UNIVERSITAS INTERNASIONAL BATAM

Undergraduate Thesis
Accounting Study Program
Odd Semester 2018/2019

ANALYSIS THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY AND MICRO ECONOMIC VARIABLES ON FIRM PERFORMANCE

NPM: 1542102
Fendi Sang Putra

Abstract

The purpose of this study is to analyze the impact of corporate social responsibility and micro economic variables on financial performance in Indonesia. Financial performance is the dependent variable determined by ROA and Tobins'q. Corporate social responsibility and micro economic variables are the independent variables used in this study. Corporate social responsibility consists of shareholders, government, suppliers, employees, and customers. Micro economic variables consist of leverage, growth, size, and age. This research is also supported by several control variables from financial ratios, such as net profit margin, current ratio, and debt ratio.

Sample of the study was all companies that contained complete report in the Indonesia Stock Exchange (IDX) in the period 2013 to 2017. The research was conducted using a panel data regression testing method that examined the relationship between variables with secondary data.

Financial performance using ROA measurement shows the results that variable shareholders, customers, and net profit margins have positive significant effect. Growth, age, and debt ratio have negative significant effect on financial performance. Government, suppliers, employees, leverage, size, and current ratio have no significant effect on financial performance. The other study using Tobins'q as the measurement result in variable shareholders, customers, and debt ratios associated significantly positive. The age of the company has a negative significant effect on financial performance. Government, suppliers, employees, leverage, growth, size, current ratio, and net profit margin do not have significant effect on the financial performance.

Keywords:
Corporate social responsibility, micro economic variables, financial ratios.