Analyzing the Impact of PT AMMAN's Community Development and Empowerment Program on Brand Image

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A R T I C L E   I N F O

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A B S T R A C T

The Community Development and Empowerment Program is a government initiative aimed at enhancing the human development index and fostering economic growth within communities neighboring the mine, encompassing post-mining implementation. This program is intricately linked to the company's reputation, observable through the effective execution of activities to attain the program's objectives. PT AMMAN, a mining enterprise, has actively engaged in implementing such a program. This study endeavors to evaluate the impact of PT AMMAN's Community Development and Empowerment Program on its corporate image. Employing a questionnaire, this research was conducted among beneficiaries in West Sumbawa Regency. The collected data underwent validation, reliability, and normality tests using SPSS software. Factor analysis was then performed to identify the elements influencing PT AMMAN's corporate image. The results indicate that the Community Development and Empowerment Program significantly contributes to the company's image, particularly in the economic sector. Key aspects include MSME training and mentorship programs, business and financial management training, and infrastructure development. Notably, the Community Development and Empowerment Program garnered highly positive impressions from beneficiaries, with an exceptional rating of 86.93%.

A B S T R A K

Program Pengembangan dan Pemberdayaan Masyarakat merupakan inisiatif pemerintah untuk meningkatkan indeks pembangunan manusia dan mendorong perkembangan ekonomi di komunitas sekitar tambang, termasuk implementasi pascapenambangan. Program Pengembangan dan Pemberdayaan Masyarakat terkait dengan citra perusahaan yang dapat dilihat dalam pelaksanaan kegiatan yang dilakukan secara optimal, sehingga target Program Pengembangan dan Pemberdayaan Masyarakat dapat tercapai. PT AMMAN sebagai perusahaan pertambangan telah melaksanakan Program Pengembangan dan Pemberdayaan Masyarakat. Penelitian ini bertujuan untuk melihat pengaruh Program Pengembangan dan Pemberdayaan Masyarakat terhadap citra korporat PT AMMAN. Penelitian ini dilakukan dengan menggunakan instrumen kuesioner yang didistribusikan kepada penerima manfaat di Kabupaten Sumbawa Barat. Hasil kuesioner yang diperoleh kemudian diuji validitas, reliabilitas, dan normalitas menggunakan perangkat lunak SPSS. Analisis faktor dilakukan untuk menunjukkan faktor-faktor yang memengaruhi citra korporat PT AMMAN. Hasil analisis menunjukkan bahwa faktor-faktor yang memengaruhi citra korporat PT AMMAN melalui Program Pengembangan dan Pemberdayaan Masyarakat di sektor ekonomi, yaitu program pelatihan dan pendampingan UMKM, pelatihan Manajemen Bisnis dan Keuangan, dan pengembangan infrastruktur. Program Pengembangan dan Pemberdayaan Masyarakat yang dilaksanakan oleh perusahaan berpengaruh positif terhadap citra perusahaan. Indikator Kesan dari masyarakat atau

penerima manfaat melalui Program Pengembangan dan Pemberdayaan Masyarakat mendapatkan kategori sangat baik dengan nilai indikator tertinggi (skor 86,93%).

INTRODUCTION

The company prioritizes its social responsibility in all its endeavors. Organizations should develop business principles and practices that foster economic, social, and environmental development simultaneously. This idea is interconnected with the ethical and social responsibilities of the company's internal and external stakeholders. Corporate sustainability is achieved by practicing social responsibility, especially through fostering cooperation among stakeholders. This is accomplished through the company's development programs in the surrounding areas (Iswadi Amiruddin1, Hasniati2, 2020).

Every mining business entity is expected to design and have a Community Development and Empowerment Master Plan in accordance with ESDM No. 41/2016 concerning Community Development and Empowerment in Mineral and Coal Mining Business Activities (Astuti & Simandjuntak, 2018). The Minister of Energy and Mineral Resources' Decree No. 1824 K/30/MEM/2018, which outlines the Guidelines for the Implementation of Community Development and Empowerment, further emphasizes this legislation (Parhusip et al., 2022).

As these initiatives have had a major impact on the company's image in the eyes of the Indonesian government and society, the company should continue to engage in community development and empowerment efforts to maintain the potential of the surrounding area. These include the following: (1) With an emphasis on community economic empowerment, health, education, and ecopreneurship programs, PT Ceria Nugraha Indotama is dedicated to implementing community development and empowerment programs as a social duty. The purpose of this program is to uphold the company's reputation in the eyes of the community and local government around the mining area (Iswadi Amiruddin, et al, 2020); (2) To achieve shared prosperity, PT Vale implements empowerment and community development projects using sustainable practices. PT Vale works with a range of stakeholders and contributes to its areas of operation. The main themes of the program include infrastructure development, community institutions, socio-cultural, economic independence, health and education (vale.com); (3) An award was given to PT Bumi Suksesindo (BSI) in recognition of its dedication to carrying out community development and empowerment initiatives. The goal of this program is to empower the people surrounding the mine by implementing projects such as turning organic waste into food for maggots. Positive effects on local communities are given priority over quantity in this initiative. This claim demonstrates how official acknowledgment of the company's community development and empowerment initiatives is in addition to having an effect on the company's brand image (merdekacoppergold.com).

To improve its reputation and relationships with the community, PT AMMAN is putting into practice a program called Community Development and Empowerment. With a focus

on economic empowerment, the program seeks to improve the local economy through assessing company potential, offering training, improving branding and marketing, and expanding access to funding for businesses. Through this initiative, the community can solve economic concerns and develop their talents. MSMEs in the Sumbawa and West Sumbawa districts have benefited from training and development provided by PT AMMAN in this regard. To keep the company's reputation favorable, the community should assess the effectiveness of these efforts.

Researchers are encouraged to look into the effects of PT AMMAN's Community Development and Empowerment program on the company's brand image. The research attempts to provide suggestions for enhancing brand image as well as an overview of the efficacy of various initiatives by examining public attitudes and views.

RESEARCH METHODS

The 134 recipients of PT Amman's 2023 economic empowerment, community development, and empowerment program made up the study population. By applying the Slovin formula with a 10% margin of error, 57 people (rounded to the nearest whole number) were included in the sample. Given that it uses numerical data, this research study is quantitative in nature. This study used a questionnaire as part of its research design to gather and aggregate data, which was then analyzed. The dependent variable is corporate image, and the independent variable is the Community Development and Empowerment Program. Research focuses on the occurring events.

The researcher used a straightforward linear regression equation as their analysis technique to satisfy the study objectives. The program for community development and empowerment through economic empowerment was represented by variable x, while the company's image was represented by variable y. To make data analysis easier, the authors used the SPSS version 29.0 for Windows application. The T test is the next action to take once the data has been processed. Although it is a component of the regression test, the researcher prefers to talk about the t test before moving on to the linear regression test. This analysis aims to demonstrate how much an independent variable can explain the variation in the dependent variable by itself. To validate the traditional assumptions, however, assessments of the research instrument's validity, reliability, and normalcy must be carried out before undertaking hypothesis testing. Lastly, a basic test of linear regression is carried out.

RESULTS and DISCUSSION

Validity Test

Each question item is deemed legitimate in a validity test using Pearson Product Moment correlation if the question correlation coefficient is less than or equal to 0.312. The table shows the results of the validity test for Brand Image variable and Community Development and Empowerment variable in the subject of Economic Empowerment.

Table 1 *Validity Test Result Community Development and Empowerment and Brand Image*

Statements CDE & Brand Image	SPSS Result of Validity Test 30 statements	Critical Points	Conclusion
Statement 1	0.634	0.312	Valid
Statement 2	0.830	0.312	Valid
Statement 3	0.790	0.312	Valid
Statement 4	0.837	0.312	Valid
Statement 5	0.823	0.312	Valid
Statement 6	0.772	0.312	Valid
Statement 7	0.836	0.312	Valid
Statement 8	0.826	0.312	Valid
Statement 9	0.678	0.312	Valid
Statement 10	0.749	0.312	Valid
Statement 11	0.751	0.312	Valid
Statement 12	0.749	0.312	Valid
Statement 13	0.623	0.312	Valid
Statement 14	0.698	0.312	Valid
Statement 15	0.744	0.312	Valid
Statement 16	0.569	0.312	Valid
Statement 17	0.756	0.312	Valid
Statement 18	0.897	0.312	Valid
Statement 19	0.883	0.312	Valid
Statement 20	0.864	0.312	Valid
Statement 21	0.851	0.312	Valid
Statement 22	0.856	0.312	Valid
Statement 23	0.835	0.312	Valid
Statement 24	0.832	0.312	Valid
Statement 25	0.923	0.312	Valid
Statement 26	0.832	0.312	Valid
Statement 27	0.856	0.312	Valid
Statement 28	0.886	0.312	Valid
Statement 29	0.818	0.312	Valid
Statement 30	0.817	0.312	Valid

Source: SPSS Version 29.0 2023

In the validity test results table above, it is evident that all validity indices for the Community Development and Empowerment variable in the Economic Empowerment field and the Brand Image variable exceed the critical value of 0.312. Therefore, it can be concluded that all statement items utilized to gauge these two variables are valid. Consequently, all statements are deemed valid and suitable for processing as research data.

Reliability Test

Reliability holds equal significance to validity in assessing measurement tools. Employing the Cronbach's alpha method, the reliability of the study's two variables was

examined. A reliability coefficient greater than 0.700 is considered acceptable for the measuring instrument to be deemed reliable. The table presented illustrates the outcomes of the reliability assessments conducted on the two variables utilizing SPSS 23 software. It is evident from the table that each coefficient for every statement and variable has surpassed the requisite threshold, affirming the questionnaire's ability to measure the intended constructs accurately. The following table presents the reliability test outcomes.

Table 2 *Reliability Test Result*

Variable	Coefficient of Realibility	Critical Points	Conclusion
Community Development and Empowerment	0.946	0.700	Reliable
Brand Image	0.968	0.700	Reliable

Source: SPSS Version 29.0 2023

Classical Assumption Test

Normality Test

The data normality test uses the SPSS version 29.0 with the Kolmogorov-Smirnov test. The following are the results of the data normality test that has been carried out with a total sample of 57 respondents.

Table 3 *Kolmogorov-Smirnov test result*

			Unstandardized
N			57
			57
Normal Parameters[a,b]	Mean Std. Deviation		.00000000
			4.61585071
Most Extreme Difference	Absolute		.121
	Positive		.105
	Negative		-.121
Test Statistic			.121
Asymp. Sig. (2-tailed) [c]			.037
Monte Carlo Sig. (2- tailed) [d]	Sig.	Lower bound	.032
	99% confidents	Upper bound	.027
	interfal		.036

a. Test result is normal
b. Calculated from data
c. Lilliefors significance Correction
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000

Source: SPSS Version 29.0 2023

Based on the results of the Normality Test, with a significance value of 0.12>0.05, it can be concluded that the residual values are normally distributed. Consequently, they can proceed to the next test.

Correlation Analysis Test (R) Pearson Product Moment

The purpose of the correlation test, according to Sarwono (2006), is to ascertain the degree of link between variables as shown by the correlation coefficient (r). There might be a positive or negative relationship between variables x and y.

Table 4 *Correlation Analysis Test (R)*

		CDE EE	Brand Image
CDE Economic Empowerment	Pearson Correlation	1	.798**
	Sig. (2-talled)		<,001
	N	57	57
Brand Image	Pearson Correlation	.798**	1
	Sig. (2-talled)	<,001	
	N	57	57

**Correlation is significant at the 0.01 level (2-tailed)
Source: SPSS Version 29.0 2023

The correlation table above shows that Community Development and Empowerment has a significance value of 0.001 less than 0.05 on Brand Image. This suggests that there is a relationship between Community Development and Empowerment and Brand Image, indicating that the variables are correlated. It can be deduced that Community Development and Empowerment belongs to the strong correlation group since their value on Brand Image has a correlation coefficient of 0.798, which shows a positive link.

T-test

Although the t test is a component of the regression test, academics prefer to talk about it before moving on to the linear regression test. This test essentially aims to demonstrate the extent to which the variance in the dependent variable can be explained by the influence of a single independent variable (Ghozali, 2006).

Table 5 *T-test result*

Coefficient[a]					
	B	*Std. Error*		t	Sig.
1 (Constant)	11.478	4.110		2.793	.007
CDE Economic Empowerment	.791	.081	.789	9.804	<,001

a. Dependent Variable: Brand Image
Source: SPPSS Version 29.0 2023

It can be concluded that variable (x) significantly influences variable (y) or that Ho is rejected and Ha is accepted, as indicated by the significance value from the table, which is 0.001 lower than 0.05. This suggests that the variable of community development and empowerment (x) affects the variable of brand image (y). Alternatively, the rejection of Ho

and acceptance of Ha can be inferred from the t-value, where tcount is 9.804 bigger than t Table 2.240. The t-table value can be obtained from various sources or calculated as follows: [include calculation method here].

$$Ttabel = (\alpha / 2 : n-k-1)$$
$$= (0.05 / 2 : 57-1-1)$$
$$= (0.025 : 56)$$
$$= 2.240$$

The coefficient of determination, quantified by the correlation value (R) of 0.798, suggests a strong relationship between the variables. Furthermore, the output's coefficient of determination (R Square) of 0.636 indicates that the independent variable (community development and empowerment) has a substantial impact on the dependent variable (brand image).

The ANOVA or F-test is utilized to determine the relationship between the independent and dependent variables. Since there is only one independent variable, a partial test is appropriate. The calculated F value, with a significance level of 0.001 < 0.05, is presented in the table above as 96.120. Thus, it can be inferred that the participation variable can be predicted using the regression model. In other words, there exists a relationship between the variable brand image (y) and the variable community development and empowerment (x).

The SPSS findings of the simple linear regression test are depicted in the concluding Table 5. The regression coefficient (b) for community development and empowerment is 0.791, while the constant (a) holds a value of 11.478. Therefore, the regression equation can be articulated as follows:

$$\text{Brand Image} = 11.478 + 0.791 \times \text{Community Development and Empowerment}$$

The constant value of 11.478 signifies the baseline for the Brand Image variable. With a regression coefficient of 0.791, the Brand Image value increases by 0.791 for every 1-unit increase in the Community Development and Empowerment variable. Since the regression coefficient is positive, the variable x has a positive effect on the variable y.

Discussion

Factors Impacting the Corporate Image of PT AMMAN

After conducting a series of tests on the questionnaire responses, an indicator analysis was performed to identify factors influencing PT AMMAN's corporate image. Three significant factors impacting the organization were identified through the analysis:

a. MSME Training and Mentoring, Since November 2021, PT AMMAN has been conducting training and mentoring programs for Micro, Small, and Medium Enterprises (MSMEs) in West Sumbawa. The primary objective of this program is to provide guidance to MSMEs, focusing on design, branding, and marketing. Collaborating with NARASA, a local social enterprise, PT AMMAN aims to enhance the production of locally crafted goods, enabling them to compete at a national level. Feedback from beneficiaries indicates

that the program has been effective in assisting MSMEs, particularly in West Sumbawa, to improve their product packaging designs, maintaining product quality, and attracting customers.

b. MSME Business and Financial Management Training, PT AMMAN has implemented a program aimed at enhancing MSMEs' knowledge of their turnovers and improving their financial management skills. This initiative helps MSMEs organize their finances through proper documentation, enabling them to track turnovers and understand business growth better. Positive feedback from program participants indicates that the training has been beneficial, leading to improved financial management practices and better analysis of monthly turnovers.

c. MSME Infrastructure Development, PT AMMAN has initiated infrastructure development projects to support the growth and development of MSMEs. One such project is the construction of the SAKIKI Aren Sugar Production House in TONGO Village, Sekongkang, West Sumbawa. This facility serves as part of a coaching program for palm sugar farmers, providing them with training and mentoring sessions. Feedback from beneficiaries highlights the positive impact of the program, not only in providing necessary facilities for palm sugar production but also in enhancing farmers' knowledge and skills in business management.

Respondents' Perception of PT AMMAN's Image

Based on respondents' evaluations of PT AMMAN's brand image, the majority of respondents rated the brand image highly, which was developed through community development and empowerment programs. Three indicators were used to assess the brand image: beliefs, overview, and impression. The total actual score of respondents' answers regarding PT AMMAN's Brand Image is 85.52%, falling within the excellent category. The highest score was observed in the impression indicator, with a score of 86.93%. Researchers conclude that the implemented programs have effectively met the beliefs, overview, and impressions of program recipients, highlighting the importance of maintaining these initiatives to continue generating positive value for the community and enhancing PT AMMAN's image.

CONCLUSIONS

The results of the answer scores on each indicator have demonstrated very good outcomes, particularly in the Business and Financial Management Training indicator, which falls into the excellent category with a score of 84.82%. Additionally, the total score of all Community Development and Empowerment Indicators, totaling 82.97%, is categorized as good. These scores reflect the positive responses from beneficiaries towards the Economic Empowerment program conducted by PT AMMAN. Consequently, the target community has acknowledged, welcomed, and responded favorably to PT AMMAN's Economic Empowerment initiative.

Following the Correlation Analysis Test, it was established that Community Development and Empowerment and Brand Image are positively correlated. This is indicated by the significance value being less than 0.05 and a degree of relationship value of 0.798, both falling into the strong correlation category. A t-test was conducted, revealing

that Ha was accepted while Ho was rejected. Therefore, with a test score of 9.804, Ha, or the Community Development and Empowerment program Economic Empowerment, exerts a strong impact on PT AMMAN's brand image, aligning with the initial hypothesis.

In conclusion, it can be inferred that the Community Development and Empowerment Economic Empowerment program can enhance Brand Image. This is supported by the result of a simple linear regression test, which indicates a positive increase in value towards the Brand Image variable of 0.791 for every 1% increase in Community Development and Empowerment Economic Empowerment. Positive numbers in linear regression signify that the influence is moving in the direction of improvement.

RECOMMENDATIONS

Although they might be strengthened, the Community Development and Empowerment (Economic Empowerment) indicators are good overall. Of the measures, the infrastructure development indicator scores the lowest at 82.72%. It is crucial to boost infrastructure development equitably and take the community's and program participants' demands into account. The caliber of the business and financial management training, together with the branding and marketing training, is excellent. Even after the training program is over, it is crucial to stay in touch with the recipients or community to guarantee its continuation. It would also be advantageous to establish channels of contact where program participants can ask questions or get guidance on how to apply the concepts, they have learned in the training program. It might benefit the recipients of the Community Development and Empowerment (Economic Empowerment) training program by keeping them engaged and giving them the assistance they need. The author offers the following recommendations regarding PT AMMAN's brand image based on the data gathered: Each of the excellent indicators in the brand image variable must be preserved by upholding the program's quality, specifically by making sure that PT AMMAN's Community Development and Empowerment (Economic Empowerment) The program keeps the community truly benefited. Offer pertinent training materials, certified instructors, and efficient teaching strategies. Giving program participants a great and beneficial experience will undoubtedly boost their beliefs and leave a good impression.

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