

ABSTRACT

THE EFFECT OF *CORPORATE SOCIAL RESPONSIBILITY* (CSR) ON COMPANY PROFITABILITY

By

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This study aimed to examine the effect of *Corporate Social Responsibility* (CSR) on Company Profitability. The independent variables in this research are *Corporate Social Responsibility* (CSR) disclosure which scored using an index of sembiring. The dependent variable in this research is company profitability, reflected by *Net Profit Margin* (NPM). This study also uses company size and leverage as control variable.

Purposive sampling is using as sampling method for this research with characteristic the minning company that list at IDX during the year 2009-2013 and published financial report in every period. This study adopts multiple linear regression method using SPSS as an analytical tool.

The results show that *Corporate Social Responsibility* (CSR) disclosure positively affects the Net Pofit Margin (NPM). However, company size show negative relationship with NPM and Leverage does no show any relationship with NPM.

Key words: CSR disclosure, NPM, Company size, Leverage