

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) PT. TIRTA INVESTAMA PANDAAN ON THE INCOME OF JATIANOM COMMUNITY

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ABSTRACT

This study aimed to identifying the role of CSR (Corporate Social Responsibility) in promoting sustainable economy, this present study investigates the effect of CSR conducted by PT.Tirta Investama Pandaan on the income of the local community. The community development program of PT. Tirta Investama named Wanjati is conducted in Jatianom, Karangjati village and run under the management of Social Investment Indonesia (SII). By employing quantitative research method, this study randomly selects 78 respondents. The variables used in this study are training as dummy variable (D1), gender as dummy variable (D2), business as dummy variable (D3), capital (X1), age (X2), and income (Y). Jatianom as the sample since they are the beneficiaries of the CSR program. The data obtained in this study were analyzed by using multiple regression analysis with F test and T test. The findings show that training, capital, age, gender and capital and business simultaneously have significant effect on income. It shows that training and capital provision can increase the income of the community. The partial analysis reveals that training has significant effect on the increase of the community's income. People who joined training have higher income compared to those who did not join the training. In addition, capital also has a significant effect on income which is greater (more dominant) than training, age, gender and business. It means the amount of the community's income depends on how much the capital received. So, the higher the capital which is received, the higher the income of the community.

Key point : CSR, , training, capital, income, community.

Background

In Indonesia, Multinational Company(MNC) has a major role for developing the economic sector of this country because it has a significant role in reducing the number of unemployment and increasing revenue for the country. Many MNCs such as Danone and Nestle which have many subsidiaries in Indonesia employ a high number of Indonesian people so that it can reduce the number of unemployment as well as paying a high amount of tax to the government. Therefore, an integrated concept of development is needed for realizing the the country's objectives by integrating the role of government and the MNCs.

As one of MNCs, Danone is considered as a unique and different MNC since it has direct and clear commitment for the society. Its uniqueness lies on its dual commitments which consist of economic and social commitment for the betterment of the people. The objective of Danone's commitments on economy is to generate profit from their business and finance. On the other hand, its social commitment deals with the commitment for taking responsibility in many social aspects by engaging both the consumers and the employees. Thus, morality demand will emerge if the social commitment has not been realized.

In general, Danone has 3 products, namely dairy food, packed beverage, and drinking water under a brand named AQUA which is produced and distributed by PT. Tirta Investama as its subsidiary.

Since 1998, Danone holds the biggest share in AQUA group after AQUA Group collapsed due to the financial crisis of 1997. The producer of AQUA, PT. Tirta Jayamas Unggul, was subsequently renamed as PT. Tirta Investama. One of the branch of this company is located in Pandaan District, Pasuruan, East Java. The location of the branch is determined based on the geographic consideration and some aspects needed for the production process. In this case, Surabaya – Malang street km48.5 Karangjati Pandaan is considered as the strategic location of company's production. As the company grows rapidly, it will face various problems concerning with its contribution towards the environment and the society. One of the common issues faced by a developing company is whether they can maintain the surrounding environment as well as give benefits to their employees and the local community. Thus, the company conducts CSR to solve this particular problem. Therefore, having knowledge on whether PT. Tirta Investama Pandaan puts its priority on profit and social contribution is beneficial.

In conducting CSR, most of companies only give small amount of their capital provision to the society in a form of charity which they consider as a form of CSR. In fact, the charity is not continually given so that it has no effect on the maintenance of the environment and the economic level of the local people. Charity becomes less appropriate due to its inability in reducing poverty

and problems in education. In addition, charity tends to be not productive. However, ironically, many companies consider charity as a means to improve companies' image and increase their product sale. Thus, there should be a clear distinct point for performing CSR, so that charity is treated differently from CSR.

Nowdays CSR have improved in many ways to applying the program in accordance with the community needs. Started from the innovation program and manipulated product of CSR by local government and non-governmental organizations (NGOs), innovation in order to develop CSR arise as the company and community needs as well. One of the innovations from CSR is the appearance of CSR forum in area which set by local government and aimed to give synergy between regional development plan and the CSR program of company. According to Rahmatullah and Apriwiyanto (2013) in Indonesia already have many forums in CSR more than 22 forum in local area or provincial that half of them just implementative and give few impact on the improvement of community welfare.

Company become the main of role in economic sectors, otherwise company should use macro and micro method to approach, in order to understanding about company will be intact. In micro approach examined by the relationship between company (internal) and third party (external), with macro approach will obtained better result because examined by intervention of government in the company to create economic welfare in society and also company in many aspect such as sociological, economic or management.

Company's role in performing CSR aimed at providing sustainable development for both the environment and society is very crucial. The existing law dealing with CSR creates an obligation for company to conduct CSR dan they do not have any rights to decline the CSR program. If company does not conduct the CSR program, thus the company will be doubted. So, issue on CSR emerges and becomes an interesting topic to be discussed in order to get additional facts on the role of CSR in MNC as a form of its responsibility towards the prosperity of the people and the betterment of the surrounding environment.

Based on the above, sometime the existence of local government and forum of CSR only just follow other areas for implementation the program,

of course in CSR budgets, and this is one ways to distract the responsibility of local government towards the private sector. Therefore, described PT. Tirta Investama as the company that performs the positive synergy between local governments to increasing the society welfare to promote sustainable development.

PT. Tirta Investama Pandaan has a CSR program for developing the potentials of the local community by giving additional values on their finance and skill. The company's community development, Wanjati (*Wanita Jatianom*), is conducted in Karangjati located in RING 1 (area between 0-500m from the company). Wanjati is a social organisation founded in 2011 through community development program of PT. Tirta Investama Pandaan which is managed by the Social Investment Indonesia (SII). It is expected that by implementing CSR Program for developing community, PT. Tirta Investama Pandaan can give positive towards the surrounding environment and local communities.

Capital provision and training are used by PT. Tirta Investama as a tool for implementing CSR program which is carried out by Wanjati. Training is defined as any attempt to improve employee performance on a current job. It concerns with increasing the employees' specific knowledge, skills, attitudes, and behaviors through learning experience to be applied in their day-to-day activities. In addition, training is conducted in well-planned organizational activities which are designed in response to the identified needs of the employees. Training conducted by the CSR at PT. Tirta Investama Pandaan is selected as the object of this present study. In CSR activities, PT. Tirta Investama gives capital provision to the Jatianom community. Next, the capital provision is distributed through cooperatives and SMEs (Small Medium Enterprise) to be utilized by the society for running new business or expanding their existing business.

Aimed at identifying the role of CSR in promoting sustainable economy, this present study on the effect of the CSR of PT. Tirta Investama Pandaan on the income of Jatianom community is conducted. In this study, Jatianom community is taken as the object of the study in order to examine the significance of the community development program in increasing the income of the local community.

Corporate Social Responsibility (CSR)

Company is an institution that runs a business to gain profit. For generating profits,

company should know the condition of the environment in surrounding communities. In modern business, the power of company is represented in every action taken by the company which will bring the real impact on the life quality of their stakeholder; in this case, more emphasis is on the community and environment (Wibisono 2007). Nowadays, the biggest concern of the company's role in society has improved in order to increase its sensitivity and awareness of environmental and ethical issues. The sensitivity and concern for the environment and a company's ethical problems can be realized by conducting Corporate Social Responsibility (CSR).

Industry and corporations contribute to encourage healthy economic growth by considering the specific environmental factors. Siregar (2007) argues that business world no longer just pays attention only to the company's financial records (single bottom line), but has covered the financial, social, and ordinary environmental aspects (triple bottom line), which form a synergy of the three key elements of the concept of sustainable development.

According to Saidi (2003), there are stages and characteristic of Corporate Social Responsibility, as follow:

Some stages taken by CSR, starting from the motivation, mission, processing, organizing, beneficiaries, contribution and inspiration. Several companies have different implementation of CSR. The example in the philanthropy activities which are carried out only based on norm and law and not as a way for performing one of the company's duties. Based on the stages of CSR, companies should not implement CSR only for charity but also combining charity, philanthropy and good corporate.

Based on the various reasons that have been mentioned before, there are three CSR standpoints, namely:

1. Strings attached and compulsion

CSR is implemented because of the external factor including the compulsion and reputation driven

John Elkington (in Wibisono, 2007) explains the concept of the triple bottom line or familiarly known as "3P", i.e profit, people and planet. 3P concept implies that the company should not only seek for profit, but must also have to give positive contribution to society (people), and actively participate in protecting the environment (planet). Similarly, Robbins and Coulter (2002) defines CSR as a business enterprise obligations beyond those required by law and economic considerations to pursue a variety of good long-term goals for society.

The concept of CSR has been known since the beginning of 1970, which is generally defined as collection policies and practices related to the stakeholders, values, compliance with legal requirements, respect to the community and the environment as well as the commitment of business to contribute to the sustainable development (Siregar, 2007). In the beginning of the development, most companies saw that the contribution for society should be given in the forms of job training, compliance of society's needs through the products, and the payment of taxes to the state.

by the motivation to boost the positive image of the company. The company intention for donating is still covered by willingness to grasp the opportunity in order to create such positive publicity to maintain or boost the company's image.

2. As an effort to fulfill obligations (compliance)

CSR is implemented because there are regulations, laws, and rules that force it. If the company gets support from the market situation and receives rewards from the institution of agencies, it has to implement CSR.

3. Company's Social Awareness.

Conducting CSR is no longer considered as a means for fulfilling Company's obedience. It means that the company implements the CSR because they realize the importance of CSR as the part of responsibility towards the society. Company believes that CSR is an investment program for growth and sustainability effort.

Revenue

According to Samuelson and Nordhaus (1997), the purpose of business practice is to generate income, in which the revenue could be used for daily needs of life and the survival of business trading. Revenue is received in the form of money, where money is a medium of exchange or means of exchange. Furthermore, revenue can also be

defined as the sum of money received by a person or household over a period of time (usually in one year). Income consists of salary, or acceptance labor, income obtained from property such as rent, interest and dividends, as well as payment or receipt of government transfers such as social or unemployment insurance.

According to Lipsey (1995), income is divided into two namely personal income and disposable income. Personal income is revenue generated by or paid to an individual before it is reduced by the personal income tax. Individuals pay taxes and save money for households. Disposable income is the amount of current income that can be spent or saved by households, that is personal income reduced by income tax.

According to Sukirno (2004), the amount of income received is based on the employees' performance and is given during one period of time, either daily, weekly, monthly or annually. Several classifications of income are as follows:

1. Personal income is all types of income earned by conducting any economic activity.

2. Disposable income is personal income reduced by tax that must be paid by the recipient of income. The residue of the income is also called as disposable income.

3. National income is the value of all goods and services produced by a country in one year.

People's income can be classified into two namely permanent and transitory incomes (Milton Friedman, 1956 in Rachmawati, 2008). Transitory income is income which cannot be predicted previously. On the other hand, permanent income can be interpreted as:

1. Revenue which is always received in a certain period and can be estimated previously, for example wages and salaries.
2. Revenue which is obtained from the results of all factors that determine personal wealth.

Human Capital

Human capital is intellectual capital – the source of innovation and improvement. However, human capital which is represented by human investment is a component which is sometimes difficult to be measured. Human investment is an effort to increase the value of "goods or services" that are produced in the future with the opportunity to fulfill people's daily consumption. According to the principles of human investment, economic value can develop in the future through the process of improving the employees' attitude, behavior, knowledge, capability, expertise and skills through the provision of education and training. Increasing education level provides an opportunity to improve the work ability or professional skill which will increase income. Costs spent for education and training programs are considered as an investment in which the result can be obtained in the future.

Education and training are closely linked to the improvement of human quality resources. Education (including training) plays an important role for the improvement of these sources quality.

Improving the quality of human resources has significance for the improvement quality of a country as a whole. The provision of education and training will increase labor productivity in the company. This will have an impact on lowering the cost of production, so that the company will have higher profit and able to give higher salary for the employees. With the reduction in production costs, it means that companies can sell the products at a lower cost. The decrease in selling price will provide an opportunity for the consumers to buy a higher number of the company's products, and finally it will increase the demand of labor and also in the job available in the market.

Developing countries such as Indonesia need human resources for boosting its economic growth. For developing country, investment in human capital resources is very crucial for driving the economic growth in the real sector. On the other hand the impact of human capital investment in developed countries exceeds the impact of physical investment to the increasing rate of economic growth.

GENDER

Gender is the real characteristics from man and woman based on the value (marmawi 2009). The meaning of value in here related with actualized role in society. Gender also is about the attitudes held by woman and man based on behavior. (Retno, 2012)

The different characteristic between woman and man have important role in the society. In the reality woman has close character with wife, housewife and always related in the house, while man only work in outside for living to fulfillment daily needs. Based on the above it was conclude gender is the characteristic of woman and man based on the attitude that inborn in behavior and as well as supported by the value in the society.

According Yeney (2012) based on agency theory, different of gender make different also in leadership style. Woman leadership style has its own unique thing in order to deliver, provide and transmit the important information in the company as fluctuate. Whereas man leadership style prefer to chronological and the consistence of data, and delivering information by man more heading on reality (direct), fact, and to the point. It can be concluded, leadership style different in woman and man. Usually man leadership style is focused on the assignment and firm while woman has friendly and good interpersonal.

Elderly

According to World Health Organization (WHO) ranges of elderly divided by :

1. Middle age : age ranges from 45- 59 years old
2. Elderly : age ranges from 60-70 years old
3. Old : age ranges from 75-90 years old
4. Very old : more than 90 years old

The process of aging

In essence, grow old was natural process which means human has been through three stages on his life specifically in children, adult, and old age (Nugroho, 1992). The three stages are different in biologically and physical or psychic. Enter the old age its mean lose grown in physical or psychic. In physical tag by sagging skin, graying hair, not good

hearing, blurred vision, slow movement, abnormalities in various vital organ function.

Although as naturally decreasing in the various organs function, but must be healthy elderly. Healthy in this case is defined:

1. Free from physical illnesses, mental and social,
2. Able to perform activities of daily needs,
3. Received social support from family and community (Rahardjo, 1996)

Due to the development of age, the elderly changes that require their constantly. If the process of adaptation with environment is less, it will be arises various problems. Hurlock (1979) in Munandar Ashar Sunyoto (1994) mention the problems of elderly are:

1. Powerlessness that causes dependence on others,
2. Economic uncertainty that requires a total change in his life,
3. New friends to replace friend who have died or moved,
4. New activities to decline wasting time and
5. Learn to treat children who grown up. In order to changes in physical, according Hurlock change in fundamental physical is change in motion.

Elderly also changes in interest. The change are increasing the interest in self and money, decreasing in appearance, and limited the interest in activity likes recreation, hang out, et al. Its mean motivation for the elderly are necessary.

According to Hurlock (1990) changes on every person it will be followed the decrease of the interest in self and also affect in their life. Satisfactory or unsatisfactory on their life are depends on the personal experience. Health improvement, increases economic or income and social roles are favorite changes performed by elderly. (Goldstein, 1992)

Adaptation is a process that necessary to deal with changes. The characteristic of bad adjustment of elderly (Hurlock, 1979 and Jojo, 1994) as follows:

1. Not interests in any activity on their environment.
2. Fantasy world,
3. Not easy to move on,
4. Worried because of unemployment,
5. Less motivation,
6. Everyday feel lonely because not good in communication and relationships with family, and
7. Unwanted residence.

The various issues that related to the elderly welfare, such as: Setiabudhi, T (1999)

1. The larger of the number of elderly in the poverty.
2. Decreasing respect for Elderly from family.
3. The born of industrial communities.
4. Low quantity and quality from professional service of elderly.
5. Nothing activities for develop elderly.

And the specific problems are:

1. The aging process that create problems in physically, mentally and socially.
2. Reduce the integrated social of elderly.
3. Low productivity.

Corporate Social Responsibility, Human Capital, The Income of Community, and Economy Development

In addition to capital factors and technological advance, natural resources and human resources determine the success of economic development of a country. In the concept of sustainable development, natural resources have high economic value that should not be exploited because it determines the existence of the future generations. The quality of natural resources can be improved through exploration and exploitation efforts by increasing production efficiency through the utilization of technology. Thus, the management of natural resources requires a responsible policy. In

addition, population and community, as a form of human resources, are important assets. The success of the development is determined by the attitude of population during the development process.

Human resource is an agent of development, executive development and determinants of success or failure. Human resource is a factor of production in the development process. The existing system is a product from human resources it self. Qualified human resource is an asset in development. Problems emerge when human resources are extremely limited with very low quality. Most of developing countries have high number of population and human resource but their quality still remains low. These conditions clearly hinder the development process. Hence, we need good human resource management.

Human is the most important resource for an to organization in the effort to achieve goals. Perfect technology and financial aspects without support from human resource, would be difficult to be utilized in achieving organizational goals. Based on this, fact the human resource factor must be developed. To improve the quality of human resources, we need a human resource development strategy. Human resource development strategies of company or government cover developing education system by providing training, developing performance appraisal systems and incentive systems, implementating recruitment and selection, budget planning for human resources and employee relationships and communication.

Human capital can be considered as a reliable human resource development if it has high quality. In terms of human resource development has an important role in relation to improve the quality of development and the suitable of the development itself. Now, in the era of information and technology, a good understanding on the technology will have an impact on the quality and quantity of development.

In order to achieve the qualified human resources, some efforts for developing human resource include the presence of organized formal education at primary, secondary and higher education levels. The aim of education for economic development is to create more productive workforce, due to the increase of knowledge and expertise and the availability job of employment opportunities (Ado, 2011). Based on the previous descriptions, corporate governance should contribute to the economic development. This type of CSR program can be implemented in cooperation with the government.

Hypothesis

1. Training provided by PT.Tirta Investama has a positive effect on the income of Jatianom community.
2. Capital provision given by PT.Tirta Investama has a positive effect on the income of Jatianom community.
3. Capital provision is the the most dominant factor which positively influences the income of Jatianom community.

Research Design

The type of research used is determined by the objects and objectives of the study. Thus, this study uses explanatory study as the method since it describes the influence that occurs between variables and then tests the hypotheses which that have been formulated previously. When the causal relationship between variables is identified through hypothesis testing, then the study is no longer called as descriptive research but hypothesis testing or explanatory research (Singarimbun and Effendi, 1995). In this type of research, the formulated hypotheses are tested for the presence and influence of the relationship between the variables. The variablesexamined in this study are training as dummy variable (D1), capital (X1), age (X2), gender as dummy variable (D2), business as dummy variable (D3) and income (Y). WhileX1, D2, and D3 are used as the control variables.

Location of Research

This research took place in Jatianom at Karangjati village, Pandaan because the CSR of PT. Tirta Investamais implemented as one of the communiy development program here. This location is determined based on the objective of this study that is to find out the effect of the implementation of CSR programs of PT. Tirta Investama at Jatianom on the income of the community.

Research Variables

Variable is entity having characteristics and quantity which can be measured. The variables used in this study are training as dummy variable (D1), genders as dummy variable (D2), business as dummy variable (D3), capital (X1), age (X2), and income (Y).

Operational Definition of Variables

Operational definition of variables deals with what the variables are and how these variables are measured. The operational definition of variables used in this study is as follows.

a. Dependent Variable

The dependent variable used in this study is income. Incomevariable in this case is community's income obtainedby running business specifically by producing goods or services. Income is measured from the community's income after the presence CSR of PT.Tirta Investama.

b. Independent Variables

1. Training

Training variable deals with the respondent who join or receive training and the respondents who do not join training conducted by CSR PT.Tirta Investama Pandaan. Training is expresed by dummy variable consisting of, D1 : joining the training, and D0 : not joining the training.

2. Capital

Capital variable is the provison of capital given by the CSR of PT. Tirta Investama to the community. The given capital varies in term of the amount starting from 1 million until 2.5 million rupiahs which are distributed through cooperatives and SMEs (Small Medium Entrepriise).

3. Age

The age of respondent is ranging from 27 until 60 years old.

4. Gender

The gender of the respondent is represented by dummy variable consisting of D1: for males D0: for females.

5. Capital Utilization

Capital Utilizatiom in this case refers to the bussiness created by utilizing the provision of capital from CSR of PT.Tirta Investama. The respondent might use the capital provision for consumptive purposes or creating new bussiness. The bussiness is represented by dummy variable consisting of, D1: the utilization of capital provision for productive purpose (for creating the bussiness), D0: the utilization of capital provision consumptive purpose (instead of creating bussiness). There are some bussiness occupied by the respondents, such as shop, merchant, souvenir, food and snacks, and the center of hand made gift.

Population

Population is a generalization region objects/subjects that have certain quantity and characteristic defined by the researcher to be studied. The population in this study is Jatianom community.

Sample

According to Sugiyono (2006), sample is certain number and characteristics of the population.

In this study, the sampling technique used is purposive sampling in order to accomplish the certain purpose for the research. The samples of this study are 78 Jatianom residents both males and females in the age of 27 to 60 who participated and did not participate on traning, have capital provision ranging from 1 million to 2.5 million rupiahs, and currently run business by utilizing capital provision given by PT. Tirta Investama.

DataCollection

According to Bungin (2004), primary data is obtained from the data sources classified as belongs to the area of the research object. The data of this study was obtained through questionnaire filled by the Jatianom community.

Data Collection Techniques

For obtaining valid and relevant data for the research, the following data collection techniques were used:

a. Observation

The data were collected by conducting direct observation of the objects being studied.

b. Questionnaire

Questionnaire is a technique of collecting information in the form of items or questions instead of obtaining data from the source directly through the communication process or by asking questions.

3.6 Data Analysis Method

Data analysis deals with the synthesizing process of data collected from the respondents. Statistical techniques were employed for analyzing the data covering the following techniques:

1. Normality Test

According to Santoso (2000), normality test aims to test whether or not the regression model of the independent variable and dependent variable have a normal distribution. To test the normality of the distribution then the *Kolmogorov-Smirnov Goodness of Fit Test* against each variable is used. If the value is significantly greater than $\alpha = 0.05$, then the normality assumptions are met.

2. Multicollinearity Test

According to Gujarati (2001), multicollinearity means a perfect linear or definite relationship between variables or all of the variables that describe the regression model. Multicollinearity test is used to test whether the regression model shows the correlation between the independent variables. The presence of multicollinearity can be seen from the Variance Inflation Factor (VIF). If the VIF value is greater than 10, then there is

multicollinearity. In contrast, if the VIF is lower than 10, it means that there is no multicollinearity.

3. Heteroscedasticity Test

Heteroscedasticity test aims to test whether the regression model find the occourance of inequality residual variance from one observation to another observation. Regression model is considereas as good if there is no Heteroscedasticity or homocedasticity. To determine the existence of heterokedatisity in the regression model, the following processes of analysis are used by referring to Widodo (2009).

First, the graph plots between predictive value of the dependent variable (ZPRED) with residual (ZRESID) are seen. Detection of the presence or absence of heteroscedastisity can be done by looking at the certain patterns in the graph on the scatterplot between ZRESID and ZPRED where Y is the Y axis which has been predicted, and the X axis is the residual (Y predicted - Y actual) which has been studentized.

Multiple Linear Regression Analysis

This analysis is useful to determine the effect of an individual dependent variable on a particular independent variable. While the number of other independent variables which are suspected to have a linkage with the dependent variable remains constant or fixed. In addition, the result of this analysis determines the most influential independent variables among other variables on the dependent variable. The multiple linear regression equation formulated by Sugiyono (2005) is used.

$$Y = a + b_1D_1 \text{ training} + b_2X_1 \text{ capital} + b_3X_2 \text{ age} + b_4D_2 \text{ gender} + b_5D_3 \text{ business} + \mu$$

Where :

Y = income of community

a = Constant

b1, b2, b3, b4, b5 = regression coefficient

D1 = dummy of training : 1 : join the training

0 : not join the training

X1 = Capital

X2 = Age

X3 = Gender

D2 = dummy of gender : 1 : for male

0 : for female

D3 = dummy of business : 1 : productive

0 : Consumptive

X2,D2, and D3 are use as the control variable

Hypothesis Testing

1. Simultaneous Test (F Test)

The F test is used to determine the effect of the independent variables on the dependent variable. The formula used is taken from Sugiyono (2005) as follows:

$$F = \frac{R^2 / k}{(1 - R^2) / (n - k - 1)}$$

Where:

F = F_{statistic}

R = Coefficient correlation

K = The number of independent variables

N = The number of samples

	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t _{statistic}	Sig.	Significant
(constant)	1166396					
Training	358030.7	174050.9	0.168	2.057	0.043	Sig
Capital	1.328	0.154	0.625	8.596	0.000	Sig
Age	-34721.7	9125.956	-0.262	-3.805	0.000	Sigt
Gender	387074.2	160787.1	0.166	2.407	0.019	Sig
Bussiness	272206.6	129781.9	0.159	2.097	0.039	Sig
R = 0.819 R Square = 0.671 F _{statistic} = 29.367 Sig F = 0.000 α = 0.05						

The multiple regression analysis based on the table above can be presented as follows :

$$Y = 1166396 + 358030.7 D1 + 1.328 X1 - 34721.7 X2 + 387074.2 D2 + 272206.6 D3.$$

The regression model can be explained as follows :

1. The influence of training to income

The coefficient of training has a positive and significant effect. The income of the respondents who joined the training is IDR. 358030.7 which higher than respondents who did not join the training.

2. The effect of capital on income

The regression coefficient of capital is positive and significant. It means that if there is a change of capital for 1 rupiahs, it will be followed by the increase of income for IDR. 1.328.

3. The effect of age to income

The regression coefficient of age variable shows that age has a negative and significant effect on the income. If age increases by 1 year, it will be followed by the decrease of the income for IDR. - 34721.7.

4. The Effect of Gender on Income as Dummy Variable

From the analysis, the male respondents earn income as much as 387074.2 rupiahs which is higher than the female respondents.

5. The Effect of Bussiness as Dummy Variable on Income

The productive activities of the respondents can generate income as much as 272206.6 rupiahs

The Results of Multiple Regression Analysis

Multiple linear regression analysis is aimed to determine the effect of training and capital on the income. The results of the regression analysis is presented in the table 1 below :

Table 1 The Estimates results

Source: Data, Processed

which is higher than the respondents who perform consumptive activities.

6. The Dominant Variable

According to Arif (2005), to determine the independent variable that is more dominant to influence the dependent variable on the linear regression model, beta coefficient is used.

Table 2 : Beta Coefficient(β)

Variable	Beta Coefficient (β)
D1 (training)	0.168
X1 (capital)	0.625
X2 (Age)	-0.262
D2 (Gender)	0.166
X3 (Business)	0.159

Source : Data, Processed

It can be seen that the beta coefficient of capital variable is more dominant as much as 0.625 higher than the other variables. The beta coefficient shows that capital variable has greater effect (dominant) on the income variable than effect for training, age, gender, and business. It means that the amount of income mainly depends on the capital and is greater than training, age gender, and business.

F-Test Result

F-Test is used to identify the significant effect or failure of the independent variable to the dependent variable simultaneously. If the F statistic is lower than 0.05 then hypotheses were rejected. The zero hypotheses are rejected while the alternative hypotheses are accepted. It means that training, capital, age, gender, and business simultaneously influence significantly to income.

The value of coefficient determination (R^2 square = 0,671) shows that the proportion of training, capital, age, gender and business variables is as much as 67.1 % while 32.9% is influenced by the other factors.

T-Test Results

Table 3 T Test result

Hypothesis alternative (H_a)	P value	Value p in $\alpha = 5\%$	Result
D1 (dummy of training variable) has positive significant effect towards income (Y)	0,043	P value < 0,05	Significant (accept H_a)
X1 (the capital provision variable) has positive significant effect towards income (Y)	0.000	P value < 0,05	Significant (accept H_a)
X2 (Age variable) have positive significant effect to income (Y)	0.000	P value < 0,05	Significant (accept H_a)
D2 (Gender variable) has positive significant effect towards income (Y)	0.019	P value < 0,05	Significant (accept H_a)
D3 (Business variable) has positive significant effect toward income (Y)	0.039	P value < 0,05	Significant (accept H_a)

Source : Data, Processed

T-test is used to determine partially the significant influence of the independent variables with the dependent variable. From table above, it is shown that training, capital, age, gender, and business variables have significant effect ($\alpha = 5\%$). The value of probability (t statistic) of each independent variable is less than 5%. It means that H_0 is rejected.

The training variable has the t statistic as much as IDR. 358030.7 which is significant for 0.043. So that, H_0 is rejected because the significance of t statistic is less than 0.05. It means that the variable of training has a significant effect on the income. The income of the respondents who joined the training is IDR. 358030.7 which higher than the respondents who did not join the training.

Capital variable has the t statistic as much as IDR 8.596 on significant as much as 0.000 so that H_0 is rejected because the significant value of t is less than 0.05. It means that the variable of capital has a significant effect on the income. If the capital increases for one percent, it will affect to the increase of the income as much as 8.596 percent.

Age variable has the t statistic as much as IDR-3.805 on significant as much as 0.000 so that H_0 is rejected because the significant of t value is less than 0.05. It means that the variable of age has a significant effect on the income. If the age increases for one percent, it will affect to the decrease of the income for -3.805.

Gender variable has t statistic as much as IDR 387074.2 and on significant as much as 0.019 so that H_0 is rejected because the significant of t statistic is less than 0.05. It means the male respondents earn income as much as 387074.2 rupiahs which is higher than the female respondents.

Business Variable of has t statistic as much as IDR 272206.6 and on significant as much as 0.039 so that H_0 is rejected because the significant of t value is less than 0.05. The productive activities of the respondents can generate income as much as 272206.6 rupiahs which is higher than the respondents who perform consumptive activities.

The Effect of Training Variables and Capital Variable on the Income

The results of this study, it is concluded that training and capital have simultaneous effect on the income variable. It means that if there are many opportunities for the training and capital then the income of the respondents will increase. By receiving training supported by capital provision, the respondents can improve the quality of their work which is expected to be developed further.

The particular capital provision is the provision given by the company in implementation of CSR in economy sectors. Thus, Integrated Community Development program to promote sustainable development in economy can affect the income of the people by providing training and education to create quality human resources which can produce and create their own productivity.

The Effect of Training on Income Variable

From the results of this study, the training variable has a positive and significant effect on the income. It means that the income of the respondents who joined training will be increased. As described by Koorompis (2005), people must optimize their productivity. The quality of human capital needs to be developed by providing education and training to meet the demands of work performance. The results

of this study also supports the research conducted by Siworini (2013) which concludes that the implementation of CSR of PT. Tirta Investama through the Community Development Programs (WANJATI) can increase the income of the local communities.

From the survey results of the 78 respondents who received training, it is revealed that the CSR PT. Tirta Investama has effect to the increase of their income as can be seen before and after the CSR. 15 people who joined training have increased their income. 9 of them have joined training and increased their income because they also already have permanent income in addition to their new business. The other 4 respondents who previously have no income can increase their income because of joined training. The data is presented in table 4.17 below.

Table 5
The relationship between training and income

No. respondent	Name	Income (RP)	
		Before CSR	After CSR
1	Dwi Arianto *	1,000,000	3,500,000
6	Muhammad Muin *	3,500,000	3,500,000
7	Supriawan *	1,500,000	2,000,000
9	Indra Sugeng *	-	3,500,000
13	Sholihah *	1,500,000	2,000,000
19	Didik Mahendra *	1,000,000	4,000,000
20	Aliyah *	-	1,500,000
22	Andriani *	-	1,500,000
31	Karyawati *	4,000,000	4,000,000
46	Nur Atim *	1,500,000	2,000,000
47	Tarno	2,000,000	2,000,000
48	Khudori *	2,000,000	2,500,000
51	Hendro Saputro *	2,000,000	2,500,000
52	Napin *	1,500,000	2,000,000
53	Danu *	2,000,000	2,500,000
58	Sutono *	-	4,000,000

Source: Primary data (2013)

Information : *) Respondent who joined the training

It is proven that the respondents who join the training can improve their quality of life, because after the training, the respondents have ideas to run business for directly increasing their income. 2 respondents, who received training but did not implement the training, can not increase their income. Since, they can not take the advantage of the knowledge obtained from the training, so that their income is just generated from their previous income.

The analysis on dummy variables shows that the respondents who joined training have higher income than those who did not join the training. It

means that training is important in order to increase the income of the respondents. For PT.Tirta Investama, the training can be used as a reliable program to maximize the CSR.

The Effect of Capital Variable on Income

The result of the study reveals that capital provision has a significant effect on income. It means the higher the capital provision, the income of respondent will be higher. By utilizing sufficient capital, the respondents can run their business smoothly to earn the expected profit. In addition, they can also expand their business.

According to Koorompis (2005), in addition to education and training in every business, capital provision has a very big role to increase their income or business profits. The major component that determines whether the productive effort of the community can grow and develop effectively is capital. Capital provision can be used for implementing the CSR programs through the Integrated Community Development to promote sustainable development.

The Effect of Age Variable on Income.

From the result of test, it is known that age has negative effect on income. It means the older the age of the respondent, their income will be decreased. The data show that the biggest income is earned by the respondent in the age of 27-50 (productive age). So the older the age of the respondents, the quality of their productivity decreases. The example is a 53 years old respondent will retire. If the person will retire from his job, his monthly income will be much lower than before.

The effect of gender variable on income

Gender has positive and significant effect on income. The income of the male respondents is higher than the female respondents. The reason is that Wanjati is coordinated by males while female members only work.

The Effect of Business variable on Income

Business has a positive and significant effect on income meaning the higher productivity of the respondent and the higher the capital provision, the income of the respondents will increase. The result of the study shows that the income of the respondents who utilize the capital for business is higher than the respondents who just utilize the capital for consumptive purposes. The example is a respondent named Sutono, a new businessman in Jatianom. He opens the center of hand gift by utilizing the capital provision. Previously, Sutono

was jobless, but after he gets provision and he can utilize the capital to run business so that the income of Sutono increases.

Conclusion

Based on the analysis, it concluded that :
From the result of the analysis, it is concluded that training, capital, age, gender and capital utilization simultaneously have significant effect on income. It shows that training and capital provision can increase the income of the community. The partial analysis reveals that training has significant effect on the increase of the community's income. People who joined training have higher income compared to those who did not join the training. In addition, capital also has a significant effect on income which is greater (more dominant) than training, age, gender and business. It means the amount of the community's income depends on how much the capital received. So, the higher the capital which is received, the higher the income of the community.