

CHAPTER V

CONCLUSSION AND SUGGESTION

5.1. Conclusion

This study was aims to determine the influence of expressing corporate social responsibility in parts of annual report or by issuing sustainability report to financial performance and market performance for manufacturing company listed in Indonesian Stock Exchange (IDX). Author want to prove theories about corporate social responsibility itself that said financial performance will be affected by how company responsible to their environment and human, both inside and outside of the comapny. Based on data collected and testing has been carried out on 30 samples of companies using multiple regression model, it can be conclude that :

1. Overall, disclosing of Corporate Social Responsibility has significant and positive impact to financial performance of manufacturing company listed in the Indonesian Stock Exchange from 2012 to 2015
2. Social dimension of Corporate Social Responsibility does not has significant impact to financial performance of manufacturing company listed in the Indonesian Stock Exchange from 2012 to 2015
3. Environment dimension of Corporate Social Responsibility has significant and positive impact to financial performance of manufacturing company listed in the Indonesian Stock Exchange from 2012 to 2015

4. Overall, disclosing of Corporate Social Responsibility has different result to market performance, it based on what measurement was used in the study for manufacturing company listed in the Indonesian Stock Exchange from 2012 to 2015.
5. Social dimension of Corporate Social Responsibility does not has significant impact to market performance of manufacturing company listed in the Indonesian Stock Exchange from 2012 to 2015
6. Environment dimension of Corporate Social Responsibility has significant and positive impact to market performance measured by market value added of manufacturing company listed in the Indonesian Stock Exchange from 2012 to 2015, but does not has significant impact to price per earning ratio

5.2. Implication

1. For Management

Expressing social and environment responsibility become a major concern of stakeholder of a company, including investors and creditors, customers, employee, both existing and potential, and government. Since the increasing of public worries concerning the natural environment, the respect of human rights, the ethical aspects of business and other social issues, corporations should increased their efforts to deal with their responsibilities to community and environment. In this research, shows us that expressing corporate social responsibility in annual report or in sustainability report can make improvement

to financial performance. It constant with the public concern about how important to manage environment and social effect from company's activities.

2. For Investors and Creditors

Findings in this study is show us that expressing corporate social and environment responsibility will impact to increasing profitability of manufacturing company listed in IDX. Its better to investor look for company that express corporate social responsibility well to get more return in the future from investment. Also for creditors, its better to give credit to company that disclose corporate social responsibility well to make sure that the company will be able to paid it back in the future.

5.3. Limitation and Suggestion for Future Research

The result of this study is expected to provide an overview the influence of disclosing corporate social responsibility to financial and market performance. However, the current study is not free from limitations. Limitations are expected to provide an overview and an opportunity for researchers to come to do a better research. The following are limitations and suggestion for future research :

1. The findings are applicable to Indonesian manufacturing companies and may not be generalizable to the other sectors in other countries. For future researchers may choose another sector to be compare with current result.
2. Profitability as financial performance measurement is not the one way to measure it. Author suggest in the future research to use another measurement to compare with this result.

3. Hypothesis two part a was rejected and the model that author choose in this study only can predict market value of company for 2.0 %. For future researchers may choose another regression model that can explain it more.
4. Author only use two measurement for both financial and market performnace, its better to use more measurement to see which one is better.

Objectivity in measuring corporate social responsibility disclosure. It is because not all company already issued sustainability report yet, so author measure corporate social responsibility disclosure from annual report that not made by follow format that issue by international reporting standard that migh cause different understanding for whose read it. For future research hopely only use CSDI data from sustainability report issuing by company.

