

CHAPTER V

CONCLUSIONS

5.1 Conclusion

Based on the explanation of the previous chapter, it can be concluded that the disclosure of the sustainability report does not affect the financial performance significantly. It also means that there are other factors greater influence on the company's financial performance. Disclosure of the sustainability report is in accordance with the stakeholder theory in which the company seeks to respond to surrounding stakeholders. Also to maintain relationships with stakeholders to accommodate the wishes and needs in non-financial information company. Furthermore, it does not mean the company stopped disclose the sustainability report because sustainability report does not affect the company's performance , and basically this report will be useful also for stakeholders in decision-making

5.2 Implication

For companies, improving sustainability performance is important. Even it is as important as improving company's financial performance. Sustainability means the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It means that, in running the business, a company need to concern to the needs of future generations.

For investors, it is important for them to be selective in making investment decision. Besides making investment decision based on information of financial performance, it would be better if investors also consider about the performance

of companies in managing sustainability. They should consider about this non-financial aspect in making investment and lending decision. Investing in profitable and socially responsible companies would be better than investing in a company with a high profitability but have been neglecting the environment. High profitability might be look good in the eye of only one part of stakeholder that is investors. Whereas, high performance of sustainability might be look good in the eye of the entire stakeholders. The research result that sustainability performance does significantly influence company performance may support a decision of a company to improve its performance in managing sustainability.

5.3 Limitation and Future Research

This research possesses some limitations. Firstly, the sample is only 7 companies. There are still few companies that publish sustainability reports but not consistently. Most of those companies report are still in the form of CSR report. For the next coming year, the number of company publish sustainability report might improve as the improvement in stakeholder demand and environmental concern. The more the companies observed, the more the sample, the more representative, the better the result could be. Secondly, using the standard of the GRI 4 , a new standard has been implemented at 2017. The new standard update some of aspect that must disclose by company and some part of aspect is put together. The last one is in this research sample just non-financial public company.

For the next researcher, due to inconsistent result, it is better to consider the most appropriate measurement of sustainability performance, and to reevaluate

other important variables that could determine company's performance. Furthermore, future research may use the new GRI standard that has been implemented and expand the sample with non-public company because some of non public company is disclose sustainability report.

