Y)	0.543	0.000	0.455

Source : SmartPLS Output (Processed data, 2025)

Based on the results of the hypothesis testing (direct influence) above, the following is known:

### **First Hypothesis Test (The Effect of Program Innovation on Public Perception).**

The first hypothesis proposed in this study is that there is an influence of Program Innovation on Public Perception. According to the following results:

Path Coefficient(O): 0.718

P-value: 0.000

f square (Effect Size): 0.34

So the conclusion is that there is a significant direct influence between Program Innovation and Public Perception. The positive Path Coefficient value (0.718) indicates that the higher the program innovation, the more positive the public perception. This effect is included in the large category ( $f^2 > 0.35$ ) so that H1o is rejected and H1 is accepted, which means that there is a positive and significant influence of Program Innovation on Public Perception.

### **Second Hypothesis Test (Program Value Differentiation on Public Perception)**

The second hypothesis proposed in this study is that there is an influence of Program Value Differentiation on Public Perception. According to the following results:

Path Coefficient(O): 0.325

P-value: 0.002

$f^2$  (Effect Size): 0.194

So the conclusion is that there is a significant direct influence between Value Differentiation on Public Perception. The positive Path Coefficient value (0.325) indicates that the higher the value differentiation, the more positive the public perception. This effect is included in the moderate category ( $0.15 < f^2 < 0.35$ ), so H2o is rejected and H2a is accepted, which means that there is a positive and significant influence of Program Value Differentiation on Public Perception.

### **Third Hypothesis Test (The Effect of Resource Efficiency on Public Perception)**

The third hypothesis proposed in this study is that there is an influence of Resource Efficiency

on Public Perception. According to the following results:

Path Coefficient(O): 0.306

P-value: 0.030

$f^2$  (Effect Size): 0.128

So the conclusion is that there is a significant direct influence between Resource Efficiency and Public Perception. The positive Path Coefficient value (0.306) indicates that the higher the resource efficiency, the more positive the public perception. This effect is included in the small category ( $0.02 < f^2 < 0.15$ ).

So H3o is rejected and H3a is accepted, which means that there is a positive and significant influence of competency on Program Value Differentiation on Public Perception.

### **Fourth Hypothesis Test (The Effect of Program Innovation on Community Participation)**

The fourth hypothesis proposed in this study is that there is an influence of Program Innovation on Community Participation. According to the following results:

Path Coefficient(O): 0.454

P-value: 0.000

$f^2$  (Effect Size): 0.49

So the conclusion is that there is a significant direct influence between Program Innovation and Community Participation. The positive Path Coefficient value (0.454) indicates that the higher the program innovation, the higher the community participation. This effect is included in the large category ( $f^2 > 0.35$ ). So H4o is rejected and H4a is accepted, which means that there is a positive and significant influence of Program Innovation on Community Participation.

### **Fifth Hypothesis Test (The Effect of Value Differentiation on Community Participation)**

The fifth hypothesis proposed in this study is that there is an influence of Value Differentiation on Community Participation. According to the following results:

Path Coefficient(O): 0.378

P-value: 0.001

$f^2$  (Effect Size): 0.27

So the conclusion is that there is a significant direct influence between Value Differentiation on Community Participation. The positive Path Coefficient value (0.378) indicates that the higher the value differentiation, the higher the community participation. This effect is included in the moderate category ( $0.15 < f^2 < 0.35$ ). So H5o is rejected and H5a is accepted, which means that there is a positive and significant influence of Value Differentiation on Community Participation.

#### Sixth Hypothesis Test (The Effect of Resource Efficiency on Community Participation)

The sixth hypothesis proposed in this study is that there is an influence of Resource Efficiency on Community Participation. According to the following results:

Path Coefficient(O): 0.307

P-value: 0.013

$f^2$  (Effect Size): 0.24

So the conclusion is that there is a significant direct influence between Resource Efficiency on Community Participation. The positive Path Coefficient value (0.307) indicates

that the higher the resource efficiency, the higher the community participation. This effect is included in the moderate category ( $0.15 < f^2 < 0.35$ ). So H6o is rejected and H6a is accepted, which means that there is a positive and significant influence of Resource Efficiency on Community Participation.

#### Seventh Hypothesis Test (The Influence of Public Perception on Public Participation)

The seventh hypothesis proposed in this study is that there is an influence of Public Perception on Public Participation. According to the following results:

Path Coefficient(O): 0.543

P-value: 0.000

$f^2$  (Effect Size): 0.455

So the conclusion is that there is a significant direct influence between Public Perception on Public Participation. The positive Path Coefficient value (0.543) indicates that the more positive Public Perception, the higher the public participation. This effect is included in the large category ( $f^2 > 0.35$ ). So H5o is rejected and H5a is accepted, which means that there is a positive and significant influence of Public Perception on Public Participation.

**Table 4.12 Hypothesis Testing Results (Indirect Effect)**

Variabel Indirect Effect	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Inovasi Program (X1) -> Persepsi Masyarakat (Z) -> Partisipasi Masyarakat (Y)	0.390	0.365	0.118	3.302	0.001
Difrensiasi Nilai (X2) -> Persepsi Masyarakat (Z) -> Partisipasi Masyarakat (Y)	0.177	0.182	0.078	2.251	0.024
Efisiensi Sumber Daya (X3) -> Persepsi Masyarakat (Z) -> Partisipasi Masyarakat (Y)	-0.193	-0.196	0.091	1.229	0.019

Based on the results of the hypothesis testing (indirect influence) above, the following is known:

8. Eighth Hypothesis Test (The Effect of Program Innovation on Community Participation through Community Perception)



The eighth hypothesis proposed in this study is as follows:

- Original Sample (O): 0.390 shows that the indirect effect of program innovation on community participation through community perception is positive and quite strong.
- P-value: 0.001 ( $< 0.05$ ), indicating that this relationship is significant, so it can be concluded that public perception does mediate the relationship between program innovation and public participation.

So the conclusion is that H8o is rejected and H8a is accepted, which means that there is a positive and significant influence of Program Innovation on Community Participation through Community Perception.

9. Ninth Hypothesis Test (The Effect of Value Differentiation on Community Participation through Community Perception).

The ninth hypothesis proposed in this study is as follows:

- Original Sample (O): 0.177 shows that the indirect effect of value differentiation on community participation through community perception is also positive, although smaller than program innovation.
- P-value: 0.024 ( $< 0.05$ ), so it can be concluded that public perception significantly mediates the relationship between value differentiation and public participation.

So the conclusion is that H9o is rejected and H9a is accepted, which means that there is a positive and significant influence of Program Innovation on Community Participation through Community Perception.

10. Tenth Hypothesis Test (The Effect of Resource Efficiency on Community Participation through Community Perception)

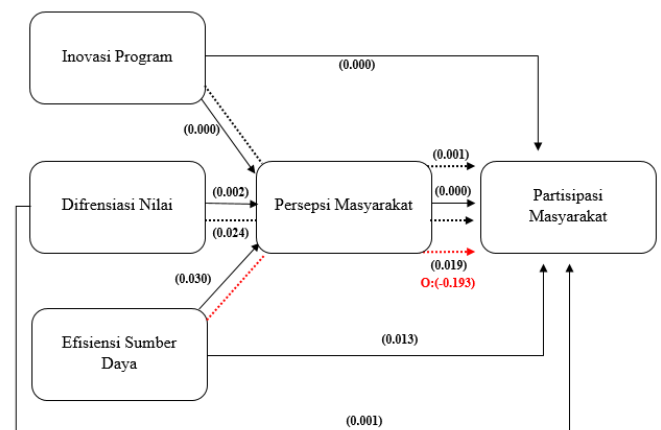
The tenth hypothesis proposed in this study is as follows:

- Original Sample (O): -0.193 shows that the indirect effect of resource efficiency on community participation through community perception is negative.
- P-value: 0.019 ( $< 0.05$ ), although smaller than 0.05, but the low T-statistic indicates

this relationship is weak and less convincing.

So the conclusion is that H10o is accepted and H10a is rejected, which means that there is a negative and insignificant influence of Program Innovation on Community Participation through Community Perception. Therefore, it can be concluded that community perception plays a less role as a mediator between resource efficiency and community participation.

## 4.2 Discussion



Based on the results of the hypothesis testing presented in the thesis, the following is a discussion of the 10 hypotheses tested, both direct and indirect influences:

### 1. The Influence of Program Innovation on Public Perception (H1)

Based on the test results, the Path Coefficient was 0.718, P-value was 0.000,  $f^2$  was 0.34. This shows that Program Innovation has a significant and positive direct influence on Public Perception. The high Path Coefficient value (0.718) indicates that the higher the program innovation, the more positive the public perception. This effect is included in the large category ( $f^2 > 0.35$ ), so H1o is rejected and H1a is accepted. This indicates that program innovation is an important factor in shaping public perception. This is also strong empirical evidence that program innovation is a key factor in increasing positive public perception.

This finding is in line with previous research conducted by (Rogers, 2003) which states that innovation, especially in the context

of social or public programs, can increase public acceptance and positive perception because it is considered a relevant and effective solution. In addition, (West, MA, & Farr, JL, 1990) also emphasized that well-implemented innovation can create added value and increase public trust in the program being run.

Thus, it can be concluded that program innovation not only acts as a driver of change, but also as an important factor in shaping positive public perception. The implication is that program managers need to continue to develop and promote innovations that are relevant to community needs to ensure greater support and participation.

## **2. The Influence of Value Differentiation on Public Perception (H2)**

Based on the test results, the Path Coefficient was 0.325, P-value was 0.002, and  $f^2$  was 0.194. This shows that Value Differentiation also has a significant and positive direct influence on Public Perception. Although the effect is smaller than program innovation, the Path Coefficient value (0.325) shows that value differentiation still contributes positively to public perception. This effect is included in the moderate category ( $0.15 < f^2 < 0.35$ ), so H2o is rejected and H2a is accepted.

This finding is in line with previous research conducted by (Porter, 1985) which states that value differentiation, especially in the context of public programs or services, can create uniqueness and added value felt by the community. In addition, (Kotler, P & Keller, KL, 2016) also emphasized that value differentiation can increase positive public perception because the program or service is considered to have a competitive advantage over other alternatives.

Thus, it can be concluded that although the influence of value differentiation is not as large as program innovation, this variable still plays an important role in shaping public perception. The implication is that program managers need to consider value differentiation strategies to increase the attractiveness and acceptance of the program being run by the public.

## **3. The Influence of Resource Efficiency on Public Perception (H3)**

Based on the test results, the Path Coefficient was 0.306, the P-value was 0.030, and  $f^2$  was 0.128. This shows that Resource Efficiency has a significant and positive direct influence on Public Perception, although the effect is relatively small ( $f^2$  of 0.128). The Path Coefficient value (0.306) shows that resource efficiency can improve public perception, although not as strong as program innovation or value differentiation. H3o is rejected and H3a is accepted.

This finding is in line with previous research conducted by Barney (1991) which stated that resource efficiency, especially in the context of program or organizational management, can increase trust and positive perceptions of stakeholders, including the community. In addition, Peteraf and Barney (2003) also emphasized that efficient resource management can create added value and improve the positive image of a program or organization.

## **4. The Influence of Program Innovation on Community Participation (H4)**

Based on the test results, the Path Coefficient was 0.454, P-values were 0.000 and  $f^2$  was 0.49. This shows that Program Innovation has a significant and positive direct influence on Community Participation. The Path Coefficient value (0.454) shows that program innovation can increase community participation. This effect is included in the large category ( $f^2 > 0.35$ ), so H4o is rejected and H4a is accepted.

This finding is in line with previous research conducted by (Rogers, 2003) which states that innovation, especially in the context of social or public programs, can increase community involvement because it is considered a relevant and effective solution. In addition, (Damanpour, F., & Schneider, M., 2006) also emphasized that well-implemented innovation can create added value and increase community interest and participation in the programs being run.

Thus, it can be concluded that program innovation not only acts as a driver of change, but also as an important factor in increasing community participation. The implication is that program managers need to continue to develop and promote innovations that are relevant to community needs to ensure greater support and participation.

### **5. The Influence of Value Differentiation on Community Participation (H5)**

Based on the test results, the Path Coefficient was 0.378, the P-value was 0.001 and  $f^2$  was 0.27. This shows that Value Differentiation has a significant and positive direct effect on Community Participation. The Path Coefficient value (0.378) shows that value differentiation can increase community participation. This effect is included in the moderate category ( $0.15 < f^2 < 0.35$ ), so H5o is rejected and H5a is accepted.

This finding is in line with previous research conducted by (Porter, 1985) which states that value differentiation, especially in the context of public programs or services, can create uniqueness and added value felt by the community, thus encouraging their involvement. In addition, (Kotler, P & Keller, KL, 2016) also emphasized that value differentiation can increase community interest and participation because the program or service is considered to have a competitive advantage over other alternatives.

Thus, it can be concluded that although the influence of value differentiation is not as large as program innovation, this variable still plays an important role in increasing community participation. The implication is that program managers need to consider value differentiation strategies to increase the attractiveness and involvement of the community in the program being run.

### **6. The Influence of Resource Efficiency on Community Participation (H6)**

Based on the test results, the Path Coefficient was 0.307, the P-value was 0.013 and  $f^2$  was 0.24. This shows that Resource Efficiency has a significant and positive direct

effect on Community Participation. The Path Coefficient value (0.307) shows that resource efficiency can increase community participation, although the effect is relatively small. This effect is included in the moderate category ( $0.15 < f^2 < 0.35$ ), so H6o is rejected and H6a is accepted.

This finding is in line with previous research conducted by (Barney, 1991) which stated that resource efficiency, especially in the context of program or organizational management, can increase stakeholder trust and involvement, including the community. In addition, (Peteraf, MA, & Barney, JB, 2023) also emphasized that efficient resource management can create added value and increase community interest and participation in the programs being run.

Thus, it can be concluded that although the influence of resource efficiency is not as large as program innovation or value differentiation, this variable still plays an important role in increasing community participation. The implication is that program managers need to ensure that the resources they have are used efficiently and effectively to increase community trust and support.

### **7. The Influence of Public Perception on Public Participation (H7)**

Based on the test results, the Path Coefficient was obtained at 0.543, P-value at 0.000 and  $f^2$  at 0.455. This shows that Public Perception has a significant and positive direct influence on Public Participation. The Path Coefficient value (0.543) shows that the more positive the public perception, the higher the public participation. This effect is included in the large category ( $f^2 > 0.35$ ), so H7o is rejected and H7a is accepted.

This finding is in line with previous research conducted by (Ajzen, I., & Fishbein, M., 1980) which stated that positive perceptions of a program or policy can increase individual intentions and involvement in the program. In addition, (Davis, FD, 1989) also emphasized that good perceptions of the benefits and relevance of a program can be a major driver of community participation.

Thus, it can be concluded that public perception not only plays a role as a determining factor, but also as a major driver in increasing public participation. The implication is that program managers need to ensure that the programs being run are able to create positive perceptions among the public through effective communication and clear benefits.

#### **8. The Influence of Program Innovation on Community Participation through Community Perception (H8)**

Based on the results of the Original Sample Test, it was obtained 0.390, P-value of 0.001. This shows that Program Innovation has a significant and positive indirect effect on Community Participation through Community Perception. The Original Sample value (0.390) shows that community perception acts as a strong mediator. H8o is rejected and H8a is accepted.

This finding shows that program innovation not only has a direct impact on community participation, but also indirectly through increasing positive community perceptions of the program. This finding is in line with previous research conducted by (Baron, RM, & Kenny, DA, 1986) which states that mediator variables, such as perception, can strengthen the relationship between independent and dependent variables. In addition, (Hayes, 2018) also emphasized that partial or full mediation can occur when the mediator variable has a significant influence in explaining the relationship between variables. Thus, it can be concluded that public perception plays an important role in transforming program innovation into higher public participation. The implication is that program managers need to not only focus on developing innovations, but also ensure that the innovations are able to create positive perceptions among the public.

#### **9. The Influence of Value Differentiation on Community Participation through Community Perception (H9)**

Based on the results of the Test, the Original Sample was obtained at 0.177 and the

P-value was 0.024. This shows that Value Differentiation has a significant and positive indirect effect on Community Participation through Community Perception. Although the effect is smaller than program innovation, community perception still plays a role as a mediator. H9o is rejected and H9a is accepted.

This finding shows that value differentiation not only has a direct impact on community participation, but also indirectly through increasing positive community perceptions of the program. This finding is in line with previous research conducted by (Porter, 1985) which states that value differentiation can create uniqueness and added value felt by the community, thereby increasing their positive perceptions and involvement. In addition, (Kotler, P & Keller, KL, 2016) also emphasized that value differentiation can increase community interest and participation because the program or service is considered to have a competitive advantage over other alternatives.

Thus, it can be concluded that although the indirect effect of value differentiation is smaller than program innovation, community perception still plays an important role in transforming value differentiation into higher community participation. The implication is that program managers need to consider value differentiation strategies to increase positive perceptions and community involvement.

#### **10. The Influence of Resource Efficiency on Community Participation through Community Perception (H10)**

Based on the results of the Test, the Original Sample was obtained at -0.193, P-value and at 0.019. This shows that Resource Efficiency has a negative and insignificant indirect effect on Community Participation through Community Perception. The Original Sample value (-0.193) shows that community perception does not play an effective role as a mediator in this relationship. H10o is accepted and H10a is rejected.

This finding shows that resource efficiency does not significantly affect community participation through community perception, and even has a weak negative effect.

This finding is in line with previous research conducted by (Barney, 1991) which states that resource efficiency, although important in organizational management, does not always have a positive impact on stakeholder perception and involvement if it is not accompanied by a clear communication strategy and benefits. In addition, (Peteraf, MA, & Barney, JB, 2023) also emphasized that excessive resource efficiency without considering community needs and expectations can create negative or neutral perceptions, thus not encouraging participation.

Thus, it can be concluded that public perception does not act as an effective mediator in the relationship between resource efficiency and public participation. The implication is that program managers need to ensure that resource efficiency is balanced with communication strategies and programs that are relevant to the needs of the community to create positive perceptions and encourage participation.

## 5. Conclusion

### Conclusion

This study reveals that:

1. **Program Innovation** has the strongest influence in shaping positive community perception and increasing participation, followed by **Value Differentiation** and **Resource Efficiency**.
2. **Community Perception** plays a significant mediating role between Program Innovation and Value Differentiation on participation.
3. **Resource Efficiency** is not effective in influencing participation through community perception and even shows a weak negative indirect effect.
4. **Program Innovation** is a dominant factor in driving participation, supporting innovation theory.
5. **Value Differentiation** is also important in creating program attractiveness and added value.
6. Practical implications:
  - Continuous development of relevant innovations is essential.
  - Value differentiation strategies should be strengthened.

- Resource efficiency must be supported with effective communication and relevant programs to foster positive perceptions and encourage participation.

Overall, **Community Perception is a key mediating variable** in the relationship between Blue Ocean Strategy-based CSR and community participation in the Rinjani Indah Eco-Friendly Village, Gunung Putri, Bogor.

### Suggestions – Summary:

#### For Companies (Program Managers):

1. **Focus on Program Innovation:** Develop creative, solution-oriented, and environmentally friendly programs that are easy to understand and offer tangible benefits to the community.
2. **Implement Value Differentiation Strategies:** Highlight the uniqueness and advantages of the programs, and communicate their added value clearly.
3. **Adopt Participatory Approaches:** Actively involve the community in all program stages—from planning to evaluation—through activities like discussion forums, environmental training, or collective action.

#### For Future Researchers:

1. **Expand Research Scope:** Apply the study to other locations or broader contexts (e.g., city/provincial level) to test generalizability.
2. **Investigate Barriers to Participation:** Explore issues like lack of understanding, mistrust, or infrastructure limitations to help design more effective engagement strategies.

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