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	Abstract
CSR Program Innovation, CSR Program Differentiation, CSR Resource Efficiency, Community Perception, Community Participation.	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
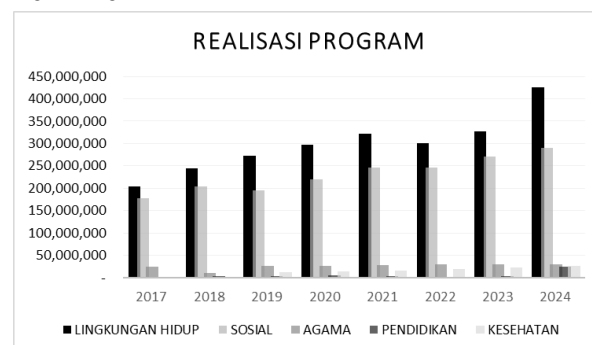
(Source: Corporate Social Responsibility Report of PT Aspex Kumbong)

The research was conducted in the Kampung Ramah Lingkungan (KRL) Rnjani 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:
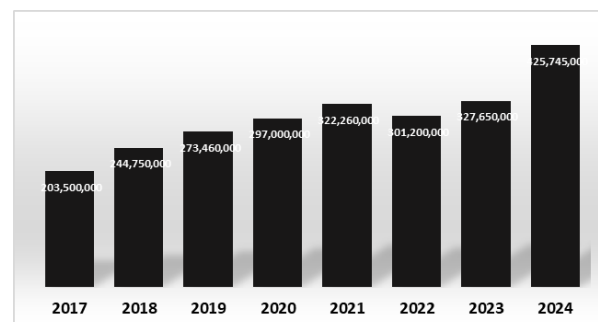
(Source: PT Aspex Kumbong CSR Report)

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

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. .

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. 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 Regency. The selection of this location was 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:

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 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
Strongly Agree (SA)	5
Agree (A)	4
Neutral (N)	3
Disagree (D)	2
Strongly Disagree (SD)	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 ≥ 0.60)
- **Discriminant Validity**
- **Composite Reliability** (≥ 0.70)
- **Cronbach's Alpha** (≥ 0.70)
- **Average Variance Extracted (AVE)** (≥ 0.50)

3. Research Results and Discussion
3.1 Research results
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 :

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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
Resource Efficiency (X3)	X3-1	5	18	54	13	90	345	3.83
	X3-2	4	13	55	18	90	357	3.97
	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			
Community Participation (Y)	Y-1	0.849	0.918	0.938	0.753
	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**
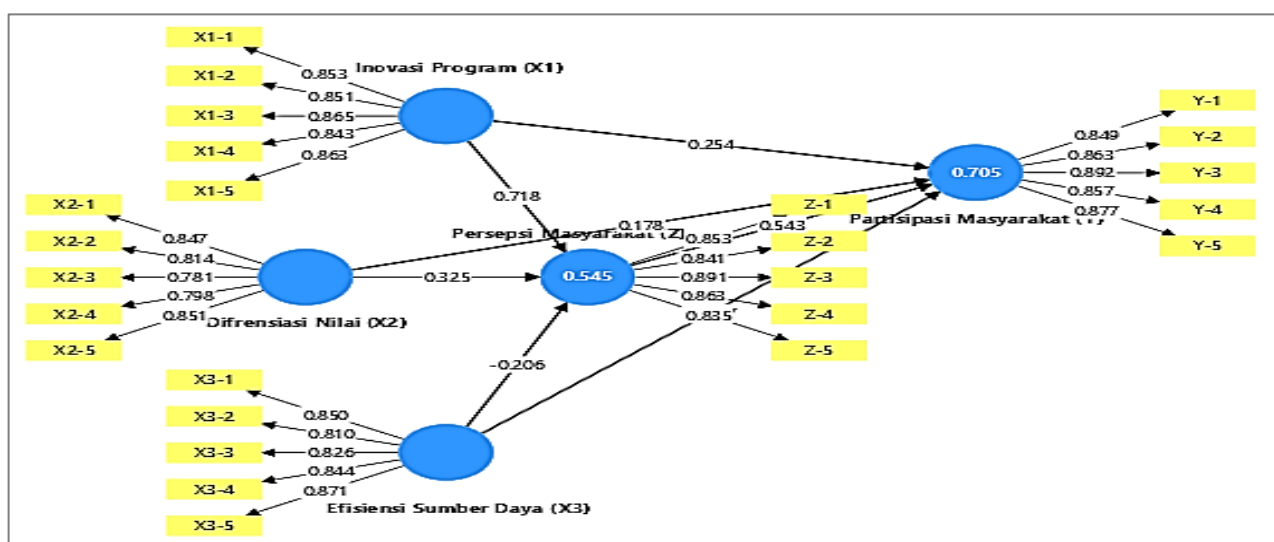
Source : SmartPLS Output (Processed data, 2025)

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)	**0.834**	0.385	0.805	0.522	0.557
Differentiation of Values (X2)	0.385	**0.819**	-	0.519	0.556
Resource Efficiency (X3)	0.805	-	**0.840**	0.672	0.682
Public Perception (Z)	0.522	0.519	0.672	**0.803**	0.768
Community Participation (Y)	0.557	0.556	0.682	0.668	**0.857**

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:
a. The square root value of AVE (√AVE) of a construct must be greater than the correlation between the construct and other constructs.
b. If the √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 √AVE values for each construct are as follows:
a. Program Innovation (X1): 0.834
b. Value Differentiation (X2): 0.819
c. Resource Efficiency (X3): 0.840
d. Public Perception (Z): 0.803
b. 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 √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:

a. The HTMT value must be less than 0.90 (for more stringent models, the limit is 0.85).
b. 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:

a. Differentiation of Value (X2) with Other Constructs:
   1) 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

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

Source : SmartPLS Output (Processed data, 2025)

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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

Variables	R-square	R-square adjusted
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:
a. Original Sample (O): 0.390 shows that the indirect effect of program innovation on community participation through community perception is positive and quite strong.
b. 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:

a. 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.
b. 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:

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

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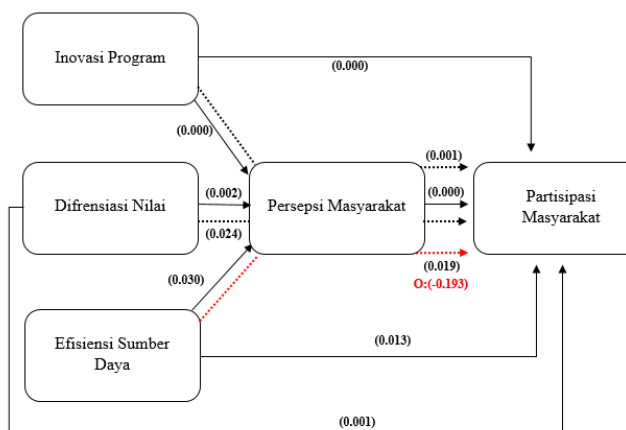
Based on the results of the hypothesis testing presented in the thesis, the following is a discussion of the 10 hypotheses tested, both direct and indirect influences:

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

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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.

4. Conclusion
4.1 Conclusion

This study concludes that program innovation has the most substantial influence in shaping positive community perception and increasing participation, followed by value differentiation and resource efficiency. Community perception is identified as a significant mediating variable linking program innovation and value differentiation with community participation, demonstrating that perception plays a central role in the success of CSR initiatives. In contrast, resource efficiency alone does not effectively influence participation and even exhibits a weak negative indirect effect. These findings emphasize that the success of Blue Ocean Strategy-based CSR programs depends not only on operational efficiency but also on innovation and differentiation that align with community values and expectations. Overall, the results confirm that program innovation is the dominant factor driving participation and that community perception serves as a key mechanism for translating innovation into meaningful engagement outcomes.

4.2 Managerial Implications

From a managerial perspective, companies and program managers should continuously enhance their CSR initiatives through creative, solution-oriented, and environmentally friendly innovations that are easy to understand and provide tangible benefits to the community. It is essential to strengthen value differentiation strategies by emphasizing the uniqueness and added benefits of CSR programs, supported by transparent and consistent communication. Moreover, adopting participatory approaches that actively involve the community in every stage—from planning and implementation to monitoring and evaluation—will increase the sense of ownership and trust. Effective communication must also accompany resource efficiency programs to ensure they resonate with community needs and strengthen overall participation and commitment.

4.3 Theoretical Implications

Theoretically, this study contributes to the advancement of knowledge in the field of strategic CSR and innovation management by empirically demonstrating that community perception mediates the relationship between Blue Ocean Strategy-based CSR components and participation. The findings extend the theoretical application of the Blue Ocean Strategy framework beyond business competition, showing its relevance to social innovation and community development. This integration provides a novel understanding of how innovation, differentiation, and perception interact to generate sustainable social value and long-term community engagement. The study also reinforces the notion that innovation-driven CSR strategies can create a distinct competitive and social advantage when aligned with community aspirations and trust.

4.4 Limitations

Despite its valuable insights, this research has several limitations. The study was conducted in a single eco-friendly village in Bogor Regency, which may restrict the generalizability of the results to other contexts or regions. Additionally, the cross-sectional design limits the ability to observe changes in perception and participation over time. Data collected through self-reported questionnaires may also contain subjectivity or social desirability bias, affecting the accuracy of perception measurements. These limitations suggest the need for more diverse samples and methodological triangulation in future investigations.

4.5 Recommendations for Future Research

Future research should expand the scope of analysis by including multiple community-based CSR programs across different regions or industries to enhance the generalizability of findings. It is also recommended to investigate specific barriers that hinder community participation, such as limited awareness, mistrust, or infrastructural challenges, to provide a more comprehensive understanding of participation dynamics. Employing mixed-method and longitudinal approaches would allow future studies to explore the long-term impacts of innovation-driven CSR strategies and capture changes in perception and behavior over time. Such efforts will contribute to developing a more holistic framework for sustainable community participation through innovative and socially responsible corporate strategies.

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