

ABSTRACT

THE EFFECT OF CORPORATE SOCIAL PERFORMANCE AND FINANCIAL PERFORMANCE WITH CORPORATE SOCIAL RESPONSIBILITY (CSR) DISCLOSURE AS AN INTERVENING VARIABLE TOWARD FIRM VALUE

By

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This study aims to examine the effect of CSP and Financial Performance to Firm Value through CSR Disclosure as an intervening variable in an attempt to attain the sustainability. The research object is the mining sector companies listed in Indonesia Stock Exchange (BEI) for 2014-2016 period. The CSP is measured from The Corporate Performance Rating Program (acronym is PROPER) by The Ministry of Environment in Indonesia. The Financial Performance is determined from the Return on Assets (ROA). CSR Disclosure is measured by CSR Disclosure score based on the guidelines known as Global Reporting Initiative (GRI-G4). The Tobin's Q is used as the indicator of the Firm Value.

The result of data analysis shows that CSP and Financial Performance has positive significant effect to the CSR disclosure. In one side, the CSP has significant effect to the CSR Disclosure, so do the Financial Performance. In other side, the CSP has no significant effect to the Firm Value, but Financial Performance has positive significant effect to the Firm Value. Further, the CSR disclosure has positive significant effect to Firm Value. As a result, CSR disclosure as an intervening variable in relation between CSP and Financial Performance toward Firm Value is significant.

Key Words: Corporate Social Performance, Financial Performance, CSR Disclosure, and Firm Value