

ABSTRACT

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE ON THE FINANCIAL PERFORMANCE OF LISTED MANUFACTURING COMPANY IN THE INDONESIA STOCK EXCHANGE

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The purpose of this study is to empirically examine the effect of corporate social responsibility and corporate governance on the financial performance of Manufacturing Company (state-owned companies) listed on the Indonesia Stock Exchange. This research is motivated by many cases of corporate social responsibility and corporate governance. This analysis uses the corporate social responsibility index (CSDI) in measuring corporate social responsibility and self-assessment in assessing corporate governance. The dependent variable is return on equity (ROE) in measuring financial performance and debt to asset ratio in measuring financial performance and debt to asset ratio in measuring leverage as a control variable.

The research sample are all Manufacturing Company (state-owned companies) listed in the Indonesia Stock Exchange. The sample is done by purposive sampling method. The statistical method uses multiple linear regression analysis. The results of this study indicate that corporate social responsibility has a positive and significant effect on financial performance. This shows that, the closer to the number 1 value of CSDI, the higher the implementation of corporate social responsibility will be, thus increasing financial performance in the form of corporate profits. And Corporate governance has a positive and significant effect on financial performance.

This shows that, when a company has a high value of corporate governance perception index-self assesment, it will improve the company's financial performance, and leverage has a positive and significant effect on financial performance. This shows that a low leverage ratio has a lower risk of loss if economic conditions are declining, but also has a lower return if economic conditions improve. Conversely, companies with high leverage ratios allow a large risk of loss, but also have the opportunity to earn high profits.

Keyword: Corporate Social Responsibility, Corporate Governance, Leverage, Financial performance.

ABSTRAK

PENGARUH *CORPORATE SOCIAL RESPONSIBILITY* DAN *CORPORATE GOVERNANCE* TERHADAP KINERJA KEUANGAN PERUSAHAAN MANUFAKTUR YANG TERDAFTAR DI BURSA EFEK INDONESIA

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Penelitian ini bertujuan untuk menguji secara empiris Pengaruh *Corporate Social Responsibility* Dan *Corporate Governance* Terhadap Kinerja Keuangan Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia. Penelitian ini dilatar belakangi atas banyaknya kasus tentang *Corporate Social Responsibility* maupun *Corporate Governance* Analisis ini menggunakan variabel *Corporate Social Responsibility Index* (CSDI) dalam mengukur *Corporate Social Responsibility* dan *self assesment* dalam menilai *Corporate Governance*. Variabel dependennya adalah *Return on Equity (ROE)* dalam mengukur kinerja keuangan serta *debt to asset rasio* dalam mengukur *leverage* sebagai variabel kontrol.

Sampel penelitian ini adalah seluruh perusahaan Perusahaan Manufaktur yang terdaftar di Bursa Efek Indonesia. Sampel dilakukan dengan metode purposive sampling. Metode statistik menggunakan analisis regresi linear berganda. Hasil penelitian ini menunjukkan *Corporate social responsibility* berpengaruh positif dan signifikan terhadap kinerja keuangan. Hal ini menunjukkan bahwa, semakin mendekati angka 1 nilai *CSDI* maka akan semakin tinggi pelaksanaan *corporate social responsibility*, sehingga meningkatkan kinerja keuangan berupa laba perusahaan. dan *Corporate governance* berpengaruh positif dan signifikan terhadap kinerja keuangan.

Hal ini menunjukkan bahwa, ketika perusahaan memiliki nilai *Corporate Governance Perception Index-self assesment* yang tinggi maka akan

meningkatkan kinerja keuangan perusahaan. serta *leverage* berpengaruh positif dan signifikan terhadap kinerja keuangan. Hal ini menunjukkan bahwa rasio *leverage* yang rendah memiliki resiko rugi yang lebih kecil jika kondisi ekonomi sedang menurun, tetapi juga memiliki hasil pengembalian yang lebih rendah jika kondisi ekonomi membaik.

Sebaliknya perusahaan dengan rasio *leverage* yang tinggi memungkinkan resiko rugi yang besar, tetapi juga memiliki kesempatan untuk memperoleh laba yang tinggi.

Kata kunci : *Corporate Social Responsibility, Corporate Governance, leverage Kinerja Keuangan.*