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**THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY  
(CSR) TO CORPORATE FINANCIAL PERFORMANCE (CFP) OF  
MINING COMPANY LISTED ON INDONESIA STOCK EXCHANGE IN  
2010-2013)**

**THESIS**



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2015**

**THESIS APPROVAL LETTER**

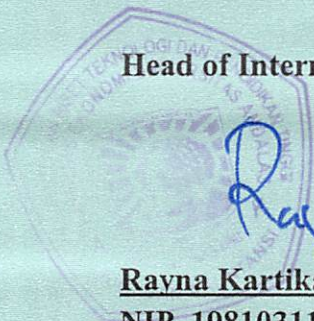
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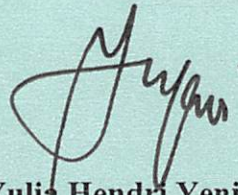
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**The Influence of Corporate Social Responsibility (CSR) to Corporate Financial Performance (CFP) of Mining Company listed on Indonesia Stock Exchange in 2010-2013**

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**ABSTRACT**

The objective of this study is to examine The Influence of Corporate Social Responsibility (CSR) to Corporate Financial Performance (CFP) of Mining Company. The sample of this research consists of 29 observations from mining company sector which listed in Indonesia Stock Exchange (IDX) from 2010 to 2013. This study uses multiple linear regression analysis to analyze hypothesis in this research. The result of this study shows that there is a significant positive influence between Corporate Social Responsibility on Return On Assets. There is a no significant positive influence between Corporate Social Responsibility on Return On Equity. And there is no significant positive influence between Corporate Social Responsibility of the Net Profit Margin.


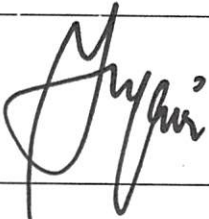
**Keywords:** *Corporate Financial Performance, Corporate Social Responsibility.*

### ABSTRAK

Tujuan dari penelitian ini adalah untuk menguji Pengaruh Corporate Social Responsibility (CSR) untuk Kinerja Keuangan Perusahaan (CFP) Pertambangan Perusahaan. Sampel penelitian ini terdiri dari 29 pengamatan dari sektor perusahaan tambang yang terdaftar di Bursa Efek Indonesia (BEI) dari tahun 2010 ke 2013. Penelitian ini menggunakan analisis regresi linier berganda untuk menganalisis hipotesis dalam penelitian ini. Hasil penelitian ini menunjukkan bahwa ada pengaruh positif yang signifikan antara Corporate Social Responsibility pada Return On Assets. Ada pengaruh positif yang signifikan antara Corporate Social Responsibility pada Return On Equity. Dan tidak ada pengaruh positif yang signifikan antara Corporate Social Responsibility dari Net Profit Margin.

**Kata kunci:** *Kinerja Keuangan Perusahaan, Corporate Social Responsibility.*

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## PERNYATAAN KEASLIAN SKRIPSI

Saya yang bertanda tangan di bawah ini menyatakan bahwa skripsi dengan judul :**The Influence of Corporate Social Responsibility (CSR) to Corporate Financial Performance (CFP) of Mining Company listed on Indonesia Stock Exchange in 2010-2013.**

Merupakan hasil karya saya sendiri, dan tidak terdapat sebagian atau keseluruhan dari tulisan yang memuat kalimat, ide, gagasan, atau pendapat yang berasal dari sumber lain tanpa memberikan pengakuan pada penulis aslinya. Adapun bagian-bagian yang bersumber dari karya orang lain telah mencantumkan sumbernya sesuai dengan norma, etika, dan kaidah penulisan ilmiah. Apabila dikemudian hari ditemukan *plagiat* dalam skripsi ini, saya bersedia menerima sanksi pencabutan gelar akademik yang telah saya peroleh.

Padang, 2 Agustus 2015  
Yang membuat pernyataan



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Sincerely,



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# CHAPTER 1

## INTRODUCTION

### 1.1 BACKGROUND

The existence of the company has influence on the environment and surrounding communities. Sometimes, to maximize profits, companies often commit offenses and ultimately consumers or external parties that get negative impacts. Therefore, the consequences should be minimized through activities that have positive effects and reduce the cost of losses incurred but still can be practiced within the scope of business. In line with this, the concept and practice of Corporate Social Responsibility (CSR) need to be applied.

Efforts of company in implementing CSR activities can be attributed to company's performance, given the costs incurred to implement CSR activities. The company's participation in implementing CSR would consider to add costs (Ameer and Othman, 2012). Company need to pay extra as for sewage treatment, protection of health and safety and the environment, strict control of the product to be environmentally friendly (Yaparto, 2013).

Economic decision-making is not only rely on company's financial performance, but social informations is also needed. Eipstein and Freedman (1994) in Anggraini (2006) found that individual investors interested in social information reported in annual reports. So company's management today is not only limited to management of funds, but also impact of company on natural and sosial environment. Therefore, company may use information of CSR as one of company's competitive advantages.

In Indonesia, CSR activity is supported by government with the obligation of companies carrying out activities of social responsibility set in the Limited Company Law Number 40 Article 74 of 2007 enacted on August 16, 2007 (Darminto, Dwiatmanto, and Putri, 2014). One of the companies which related to that issue is PT. Freeport Indonesia, which is in

prolonge conflict with the local community concerning communal land, violation of Law Number 4 of 2009, on customs violations, social and economic inequalities.

Based on previous, the writer take the title "**The Influence of Corporate Social Responsibility (CSR) to Corporate Financial Performance (CFP) of Mining Company listed on Indonesia Stock Exchange in 2010-2013**".

## **1.2 Formulation of Problem**

Based on descriptions of background, problem that can be formulated in this research is "How does Corporate Social Responsibility (CSR) influence Corporate Financial Performance (CFP)?"

## **1.3 Purpose of Research**

In line with the above formulation of problem, purpose of this research was to examine and analyze effects of Corporate Social Responsibility policies issued by mining companies listed on Indonesia Stock Exchange on Corporate Financial Performance

## **1.4 Benefits of Research**

1. For companies, to contribute ideas about the importance of corporate social responsibility which is disclose in annual report and for consideration in company's policy-making to further increase concern for social environment.
2. For academics, this research is expected to provide a significant contribution in development of financial management and to be reference materials for further research and comparison.
3. For investors, will provide a new discourse in considering aspects that need to be taken into account in investment

## **1.5 Writing Systematic**

To give a brief and clear overview of contents of each chapter in this research will be describe below:

### **CHAPTER I : INTRODUCTION**

This chapter provides background on Corporate Social Responsibility, which became the company's strategy to increase the Corporate Financial Performance. With this background will be formulated formulation of research problems and limitation of problems used in this research, purposes of research and benefits to be gained from this research and systematic discussion that outlines the discussion of the overall chapter of this thesis.

### **CHAPTER II : LITERATURE REVIEW**

This chapter outlines theoretical framework that provides overview of literature review. Review of theory obtained through textbooks and articles. It also discusses the theoretical basis of framework of thought and research hypothesis.

### **CHAPTER III : RESEARCH METHODOLOGY**

This chapter discusses design of research, which contains research design, variable, and measurement, methods of data collection, methods of sampling, methods of testing data and methods of data analysis used in the research.



**CHAPTER IV: ANALYSIS AND DISCUSSION**

This chapter consists of descriptions of the data containing descriptive statistics, methods of data collection, testing data, and methods of data analysis.

**CHAPTER V : CONCLUSIONS AND SUGGESTIONS**

This chapter describes overall conclusions of analysis and discussion and suggestions that can be used for further research.

## CHAPTER II

### LITERATURE REVIEW

#### 2.1.1 Theory of Stakeholder

Theory of stakeholder is a theory which states that company is not the only entity that operates for its own sake, but also must provide benefits to all its stakeholders (Gemitasari and Nursiam 2013). One of the important differentiating factors in the approach of neo Keynesian commentators to CSR (in contrast to the neoliberal view) is the argument that in order for CSR to be effective and meaningful, the interests of a range of stakeholders other than shareowners need to be taken into account by corporations. Stakeholder theory is based on the notion developed by Freeman (1984) that corporations consist of various stakeholders beyond their own shareholders and that they should be managed with those groups in mind. According to the Australian Corporations and Markets Advisory Committee Discussion Paper on CSR (Australian Government 2005: 28) the term 'stakeholder' can include:

- Shareholders, who, unlike other stakeholders, have a direct equity interest in the company;
- Other persons with a financial interest in the company (financiers, suppliers and other creditors), or those in some other commercial legal relationship with the company (for instance, business partners);
- Persons who are involved in some manner in the company's wealth creation (employees and consumers);
- Anyone otherwise directly affected by a company's conduct (for instance, communities adjacent to a company's operations);

- Pressure groups usually characterised as public interest bodies that espouse social goals relevant to the activities of companies.

The term is sometimes also used more generally to include regulators, the financial markets, the media, governments and the community. In its submission to the Australian Joint Parliamentary Inquiry on Corporate Social Responsibility the Public Interest Advocacy Centre (2005) succinctly defines 'stakeholders' as 'any individuals or groups affected, either directly or indirectly, by the activities of corporations. Stakeholders include shareholders, employees, consumers, neighbouring communities, indigenous peoples and others'. A submission to the Australian Parliamentary Joint Committee on CSR from the Key Centre for Ethics, Law, Justice & Governance at Griffith University indicated that there were at least two approaches to defining 'stakeholder': 'The term 'stakeholder' covers a wide array of interest holders depending on the definition used. It is important to recognise that the stakeholder definition used impacts on what is required of corporations to meet CSR demands. Early stakeholder theory focused on the managerial model of an entity and, as a result, narrowly defined 'stakeholder' as a group that impacts on the success of the organisation in terms of production outcomes and transactions. The broader definition of the stakeholder view of the firm includes those who may affect or be affected by the organisation - employees, customers, local community, management, owners and suppliers and so on' (Sampford, 2005: 6).

### **2.1.2 Theory of Legitimacy**

Theory of legitimacy stated that the company continually strives to ensure that its operations in the frame and norms exist in community or environment in which company is located so that the company's activities is accepted by outsiders. The organization seeks to be

responsive to adjust their activities to the social values and norms of acceptable behavior by the social system Deegan, 2000 in Laan, 2009).

Theory of legitimacy also explains that the company in achieving its financial objectives should be aligned with social norms. One of efforts that need to be done by the company in order to manage the legitimacy to be effective is to disclose social and environmental issues into their decision-making process. Actions of firms that contribute to social welfare, beyond what is required for profit maximization, are classified as CSR. The acceptance of CSR by business scholars and practitioners has a spotted history. While scholars debated the legitimacy of CSR, consumers and investors developed clear preferences for socially responsible firms. Big corporations, in large part, responded positively, making CSR an important element of strategic management. The development of CSR from its controversial beginning to its current acceptance as a legitimate business function is outlined along with a discussion of the role of corporate social performance, socially responsible investing, and global corporate citizenship.

### **2.1.3 Corporate Social Responsibility**

According to The World Business Council for Sustainable development Corporate Social Responsibility is a continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of its workforce, the local community and society at large (Karagiorgos, 2010). John Elkington introduced the "Triple Bottom Line" in his book *Cannibals With Forks: The Triple Bottom Line of 21st Century Business* (in Norman and MacDonald, 2003). Triple Bottom Line by John Elkington, based on three principles, profit, people and planet or 3P . The company is now no longer faced

with the responsibility that rests on the single bottom line, which is corporate value which is reflected in its financial condition alone (Mirfazli 2008 in Astaryan and Březinová, 2014).

As business institution with primary focus to maximize profits, the company should remain oriented to seek economic advantage to ensure the survival of the company (Azra and Gustina, 2012). But the purpose and mission of the company will not be achieved without the cooperation of the community and the environment. CSR accountability disclosed in a report called Sustainability Reporting. Sustainability Reporting is reporting on economic policies, environments, and social, influence and organizational performance in the context of sustainable development (sustainability development) (ACCA, 2004 in Anggraini, 2006).

#### **2.1.4 CSR according to ISO 26000**

CSR according to ISO 26000 is e responsibility of an organization to the impact of company's decisions and activities to society and the environment be realized in form of transparent and ethical behavior, consistent with sustainable development and welfare of the community, considering the expectations of stakeholders, in line with established laws and norms of international behavior, and is integrated with the organization as a whole (Cheng and Christiawan 2011).

ISO 26000 formulate Corporate Social Responsibility into SR or Social responsibility only. Due to the guidelines of ISO 26000 is no longer reserved only for corporations, but for all forms of both private and public organizations (Radyati, 2014: 16). ISO 26000 provides consistent standard guidelines developed seven key issues ([www.csrindonesia.com](http://www.csrindonesia.com)):

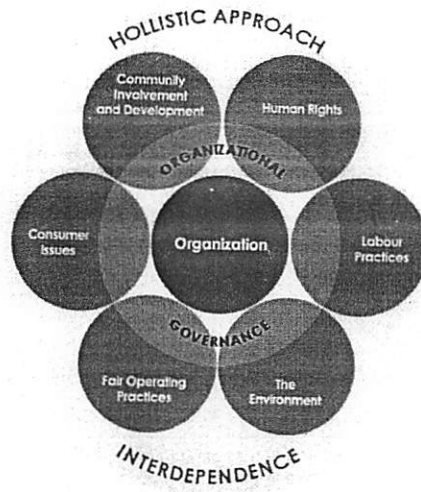


Figure.1 Seven key issues of CSR based on ISO 26000

(Source: Radyati, 2014:20)

### 1. *Community Involvement and Development*

The company's related with the communities around its operations. In subject of involvement and Community Development consists of:

- Society preservation
- Culture and preservation
- Job creation and skills upgrading
- Development of and access to technology
- Health
- Social investment

### 2. *Human Rights*

Basic rights possessed by all persons entitled to as human beings, which include civil, political, economic, and social. In subject of Human Rights consists of:

- Due diligence
- Conditions that pose a risk of human rights
- Avoidance of violation

- Resolution of complaints
- Discrimination and vulnerable groups
- Civil and political rights
- The rights of economic, social and cultural
- The fundamental rights of labor

### 3. ***Labour Practice***

All policies and practices relating to work performed within or on behalf of the company. In subject labour practice consists of:

- Employment and labour relations
- Working conditions and social security
- Employment Dialogue
- Health and safety
- Development of resources and training

### 4. **Environment**

The impacts of company are making decisions and activities on the environment. In subject of environment consists of:

- Prevention of pollution
- Use of sustainable resources
- Mitigation and adaptation to climate change
- Protect the environment and biodiversity and habitat restoration

### 5. **Fair Operating Practice**

Organization's ethical behavior is when dealing with other organizations and individuals. In subject of fair operating practices consists of:

- Anti-corruption
- Responsible involvement in political affairs

- Fair competition
- Promotion of social responsibility in the sphere of influence
- Respect for the ethical rights

## 6. Consumer's Issue

Company responsibility toward consumers . In subject of consumer Issues consists of :

- Fair marketing, flexible and not biased information
- Maintenance of the health and safety of consumers
- Sustainable Consumption
- Care and support for consumers
- Protection and privacy of consumer data
- Access to essential services
- Education and awareness

## 7. Organizational Governance

Company's system on decision-making and implementation in achieving its goals. Overall indicator is attached in appendix 6.

### 2.1.5 The development of CSR in Indonesia

In Indonesia the term CSR has been used since the 1990s. Some companies have long been engaged in Corporate Social Activity (CSA) or the company's social activity (Azra and Gustina, 2012). There are several benefits of applying CSR for the company (Radyati, 2014: 19), among others:

- Improving corporate image
- Developing cooperation with stakeholders
- Differentiating the company with competitors



- Opening access to investment and financing for companies
- Increasing the share price

After 2007, Indonesian government issued Limited Company Law Number 40 Article 74 of 2007, paragraph (1) reads that Company who runs business activities in the field and / or related to the natural resources required to implement the Social and Environmental Responsibility and article (2) Social and Environmental Responsibility as referred to in paragraph (1) is an obligation of the Company that are budgeted and accounted for as expenses of the Company that the implementation is done with due regard to compliance and fairness, or briefly imply that companies that do business in / with regard to the source natural resources required to conduct a social and environmental responsibility ([www.hukumonline.com](http://www.hukumonline.com)). Type of companies that deal with natural resources referred to in the Law are mining, oil and gas, forestry and plantation (Kartini, 2009: 130 in Daughter, RWE, 2014). This research will be focused on mining company located in Indonesia.

Tsoutsoura (2004) explains that companies conducting CSR have positive image that affect the financial performance and attract investors. The Company may involve in CSR in order to improve the reputation, brand, and trust that can attract new socially conscious investors, "green" customers and increase profitability and competitiveness (Flammer, 2013).

### **2.1.6 Corporate Financial Performance**

*Corporate Financial Performance* is factor showing the effectiveness and efficiency of the organization in order to achieve its objectives. (Bidhari, Salim, Aisjah, 2013). The financial performance is description of the conditions and circumstances of company that was analyzed by means of financial and performance of company in a certain time (Darminto,

Rahayu and Topowijono, 2014). Financial performance reflected in the financial statements can be viewed in a particular outcome or used comparison with previous years so that it can be seen developments from year to year (Tarin and Natalia, 2014).

Financial performance measurement can be done with the assessment of financial ratio analysis. Financial ratio analysis is the basis for assessing and analyzing the achievements of company's operations or performance of the company (Januarti and Apriyanti, 2005). Ratio used in this research is profitability. profitability ratio is company's ability to generate profits in certain periods (Citraningrum, Hand, and Nuzula, 2014).

Profitability ratio is ratio used to measure the effectiveness of management based on the returns from the sale of investments as well as company's ability to generate profits (Deitiana, 2011). Profitability in this research was measured using several ratios that will show how effective the company is operating so as to produce profits for the company through ratios such as Return on Assets, Return on Equity, and Net Profit Margin.

*Return on Assets* is ratio of net profit after tax to total assets. This ratio is a measure to assess the extent of rate of return on assets owned (Citraningrum, 2014). By knowing this ratio, it can be assessed whether the company has been efficient in utilizing its assets in company operations. The higher the number of ROA, the higher profitability the company has (Rinati, 2012). Return on Equity is ratio between the net profit after tax and total equity. ROE is a measure of earnings (income) which is available to shareholders on capital they invest in the company (Citraningrum, 2014). The higher the ROE the company is regarded as good news because it means that the greater ROE, the greater the opportunity for investors to earn net profit of every capital they invested (Cheng, Christiawan, 2011) Net Profit Margin (NPM) is profitability ratio shows the ability of company in net profit after tax (Julduha and Kusumawardhani, 2013). The greater NPM ratio the better company's ability to obtain high

profits (Rinati, 2012).

## 2.2 Previous Research

Previous Research which is according to the topic, are:

- 1) Marissa, Dianne, Rizky (2013). The research uses a quantitative approach to data analysis using multiple linear regressions on the Indonesia Stock Exchange (BEI) in 2010-2011, while the samples used in the study were selected by purposive sampling according to the criteria of judgment. Samples collected in this study were 158 companies. The results show that Corporate Social Responsibility (CSR) had no significant effect on Return on Asset (ROA) and Return on Equity (ROE) and Earning per Share (EPS)
- 2) Roman, Olga (2014). The main objective is to examine the relationship between CSR and financial performance in the airline industry in Central and Eastern Europe. The paper attempts to contribute to the existing knowledge in the field by examining the extent to which CSR relates to financial performance of airline firms. A sample of 20 audited financial statements of airline firms were selected randomly. The study analyzed the impact of CSR activities on the financial performance of firms. The Return on Equity (ROE) and Return on Assets (ROA) were used as indicators to measure financial performance of firms while the independent variables were Performance (CP), Environment Management System (EMS) and Employee Relations (ER). The study found that there is a significant positive relationship between CSR initiatives and financial performance measures. More specifically, there was found to be a positive relationship between the independent variables of CSR thus, CP, EMS and ER and the financial performance of airline firms in terms

of the ROE and ROA.

- 3) Nuryaman (2013). The study is about company's performance on the study include the company's operational performance as measured by return on assets (ROA) and net profit margin (NPM), as well as the company's market performance as measured by its share price. The research was conducted at manufacturing companies listed on the Indonesia Stock Exchange (IDX) using purposive sampling technique. Research sample is 100 manufacturing companies listed on the Indonesia Stock Exchange (IDX) on period 2010. The method of analysis used is multiple regression analysis. Based on testing, the result of this study shows that disclosure of Corporate Social Responsibility (CSR) has a significant effect on company profits as measured by ROA and NPM. Similarly, the results of test of CSR on stock prices, the result of this study shows that the CSR positively affect on stock prices. These findings show that disclosure of Corporate Social Responsibility (CSR) have a positive impact on corporate performance. The following table shows the differences between previous studies and this research :

Table 2.1

Differences between previous studies and this research

No	Author	Research Title	Variable of Research	Result	The difference between previous research with my research
1	Marissa, Dianne, Rizky (2013)	The Influence of Corporate Social Responsibility to Financial Performance of the Manufacturing Sector are Contained in Indonesian Stock Exchange in the Period 2010-2011	The effect of Corporate Social Responsibility (CSR) to the financial performance peroxide on Return on Assets (ROA), Return on Equity (ROE) and Earning Per Share (EPS)	The results show that Corporate Social Responsibility (CSR) had no significant effect on Return on Asset (ROA) and Return on Equity (ROE) and Earning per Share (EPS)	in this previous research, they use ROA,ROE,and EPS as variable but in my research I will use ROA, ROE, and NPM as variable
2	Roman, Olga (2014)	The Impact of Corporate Social Responsibility on Firms' Profitability in Nigeria	To examine the relationship between CSR and financial performance in the airline industry in Central and Eastern Europe	The amount committed to social responsibility varies from one company to the other. The data further revealed that all the sample firms invested less than ten percent of their annual profit to social responsibility	This study is different in the object and year
3	Nuryaman (2013)	The Effect Of Corporate Social Responsibility Activities On Profitability And Stock Price (Studies on The companies	Company's performance on the study include the company's operational performance as measured by return on assets (ROA) and net	The result of this study shows that the CSR positively effect on stock prices. These findings show that disclosure	in this previous research, they use ROA and NPM as variable but in my research I will use ROA, ROE, and NPM as variable

		listed on Indonesia Stock Exchange)	profit margin (NPM), as well as the company's market performance as measured by its share price	of Corporate Social Responsibility (CSR) have a positive impact on corporate performance	
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## 2.3 Formulation of Hypothesis

### 1. The Influence of Corporate Social Responsibility (CSR) on Return on Assets (ROA)

Research results of AH Santoso and Feliana YK (2013) in Indonesia, using samples of companies listed in Indonesia Stock Exchange 2010-2012 found that CSR have positive and significant influence on ROA. CSR activities make the company to develop new competencies in managing resources effectively. Husnan and Pamudji (2013) in Indonesia, using samples of manufacturing firms 2008-2011 also found the influence of CSR on ROA, because CSR is a form of social information disclosure which can give confidence to external parties. Research of (Ahamed, 2014) in Malaysia with sample of firms listed in Malaysia Stock Exchange period of 2007-2011 also support that CSR disclosure have positive and significant influence on ROA. Then the proposed hypothesis is:

**H1 : *Corporate Social Responsibility (CSR) influences Return on Assets (ROA).***

### 2. The Influence of Corporate Social Responsibility (CSR) on Return on Equity (ROE)

Research results of Chandrayanthi, AAA and Saputra, IDGD (2013) in Indonesia using samples of mining company listed in Indonesia Stock Exchange period of 2010-2011 found that CSR have positive influence on financial performance proxied by ROE. ROE shows the benefits derived from capital provided by investors. CSR activities can be beneficial element

in the company because it has such a productive impact on the efficiency. Similar results were also found by (Ahamed, 2014) in Malaysia which found that CSR have positive and significant influence on ROE and consistent with research by Tsoutsoura (2004) in United States with samples of companies listed in S & P 500 period of 1996-2000 which stated the the existence of positive relationship between CSR on ROE. Based on these descriptions, the proposed hypothesis is:

**H2 : *Corporate Social Responsibility (CSR) influences Return on Equity (ROE).***

### **3. The Influence of *Corporate Social Responsibility (CSR)* on *Net Profit Margin (NPM)***

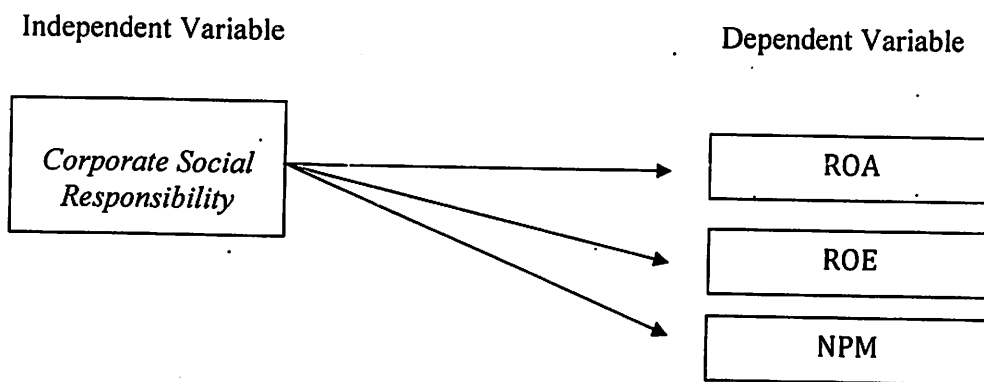
Nuryaman (2013) in Indonesia found positive relationship between CSR disclosures with NPM. These results are also supported by the results found by Vintila, Nenu and Ghergina in Buchares, Romania (2014) with samples of different industries listed in Bucharest Stock Exchange, which stated that companies involved in socially responsible action had performance better because attracting consumers, and improve reputation, so it will increase sales and profits. Almar, Rachmawati and Pure (2014) in Indonesia using samples of cement companies listed in Indonesia Stock Exchange period of 2008-2012, also found similar results that CSR practices can improve the performance of company's profitability as measured by NPM. Based on the description above, the proposed hypothesis is :

**H3 : *Corporate Social Responsibility (CSR) influences Net Profit Margin (NPM).***

#### **2.4 Conceptual framework**

The company realizes that the life existence of company affected by the support of

stakeholders (Rahayu, 2014). For that disclosure of CSR information in the annual report is one way of company to build, maintain and legitimize the company from the side of economic and political (Helen and Hermi, 2014). CSR disclosures will increase the transparency of the company which will boost confidence. People who are sympathetic towards corporate social responsibility activities of the company will respond to this by using the product produced by the company that will have implications for the performance of company's revenue through the sale (Januarti and Apriyanti, 2005). Good social responsibility represents good pattern of corporate financial performance (Shafariani, 2013). In addition, corporate social responsibility also shows that the company is financially able to organize and manage the company in the right way.



Figurer 2 : Conceptual Framework



## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Method**

Based on the type of research, this research were classified into descriptive and hypothesis testing for analysis of influence of Corporate Social Responsibility (CSR) on Corporate Financial Performance (CFP). This research used secondary data for four periods, namely on the disclosure of corporate social accountability in annual report period of 2010-2013.

#### **3.2 Object of Research**

The object of this research is Mining Companies already listed in Indonesia Stock Exchange period of 2010-2013. The use of Mining companies as population because the spotlight of this kind of companies get from public due to their operation can have direct impacts on surrounding environment and societies. This research was aimed to test hypothesis the influence of independent variables CSR on dependent variable CFP.

#### **3.3 Population and Sample**

##### **A. Population**

According to Margono (2004: 118), meaning of population is all data that we are concerned with a scope and the time that we set. If every human being gives the data then, the number of size of the population will be equal to the number of men. Population for this research is all of mining companies which listed on IDX for the year 2010-2013

##### **B. Sample**

Sampling method used was purposive sampling based on specific criteria based on purposes of research (Rahayu, 2014). The criteria used are as follows:

1. Sampled company were Mining Companies registered in Indonesia Stock Exchange period of 2010-2013
2. Mining companies that provides complete annual report for 2010-2013

### **3.4 Type and Source of Data**

The types of data used in this study is secondary data, secondary data is data obtained by the study investigators indirectly through an intermediary medium (obtained from the other party). Secondary data was generally in the form of evidence, records or historical reports that have been arranged in the archive (data documentary) published and unpublished.

### **3.5 Research Variable and Operational Definition of Variables**

#### **3.5.1 Research Variable**

The variables used in this study consist of dependent variable and Independent variable. The dependent variable is the variable that explained or influence by independent variable. They are ROA, ROE, and NPM. The independent variable is the variables that explains or influence other variables. This study uses the variable of Corporate Social Responsibility as an independent variable.

#### **3.5.2 Operational Definition of Variables**

##### **1. Dependent Variable**

Dependent Variable (Y) is variable whose value is influenced by other variable (independent variable). Dependent variable in this research was Corporate Financial

Performance (financial performance). Company's financial performance is measured using ratio of profitability:

- *Return On Assets (ROA)*

**Return on Assets** = Net Profit Margin × Asset Turnover

$$\begin{aligned} &= \frac{\text{Net Profit}}{\text{Total Revenue}} \times \frac{\text{Total Revenue}}{\text{Average Total Assets}} \\ &= \frac{\text{Net Profit}}{\text{Average Total Assets}} \end{aligned}$$

Source: <http://thismatter.com/money/stocks/valuation/profitability-ratios.htm>

- *Return On Equity (ROE)*

$$\text{Return on Equity} = \frac{\text{Net Profit}}{\text{Average Stockholders' Equity}}$$

Source: <http://thismatter.com/money/stocks/valuation/profitability-ratios.htm>

- *Net Profit Margin*

$$\text{Net Profit Margin} = \frac{\text{Net Profit after Taxes}}{\text{Total Revenues}}$$

Source : <http://thismatter.com/money/stocks/valuation/profitability-ratios.htm>

## 2. Independent Variable

Independent variable (X) is variable that may help explain the variance in dependent variable. Independent variable in this research was CSR. CSR variable is proxied by using CSR disclosure index based on ISO 26000 standard. To view the CSR reporting practices held by companies, researchers will conduct analysis with content analysis of content of annual reports information regarding the presence or absence of ISO 26000 items. CSR Indicators which were used as the calculation are as follows:

Table 3.1

Corporate Social Responsibility Indicators:

	<b>7 Keys of Issues in ISO 26000</b>	<b>PERFORMANCE INDICATORS</b>
1	Community Involvement and development	<ul style="list-style-type: none"> <li>• Society preservation</li> <li>• Culture and preservation</li> <li>• Job creation and skills upgrading</li> <li>• Development of and access to technology</li> <li>• Health</li> <li>• Social investment</li> <li>• Revenue and income creation</li> </ul>
2	Human Right	<ul style="list-style-type: none"> <li>• Due diligence</li> <li>• Conditions that pose a risk of human rights</li> <li>• Avoidance of violation</li> <li>• Resolution of complaints</li> </ul>

		<ul style="list-style-type: none"> <li>• Discrimination and vulnerable groups</li> <li>• Civil and political rights</li> <li>• The rights of economic, social and cultural</li> <li>• The fundamental rights of labor</li> </ul>
3	Employment Practices	<ul style="list-style-type: none"> <li>• Employment and labour relations</li> <li>• Working conditions and social security</li> <li>• Employment Dialogue</li> <li>• Health and safety</li> <li>• Development of resources and training</li> </ul>
4	Environment	<ul style="list-style-type: none"> <li>• Prevention of pollution</li> <li>• Use of sustainable resources</li> <li>• Mitigation and adaptation to climate change</li> <li>• Protect the environment and biodiversity and habitat restoration</li> </ul>
5	Fair Operating Practice	<ul style="list-style-type: none"> <li>• Anti-corruption</li> <li>• Responsible involvement in political affairs</li> <li>• Fair competition</li> <li>• Promotion of social responsibility in the sphere of influence</li> <li>• Respect for the ethical rights</li> </ul>
6	Consumer's Issue	<ul style="list-style-type: none"> <li>• Fair marketing, flexible and not biased information</li> <li>• Maintenance of the health and safety of consumers</li> <li>• Sustainable Consumption</li> <li>• Care and support for consumers</li> </ul>

		<ul style="list-style-type: none"> <li>• Protection and privacy of consumer data</li> <li>• Access to essential services</li> <li>• Education and awareness</li> </ul>
7	Organizational Governance	Company's system of decision-making and implementation in achieving its goals.

CSR calculation is as follows :

$$CSDI_j = \frac{\sum x_{ij}}{n_j}$$

Source, Bidhari, S.C *et al*, 2013.

Where :

- $CSDI_j$  : *Corporate Social Responsibility Disclosure Index* of J company

- $X_{ij}$  : 1= if item I disclosed; 0 = if item I not disclosed

Therefore,  $0 < CSDI_j < 1$

- $N_j$  : Total items for companies j,  $n_j = 37$

### 3.6 Method of Data Analysis

Data collection method was collection of secondary data obtained in the form of financial statements and annual reports that have been published. Source of data in this research was obtained from the website of the Indonesia Stock Exchange ([www.idx.co.id](http://www.idx.co.id)). While CSR data, researcher used annual sustainability report available on the website of each

companies and sustainability reports published in annual report of each companies. Tests on the data that have been obtained using classical assumption test aimed to determine whether the data is worthy of research. Classical assumption test in this research conducted with program of IBM SPSS Statistics 20.0 for windows. Classic assumption test consisting of: normality test, autocorrelation test, heteroscedasticity test and multikolinearitas test.

### **3.6.1 Classical Assumption Test**

#### **1. Normality Test**

Normality test was aimed to test whether the regression model of independent variables and the dependent variable data have normal distribution or not. A statistical test used to test the residual normality was non-parametric statistical tests Kolmogorof-Smirnov (KS). According to Kolmogorov-Smirnov (KS) method, a data analysis model is said to follow a normal distribution if the value of KS count is smaller than KS table or significance value greater than 5% alpha. And instead the data is said to not follow the normal distribution if the value of KS count is greater than KS table or significance value less than 5% alpha (Steel, 1999: 365).

Decision criteria of normality test:

if  $\text{sig} > 0,05$  is accepted (Data residual of normal distribution)

if  $\text{sig} < 0,05$  is not accepted (Data residual of not normal distribution)

Normality test was conducted on the regression model between variable of corporate social responsibility with control variable size on return on assets, return on equity and net profit margin.

## **2. Autocorrelation Test**

Autocorrelation test indicates that there is correlation between errors of current period with error of prior period, where classical assumption it can not happen. This problem arises because the residual (error bully) is not free from one observation to another observation (Ghozali 2001: 103). To detect the presence or absence of autocorrelation Durbin Watson test was used, where in decision-making seen the total samples studied and then seen the number of provisions in Durbin Watson table.



**Table 3.2**

**Autocorrelation Decision Table**

Criteria	Decision
$0 < DW < D_L$	There is positive autocorrelation (Ho not accepted)
$D_L < DW < D_u$	Inconclusive
$4 - D_L < DW < 4$	There is negative autocorrelation (Ho not accepted)
$D_u < DW < 4 - D_u$	There is no autocorrelation (Ho accepted)
$4 - D_L < DW < 4 - D_L$	Inconclusive

### 3. Multicollinearity Test

Multicollinearity test was aimed to test whether regression model found the presence or absence of significant correlation or relationship between independent variables. A good regression model should not contain multikolinearitas. Multicollinearity occurs when the value of Variance Inflation Factor (VIF) is less than 10 or greater than the tolerance value of 0.10 (Putri, RWE, 2014).

Decision criteria of multicollinearity test:

If  $VIF > 10$  or *tolerance*  $< 0,1$  then  $H_0$  is not accepted (there is multicollinearity)

If  $VIF < 10$  or *tolerance*  $> 0,1$  then  $H_0$  is accepted (there is no multicollinearity)

#### 4. Hetercedasticity Test

In this research heterokedastisitas variant testing was conducted to determine the diversity of research data. In regression analysis, a good research data must have a homogeneous distribution of data variants and methods used to test is Levene test. Leven Test formula is :

$$L = \frac{(N - k) \sum ni(\bar{V}_i - \bar{V}_k)^2}{(k - 1) \sum \sum (V_{ij} - \bar{V}_i)^2}$$

Source: Aunuddin, 2005: 248 .

Where :

L = Value of count Levene

X = Value of residual data

$\bar{X}$  = Average of residual data

N = Total samples

K = Total group

In this research heterokedastisitas test using Levene method. Value of Levene count obtained is then compared with the Levene table or can also use the value of significance ratio L with alpha of 5%. If the value of Levene count < Levene table or P value > 5% then the regression data have homogeneous varieties. And vice versa if the value of Levene count > Levene table or P value < 5% then the regression data have inhomogeneous varieties.

### 3.6.2 Hypothesis Test

#### 3.6.2.1 Test of F (Simulation Test)

In this research, simultaneous test used F test or ANOVA (analysis of variance). F-test was used to test whether all together independent variables have significant influence on dependent variables. Hypothesis of F test are as follow:

Ho: Independent variables all together do not influence dependent variables

Ha: Independent variables all together influence dependent variables

Decision criteria :

- If sig < 0,05 then Ho is not accepted
- If sig > 0,05 then Ho is accepted

### 3.6.2.2 Test of T (Partial Test)

Statistical T test was used to test the influence of each independent variables of Corporate Social Responsibility on return on assets, return on equity and net profit margin individually. T test was conducted to determine whether individual independent variables influence dependent variables (Husnan and Pamudji, 2013).

Decision making criteria are as follow :

- If sig t < 0,05, the Ho is not accepted and Ha is accepted. Meaning independent variable influence on dependent variable
- If sig t > 0, 05, the Ho is accepted and Ha rejected. Meaning variabel independent not influence on variabel dependent

### 3.6.2.3 Goodness of Fit Test (Adjusted R<sup>2</sup>)

Goodness of Fit Test (adjusted R<sup>2</sup>) is useful to see if independent variables in the model are quite able to explain the changes of dependent variable. The coefficient of determination is between zero and one. If value of R<sup>2</sup> is small, it means the ability of independent variables

to explain dependent variables is very limited. Value of  $R^2$  near zero indicates the ability of independent variables in explaining variation of dependent variables. Value of  $R^2$  close to one meaning that independent variables give almost all information needed to predict variation of dependent variables (Husnan and Pamudji, 2013).

## CHAPTER IV

### Analysis and Discussion

#### 4.1 General Overview

This research examines the influence of Corporate Social Responsibility to Corporate Financial Performance on mining companies. Dependent variables of this research are return on asset, return on equity, net profit margin. While the Independent variable of this research is corporate social responsibility. Source of data for this research were taken from the website of the Indonesia Stock Exchange. While CSR data, researcher use annually sustainability report available on the website of each company and sustainability reports published in annual report of each companies. Population in this research is all Mining Companies that registered in IDX period of 2010-2013. Research samplings were selected through purposive sampling method. The amounts of this research are 29 mining companies, but there are 5 companies that not meet the criteria. Because the data is not complete, so not qualify for the test. There are PT Apexindo Pratama Duta Tbk, PT Garda Tujuh Buana Tbk, PT Resource Alam Indonesia Tbk, PT Indo Tambangraya Megah Tbk dan PT Harum Energy Tbk. So it yields 24 companies that meet the criteria. Descriptive statistical analysis shows the minimum and maximum values of each variable. The minimum value is the lowest value for each variable; the maximum value is the highest value for each variable in research. The mean value is the average value of the variables studied. Data obtained from sample firms is processed with Statistical Program for Social Version (SPSS) version 20.0. The sample was chosen based on criteria bellow:

1. Sampled company were Mining Companies registered in Indonesia Stock Exchange period of 2010-2013
2. Mining Companies provides complete annual report for 2010-2013

## 4.2 Descriptive Analysis

Descriptive statistic is used to give description about research variable. The measurement used in this study is mean, standard deviation, maximum value, and minimum value. Descriptive statistics is shown in the table below:

**Tabel 4.1**

**Descriptive Statistics**

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
ROA	96	-.176862	.323023	.05453300	.009331477	.091429432
ROE	96	-8.448587E0	4.811651	.17905887	.119745913	1.173265545
NPM	96	-.406236	.550356	.07455781	.014632144	.143365143
CSR	96	.027027	.945946	.31925676	.037639851	.368793715
Valid N (listwise)	96					

*Source : Data by SPSS version 20.0*

Based on the results of the descriptive analysis above, the variable Corporate Social Responsibility has an average value of 0.3192 and a standard deviation of 0.3687. With the lowest value at 2% and the highest value of 94%.

Variable Return on Assets has an average value of 0.0545 and a standard deviation of 0.0914. With the lowest value of -17%, PT Darna Henwa Tbk in 2013 and the highest value of 32%, that is PT Bukit Asam Tbk Coal Mine in 2011.

Table 4.2

## DATA RETURN ON ASSETS

	RETURN ON ASSET			
	2010	2011	2012	2013
1 PT. Adaro Energy Tbk	0.054366082	0.054366082	0.057276201	0.034046666
2 PT. Aneka Tambang Tbk	0.136742476	0.136742476	0.151868966	0.238558894
3 PT Apexindo Pratama Duta Tbk	-0.60662581	0.08393964	0.032445628	0.062256236
4 PT. Bayan Resources Tbk	0.088483876	-0.014175428	0.028781506	-0.035241525
5 PT. Bukit Asam Tbk	0.03546949	-0.095947055	-0.095947055	-0.094247878
6 PT. Berau Coal Energy Tbk	0.037237334	0.078096326	-0.083565784	-0.081019099
7 PT. Benakat Integra Tbk	-0.020054732	-0.016512437	0.001936079	0.041287558
8 PT. Citatah Tbk	0.064032418	0.004199096	0.010554297	0.001480547
9 PT. Dharma Henwa Tbk	0.001271596	-0.059240582	-0.0094259	-0.071471082
10 PT. Delta Dunia Makmur Tbk	-0.020773734	-0.014175428	-0.013128128	-0.027149035
11 PT. Dian Swastika Sentosa Tbk	0.036461814	0.025790881	0.018870886	-0.008462112
12 PT Eksploitasi Energi Indonesia Tbk	0.058319234	0.053467397	0.05425619	0.018776634
13 PT. Elnusa Tbk	0.01737253	-0.006859987	0.029786541	0.055503774
14 PT. Energi Mega Persada Tbk	-0.005298299	0.010021674	0.013303613	0.074784374
15 PT Garda Tujuh Buana Tbk	0.001907779	0.001907779	0.576995825	0.074784374
16 PT. Harum Energy Tbk	0.23743478	0.382976818	0.300145431	0.103158384
17 PT. Indika Energy Tbk	0.067435013	0.065749043	0.0371528	-0.023225645
18 PT. Indo Tambangraya Megah Tbk	0.187345027	0.345983526	0.289723744	0.165560935
19 PT. Medco Energi Internasional Tbk	0.03646053	0.32302264	0.007099092	0.006311453
20 PT. Mitra Investindo Tbk	0.061420966	0.232941513	0.148717958	0.140149967

21	PT Perdana Karya Perkasa Tbk	0.017334257	-0.006187633	-0.022887253	0.000923145
22	PT. Perusahaan Gas Negara Tbl	0.194448763	0.197511674	0.234190951	0.204870197
23	PT. Petrosea Tbk	0.189895376	0.139526316	0.092709281	0.03398777
24	PT. Radiant Utama Interinsco Tbk	0.021641865	0.003295214	0.02464239	0.023189994
25	PT. Resource Alam Indonesi Tbk	0.314894797	0.460381335	0.227258962	0.162510354
26	PT Sugih Energy Tbk	0.055515365	-0.176862344	0.007630787	0.059415431
27	PT. Tambang Batubara Bukit Asam Tbk	0.230306124	0.268361788	0.228566686	0.158795614
28	PT. Timah Tbk	0.161183233	0.136504162	0.198765465	0.06534096
29	PT. Vale Indonesia Tbk	0.199687705	0.137841017	0.028929141	0.016900477
	TOTAL	1.853915855	2.877806153	2.576654299	1.331777364

Variable Return on Equity has an average value of 0.1790 and a standard deviation of 1.1732. With the lowest value of -8.4%, PT Berau Coal Energy Tbk in 2012 and the highest value by 4.8%, PT Sugih Energy Tbk in 2010.

Table 4.3

**DATA RETURN ON EQUITY**

	<i>RETURN ON EQUITY</i>			
	2010	2011	2012	2013
PT. Adaro Energy Tbk	0.118823245	0.226065761	0.127979996	1.766414807
PT. Aneka Tambang Tbk	0.175718448	0.178679134	0.233248286	<b>0.766046932</b>
PT Apexindo Pratama Duta Tbk	0.174284558	0.174284558	0.174284558	0.174284558
PT. Benakat Integra Tbk	-0.028321832	-0.019675547	0.002328856	-8.448587158
PT. Bukit Asam Tbk	0.192356225	0.083334674	-1.799379249	-0.046313013
PT. Berau Coal Energy Tbk	0.193915431	0.306917032	<b>-0.184092406</b>	-0.414224294



7	PT. Bayan Resources Tbk	0.252021667	0.291254633	0.077642514	3.751226203
8	PT. Citatah Tbk	0.170261553	0.012059866	0.035037936	0.344194538
9	PT. Dharma Henwa Tbk	-1.166741294	-0.160550987	-0.170105596	0.943831305
0	PT. Delta Dunia Makmur Tbk	0.001748193	-0.076677562	-0.151420811	0.506387213
1	PT. Dian Swastika Sentosa Tbk	0.072274928	0.036338331	0.025082728	1.44873918
2	PT. Elnusa Tbk	0.032987334	-0.015809851	0.062636951	-0.252404548
3	PT eksploitasi energi indonesia Tbk	0.031801943	0.031801943	0.031801943	0.031801943
4	PT. Energi Mega Persada Tbk	-0.010643537	0.028327623	0.039911883	0.70975412
5	PT Garda Tujuh Buana Tbk	-0.08886324	0.500138741	-0.08886324	-5.628184841
6	PT. Harum Energy Tbk	0.358467631	-0.08886324	0.377170438	-0.235604998
7	PT. Indika Energy Tbk	0.142088262	0.065749043	0.085103646	0.772576105
8	PT. Indo Tambangraya Megah Tbk	0.283140367	0.505296057	0.43100127	1.172377189
9	PT. Medco Energi Inedonesia Tbk	0.198797003	0.01781819	0.01781819	0.01781819
0	PT. Mitra Investindo Tbk .	0.01781819	0.43752553	0.23300007	1.877791415
1	PT Perdana Karya Perkasa Tbk	0.315529182	0.001905013	0.001905013	0.001905013
2	PT. Perusahaan Gas Negara Tbl	0.001905013	0.356026314	0.388678176	0.000327763
3	PT. Petrosea Tbk	0.449892088	0.330605657	0.262224358	0.088497566
4	PT. Radiant Utama Interinsco Tbk	0.350147089	0.015334556	0.121854904	0.113156567
5	PT. Resource Alam Indonesi Tbk	0.060164656	0.685087198	0.321830778	0.235040001
6	PT. Sijah Energy Tbk	0.10618154	0.10618154	0.10618154	0.10618154
7	PT. Tambang Batubara Bukit Asam Tbk	0.10618154	0.378207746	0.342076801	1.105622319
8	PT. Timah Tbk	0.225550506	0.195051324	0.094683866	2.060027023
9	PT. Vale Indonesia Tbk	0.260359915	0.188655239	0.039208009	4.811650549
	TOTAL	3.432743099	4.791068515	0.68197975	7.780333189

Variable Net Profit Margin has an average value of 0.0747 and a standard deviation value of 0.14359. With the lowest value of -40%, PT Benakat Integra Tbk in 2010 and the highest value of 55%, PT Perdana Karya Perkasa Tbk in 2010.

**Table 4.4**

**DATA NET PROFIT MARGIN**

		<i>NET PROFIT MARGIN</i>			
		2010	2011	2012	2013
1	PT. Adaro Energy Tbk	0.089403509	0.138461731	0.10297062	0.069787851
2	PT. Aneka Tambang Tbk	0.192513975	0.186029266	0.286425696	0.461671959
3	PT Apexindo Pratama Duta Tbk	0.18967676	0.18967676	0.18967676	0.18967676
4	PT. Bayan Resources Tbk	0.084704533	0.141525189	0.038616683	-0.048119888
5	PT. Bukit Asam Tbk	0.071209424	0.049223375	-0.18689515	-0.186079645
6	PT. Benakat Integra Tbk	-0.40623638	-0.180665788	0.02428397	0.290204735
7	PT. Berau Coal Energy Tbk	0.064653553	0.097029135	-0.117245339	-0.11378078
8	PT. Citatah Tbk	0.083787124	0.006171379	0.017055531	0.002010343
9	PT. Dharma Henwa Tbk	-0.027360028	-0.022486632	-0.018055777	-0.233009858
10	PT. Delta Dunia Makmur Tbk	0.002556121	-0.084904536	-0.123656359	-0.016747043
11	PT. Dian Swastika Sentosa Tbk	0.066599235	0.05599933	0.036474741	-0.042264265
12	PT. Elnusa Tbk	0.015176739	-0.006384664	0.028384895	0.058999658
13	PT Eksploitasi Energi Indonesia Tbk	0.063015377	0.063015377	0.063015377	0.063015377
14	PT. Energi Mega Persada Tbk	-0.049866579	0.081929223	0.042117942	0.214808055
15	PT Garda Tujuh Buana Tbk	-0.230533512	0.243808958	-0.230533512	-0.230533512
16	PT. Harum Energy Tbk	0.183651917	-0.230533512	0.154960172	0.05922984
17	PT. Indika Energy Tbk	0.220341791	0.230370569	0.113155009	-0.062499183

18	PT. Indo Tambangraya Megah Tbk	0.122378599	0.229284072	0.177143687	0.000105787
19	PT. Medco Energi Internasional Tbk	0.061420966	0.017974715	0.017974715	0.017974715
20	PT. Mitra Investindo Tbk	0.017974715	0.197134075	0.146465248	0.157177379
21	PT. Perdana Karya Perkasa Tbk	0.001646776	0.001646776	0.001646776	0.001646776
22	PT. Perusahaan Gas Negara Tbk	0.001646776	0.312673498	0.355233349	0.29781095
23	PT. Petrosea Tbk	0.31566583	0.199579935	0.127400828	0.04806496
24	PT. Radiant Utama Interinsco Tbk	0.226018861	0.002791044	0.001809291	0.016504981
25	PT. Resource Alam Indonesi Tbk	0.012284278	0.211601499	0.109770177	0.089109186
26	PT Sugih Energy Tbk	0.171275459	0.027695277	0.027695277	0.027695277
27	PT. Tambang Batubara Bukit Asam Tbk	0.027695277	0.291834482	0.250940719	0.165424638
28	PT. Timah Tbk	0.113671559	0.102496601	0.05517222	0.088014718
29	PT. Vale Indonesia Tbk	0.342674229	0.268610243	0.069773717	0.041829872
	TOTAL	2.576356913	2.821587377	1.761777263	1.427729645

### 4.3 Discussion and Analysis of Results

#### 4.3.1 Classical Assumption Test

Classical assumption test was conducted to obtain valid results of the regression analysis. Theoretically, the classical assumption test involved testing consisting of a data normality test, autocorrelation test, multicollinearity test and heterocedasticity test. Testing classical assumption in this research program conducted with the help of IBM SPSS Statistics 20.0 for windows.

##### 1. Normality Test

Normality test was conducted to see whether the independent variables and the dependent variable have a normal distribution or not. Testing for normality can be done using the Kolmogrov-Smirnov normality test.

The basis for in the normality test is if the value of Kolmogrov Smirnov is not significant (Asymp.Sig (2-tailed) >  $\alpha$  0.05)

**Table 4.5**

**Normality Test**

		Unstandardized Residual
N		96
Normal Parameters <sup>a</sup>	Mean	.0000000
	Std. Deviation	.33135712
Most Extreme Differences	Absolute	.221
	Positive	.221
	Negative	-.130
Kolmogorov-Smirnov Z		2.164
Asymp. Sig. (2-tailed)		.000

a. Test distribution is Normal.

*Source : Data by SPSS version 20.0*

Based on the output above, it is known that the value of Asymp. Sig (2-tailed) is 0.00 that is small than 0.05. This indicates that the data in this research study are not normally distributed.

**2. Multicollinearity Test**

Multicollinearity test aims to test whether the regression model has a correlation between the independent variables. Correlation between the independent variables is not happen in good regression model. Multicollinearity can be seen from his opponents which are tolerance and Variance Inflation Factor (VIF).

**Table 4.6**

**Multicollinearity Test**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	.223	.041		5.449	.000		
	ROA	1.663	.455	.412	3.658	.000	.691	1.448
	ROE	.031	.030	.098	1.038	.302	.975	1.026
	NPM	.000	.287	.000	.002	.999	.704	1.421

a. Dependent Variable:  
CSR

*Source : Data by SPSS version 20.0*

Table 4 above provides information multicollinearity test results, which can be seen that all the variables have tolerance value more than 0.1 and VIF value of less than 10. It can be concluded that there is no multicollinearity in this regression model.

**3. Heteroscedasticity Test**

Heteroscedasticity is the residual variance which is not the same in all the observations in the regression model. Heteroscedasticity should not occur in the good regression model (Ghozali, 2011). If the significance probability is above 0.05, we can conclude that there is no heteroscedasticity in the regression model (Juliandi, 2014:161).

**Table 4.7**

**Heterocedaticity Test**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.223	.041		5.449	.000
	ROA	1.663	.455	.412	3.658	.000
	ROE	.031	.030	.098	1.038	.302
	NPM	.000	.287	.000	.002	.999

a. Dependent Variable: CSR

Source : Data by SPSS version 20.0

Based on output Coefficients the obtained value of significant variable of ROE is 0.302 and significant variable of NPM is 0.99. Meaning that the value of the significant Variable > 0.05, it can be concluded that there is no Heteroscedasticity problem but significant variable of ROA is 0.000, its mean there is Heteroscedasticity because < 0.05.

**4. Autocorrelation test**

The results of Autocorrelation test against regression model are as follows:

**Table 4.8**

**Autocorrelation Test**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.439 <sup>a</sup>	.193	.166	.336716344	1.400

a. Predictors: (Constant), NPM, ROE, ROA

b. Dependent Variable: CSR

Source : Data by SPSS version 20.0

Based on output above, the table show that the value of DW 1.400, and then this value we will compare with the signification table value 5%, the amount of sample is N = 96 and

the amount of independent variable is 3 ( $K=3$ ) (find on Durbin Watson table) so we get the DU value is 1.732.

The value of DW 1.400 more smaller than DU that is 1.732 and less than  $(4 - DU) / 4 - 1.732 = 2.268$ . It can be concluded that there is Autocorrelation.

Classical assumption test results above indicate that the data to be processed in this study free of problems normality, multicollinearity, heteroscedasticity and autocorrelation. The test results show that the data used as independent variables corporate social responsibility and eligible to predict the dependent variable (return on assets, return on equity and net profit margin).

#### 4.4 Analysis of Corporate Social Responsibility Disclosure

**Table 4.9**

##### **Corporate Social Responsibility Disclosure**

1	PT. Adaro Energy Tbk	ADRO	Disclosure
2	PT. Aneka Tambang Tbk	ANTM	Disclosure
3	PT Apexindo Pratama Duta Tbk	APEX	NoDisclosure
4	PT. Benakat Integra Tbk	BIPI	Disclosure
5	PT. Bukit Asam Tbk	BUMI	Disclosure
6	PT. Berau Coal Energy Tbk	BRAU	Disclosure
7	PT. Bayan Resources Tbk	BYAN	Disclosure
8	PT. Citatah Tbk	CTTH	Disclosure
9	PT. Delta Dunia Makmur Tbk	DOID	Disclosure
10	PT. Dharma Henwa Tbk	DEWA	Disclosure
11	PT. Dian Swastika Sentosa Tbk	DSSA	Disclosure
12	PT. Elnusa Tbk	ELSA	Disclosure

13	PT eksploitasi energi indonesia Tbk	CNKO	Disclosure
14	PT. Energi Mega Persada Tbk	ENRG	Disclosure
15	PT. Garda Tujuh Buana Tbk	GTBO	NoDisclosure
16	PT. Harum Energy Tbk	HRUM	NoDisclosure
17	PT. Indika Energy Tbk	INDY	Disclosure
18	PT. Indo Tambangraya Megah Tbk	ITMG	NoDisclosure
19	PT. Medco Energi Internasional Tbk	MITI	Disclosure
20	PT. Mitra Investindo Tbk	MITI	Disclosure
21	PT Perdana Karya Perkasa Tbk	PKPK	Disclosure
22	PT. Perusahaan Gas Negara Tbl	PGAS	Disclosure
23	PT. Petrosea Tbk	PTRO	Disclosure
24	PT. Radiant Utama Interinsco Tbk	RUIS	Disclosure
25	PT. Resource Alam Indonesia Tbk	KKGI	NoDisclosure
26	PT Sugih Energy Tbk	SUGI	Disclosure
27	PT. Tambang Batubara Bukit Asam Tbk	PTBA	Disclosure
28	PT. Timah Tbk	TINS	Disclosure
29	PT. Vale Indonesia Tbk	INCO	Disclosure

Most companies are doing social responsibility disclosure are :

- PT. Adaro Energy

For PT. Adaro Energy has the highest index of 0.92 and the lowest index of 0.78, which means almost all disclosures made by PT. Adaro Energy as Index almost close to 1.

- PT. Antam

For PT. Antam has the highest index of 0.86 and the lowest index of 0.05, which means almost all disclosures made by PT. Antam because the Index almost close to 1.



- PT. Bumi Resources

For PT. Bumi Resources has the highest index of 0.95 and the lowest index of 0.92, which means almost all disclosures made by PT. Bumi Resources the Index almost close to 1.

- PT. Petrosea

For PT. Petrosea has the highest index of 0.86 and the lowest index of 0.81, which means almost all disclosures made by PT. Petrosea because the Index almost close to 1.

- PT. Tin

For PT. Tin index its CSR constant at 0.92, which means almost all penungkapan conducted by PT. Tin because the Index almost close to 1

- PT. VALE

For PT. VALE its CSR constant index of 0.89, which means almost all penungkapan conducted by PT. VALE because the Index almost close to 1

For disclosure issues at most companies are disclosed environmental issues, consumer issues and organizational governance.

Company that does the least amount of social responsibility disclosure are :

- PT. Benakat Integra

For PT. Benakat Integra has a constant index of 0.02 which means that the disclosure by the company was minimal because almost close to 0.

- PT. Delta Dunia Makmur

For PT. Delta Dunia Makmur has a constant index of 0.03, which means the disclosure by the company was minimal because almost close to 0.

- PT. Dian Swastika Sentosa

For PT. Dian Swastika Sentosa has a constant index of 0.03, which means the disclosure by the company was minimal because almost close to 0.

- PT. Perdana Karya Perkasa

For PT. Perdana Karya Perkasa has a constant index of 0.03, which means the disclosure by the company was minimal because almost close to 0.

- PT. Resource Alam Indonesia

For PT. Resource Alam Indonesia has a constant index of 0.03, which means the disclosure by the company was minimal because almost close to 0.

For disclosure issues at least revealed the company is the issue of human rights and community involvement and development.

#### 4.5 Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine how much influence the independent variable on the dependent variable. The main purpose multiple linear regression analysis is to measure quantitatively the influence of changes in the dependent variable on the independent variables.

In this study, multiple linear regression analysis performed to know the influence of corporate social responsibility to the return on asset, return on equity, and net profit margin. By using the computer program SPSS 20 for Windows, a summary of the results of multiple linear regression analysis can be seen in the following table:

**Table 4.10**

**Multiple Linear Regression Test**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.223	.041		5.449	.000
ROA	1.663	.455	.412	3.658	.000
ROE	.031	.030	.098	1.038	.302
NPM	.000	.287	.000	.002	.999

Based on table 4.7 above, multiple linear regression equation was formulated as follows :

follows :

$$\text{Corporate Social Responsibility} = 0.223 + 1.663 \text{ ROA} + 0.031 \text{ ROE} + 0.000 \text{ NPM} + e$$

These equations explained that constant value 0.223 indicates that is a variable proportion of Return On Asset and Corporate Social Responsibility is constant so the Corporate Social Responsibility is equal to 0.233

The regression coefficient of the variable Return On Asset acquired for the direction of the positive coefficient 1.663. this suggests that Return On Asset can influence Corporate Social Responsibility. The regression coefficient of the variable Return On Equity acquired for the direction of the positive coefficient 1.63. this suggests that Return On Asset can influence Corporate Social Responsibility. The regression coefficient of the variable Net Profit Margin acquired for the direction of the positive coefficient 0.000. this suggests that Return On Asset can influence Corporate Social Responsibility.

#### 4.5.1 Coefficient of Determination

Coefficient of determination shows that how big the relationship between independent variable and the dependent variable simultaneously.

**Table 4.11**

**Coefficient of Determination**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.439 <sup>a</sup>	.193	.166	.336716344	1.400

a. Predictors: (Constant), NPM, ROE, ROA

a. Dependent Variable: CSR

*Source: Data by SPSS version 20.0*

The R correlation value is strong for the relationship between Corporate Social Responsibility and independent variables were above 0.1 which is 0.439. Figures adjusted R-square or coefficient of determination is 0.166. it shows that 16.6% of the variation or change in corporate social responsibility can be explained by return on asset, return on equity, and

net profit margin asymmetry remaining 83.4% are explained by other things that are not included in the research model.

#### 4.5.2 F-Test

F-Test aims to determine whether the independent variables simultaneously influence on the dependent variable. Criteria significant level in this test is 5%, if the probability is less than 0.05 means that all the independent variables affect the dependent variable, and if the probability greater than 0.05 means that all the independent variables simultaneously does not affect the significant on the dependent variable.

**Table 4.12**

#### F-Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.490	3	.830	7.321	.000 <sup>a</sup>
	Residual	10.431	92	.113		
	Total	12.921	95			

a. Predictors: (Constant), NPM, ROE, ROA

b. Dependent Variable: CSR

*Source : Data by SPSS version 20.0*

From table 4.9 above, F-Test showed that the calculated F value is 7.321 with the level of significant (sig) is 0.000 or significant value 0.000 are smaller than 0.05 the value of profitability. It is proved that there is a significant influence between ROA, ROE and NPM on Corporate social responsibility or ROA, ROE, NPM significantly influence the Corporate social responsibility simultaneously.

### 4.5.3 T-Test

A t-test was conducted to test the level of influence of each independent variable on the dependent variable. This test is intended to determine how big the influence exerted on each independent variable on the dependent variable or partial test at an alpha level of 5%, the margin of error of rejecting the data. The following test criteria :

- If the significance value  $< 0.05$  then the independent variables have a significant influence towards the dependent variable.
- If the significance value  $> 0.05$  then the independent variables have no significant influence towards the dependent variable.

**Table 4.13**

**T test**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.223	.041		5.449	.000
ROA	1.663	.455	.412	3.658	.000
ROE	.031	.030	.098	1.038	.302
NPM	.000	.287	.000	.002	.999

a. Dependent Variable:  
CSR

*Source: Data by SPSS version 20.0*

Variable Return On Asset has a significance value less than 0.05 is ( $0.00 < 0.05$ ), it can be concluded that the Return On Asset has a significant influence toward Corporate Social Responsibility. Variable Return On Equity has no significance value more than 0.05 is ( $0.00 > 0.05$ ), it can be concluded that the Return On Equity has no significant influence toward Corporate Social Responsibility. Variable Net Profit Margin has no significance value more

than 0.05 is ( $0.00 > 0.05$ ), it can be concluded that the Net Profit Margin has no significant influence toward Corporate Social Responsibility.

#### **4.6 Discussion of Results.**

##### **H1 : Corporate Social Responsibility (CSR) effect the Return On Asset (ROA)**

The first hypothesis states there is influence between Corporate Social Responsibility (CSR) to the Return On Asset (ROA). These results are consistent with studies of Santoso Feliana AH and YK (2013) which states that CSR activities make the company can develop new competencies in managing its resources effectively. Results of this study are consistent with results of previous studies that the company's social engagement with their stakeholders will yield long-term benefits for the company. In this case, CSR activities are considered as one of the assets that are beneficial to the company (Bidhari, SC et al, 2013).

##### **H2: Corporate Social Responsibility (CSR) effect on Return On Equity (ROE)**

The second hypothesis states there is no influence between Corporate Social Responsibility (CSR) on Return On Equity (ROE). Improved CSR to improve return on equity made the Indonesian mining company has been able to fulfill the concept of the Triple Bottom Lines. CSR activities that increase ROE also improve investors' assessment of the company (Dhkili and Ansi, 2012 in Bidhari, SC et al, 2013). These results are consistent with the view that CSR is a useful asset that allows the company to distinguish envy and improve their competitiveness (Flammer, 2013).

##### **H3: Corporate Social Responsibility (CSR) effect on the Net Profit Margin (NPM)**

The third hypothesis states there is no influence between Corporate Social Responsibility (CSR) of the Net Profit Margin (NPM). Implementation of CSR is no longer seen as a cost that will weigh on the company, but their impact on improving the reputation of the company and part of the company's strategy to demonstrate the legitimacy of the

company to the public. Younghwan, Jungwoo and Taeyong, concluded that financial transparency, operational, and social play an important role in the profitability of the company (in Rajput, Batra and Bathak, 2012).

## **CHAPTER V**

### **CONCLUSION**

#### **5.1 Conclusion**

The conclusion that can be drawn from the data processing and testing hypotheses that have been put forward in the previous chapter is the result of t-test at each independent variable gives varying results, among others: There is a significant positive influence between Corporate Social Responsibility on Return On Assets. There is a no significant positive influence between Corporate Social Responsibility on Return On Equity. And there is no significant positive influence between Corporate Social Responsibility of the Net Profit Margin.

#### **5.2 Managerial implications**

The results showed that the Corporate Social Responsibility has a significant influence on Return on Assets (ROA), but there is no significant influence on Return on Equity and Net Profit Margin. The managerial implications of this research are:

1. For the manager:

CSR program needs serious attention from management as a proven effect on financial performance, especially profitability. In addition to the profit-oriented and build relationships with stakeholders, corporate managers should continue to improve the quality and quantity of disclosure because of the level of CSR disclosure. CSR is very important to do given the company is part of the community, because the company operates in an order of society. Social activities can serve as a social compensation for the inconvenience of the public to the impact of company operations.

2. For Investors:



For investors, it is important for them to be selective in making investment decisions. In addition to making an investment decision based on the financial performance information, it would be better if the investor also consider about the company's performance in managing sustainability. Investors should consider the non-financial aspects of investing and decision making.

### **5.3 Limitations of Research**

Limitations of this study is the relatively short study period, just four years , given that other studies using a longer period of time. This study uses only the mining company as the object of their research, so not cover all types of industries. This study uses only one independent variable.

### **5.4 Suggestions**

To overcome the limitations in this study, the researchers provide recommendations for future research include:

1. For further research is expected to extend the time period of the study so that the influence of the implementation of CSR on financial performance can be valid.
2. This study only used 29 samples in the study period 2010-2013. Next research is expected to increase the number of samples and not just mining companies only.
3. In a subsequent study prompted to enter additional variables such as the age of the company, leverage, growth and other factors that may affect the company's financial performance.

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## APENDIX 1

### SAMPLE OF RESEARCH

1	PT. Adaro Energy Tbk	ADRO
2	PT. Aneka Tambang Tbk	ANTM
3	PT Apexindo Pratama Duta Tbk	APEX
4	PT. Benakat Integra Tbk	BIPI
5	PT. Bukit Asam Tbk	BUMI
6	PT. Berau Coal Energy Tbk	BRAU
7	PT. Bayan Resources Tbk	BYAN
8	PT. Citatah Tbk	CTTH
9	PT. Delta Dunia Makmur Tbk	DOID
10	PT. Dharma Henwa Tbk	DEWA
11	PT. Dian Swastika Sentosa Tbk	DSSA
12	PT. Elnusa Tbk	ELSA
13	PT eksploitasi energi indonesia Tbk	CNKO
14	PT. Energi Mega Persada Tbk	ENRG
15	PT. Garda Tujuh Buana Tbk	GTBO
16	PT. Harum Energy Tbk	HRUM
17	PT. Indika Energy Tbk	INDY
18	PT. Indo Tambangraya Megah Tbk	ITMG
19	PT. Medco Energi Internasional Tbk	MITI
20	PT. Mitra Investindo Tbk	MITI
21	PT Perdana Karya Perkasa Tbk	PKPK
22	PT. Perusahaan Gas Negara Tbl	PGAS

23	PT. Petrosea Tbk	PTRO
24	PT. Radiant Utama Interinsco Tbk	RUIS
25	PT. Resource Alam Indonesia Tbk	KKGI
26	PT Sugih Energy Tbk	SUGI
27	PT. Tambang Batubara Bukit Asam Tbk	PTBA
28	PT. Timah Tbk	TINS
29	PT. Vale Indonesia Tbk	INCO

**APENDIX 2**

**CSDI DATA**

	CSRIJ PER TAHUN			
	2010	2011	2012	2013
PT. Adaro Energi Tbk	0.837837838	0.864864865	0.918918919	0.783783784
PT. Aneka Tambang Tbk	0.837837838	0.864864865	0.054054054	0.081081081
PT Apexindo Pratama Duta Tbk	0.054054054	0.054054054	0.054054054	0.054054054
PT. Bayan Resources Tbk	0.081081081	0.081081081	0.081081081	0.081081081
PT. Bukit Asam Tbk	0.918918919	0.945945946	0.945945946	0.945945946
PT. Berau Coal Energy Tbk	0.081081081	0.081081081	0.054054054	0.054054054
PT. Benakat Integra Tbk	0.027027027	0.027027027	0.054054054	0.351351351
PT. Citatah Tbk	0.054054054	0.054054054	0.054054054	0.054054054
PT. Delta Dunia Makmur Tbk	0.027027027	0.054054054	0.027027027	0.054054054
PT. Dharma Henwa Tbk	0.108108108	0.081081081	0.081081081	0.108108108
PT. Dian Swastika Sentosa Tbk	0.027027027	0.027027027	0.108108108	0.135135135
PT. Elnusa Tbk	0.081081081	0.081081081	0.135135135	0.162162162
PT Eksploitasi Energi Indonesia Tbk	0.054054054	0.054054054	0.054054054	0.054054054
PT. Energi Mega Persada Tbk	0.081081081	0.081081081	0.081081081	0.162162162
PT Garda Tujuh Buana Tbk	0.054054054	0.054054054	0.054054054	0.054054054
T. Harum Energy Tbk	0.081081081	0.081081081	0.081081081	0.135135135
T. Indika Energy Tbk	0.081081081	0.054054054	0.108108108	0.081081081
T. Indo Tambangraya Megah Tbk	0.081081081	0.081081081	0.108108108	0.162162162
T. Medco Energi Internasional Tbk	0.081081081	0.108108108	0.081081081	0.108108108

PT. Mitra Investindo Tbk	0.081081081	0.081081081	0.081081081	0.081081081
PT Perdana Karya Perkasa Tbk	0.027027027	0.027027027	0.027027027	0.027027027
PT. Perusahaan Gas Negara Tbl	0.783783784	0.810810811	0.810810811	0.459459459
PT. Petrosea Tbk	0.864864865	0.864864865	0.864864865	0.810810811
PT. Radiant Utama Interinsco Tbk	0.081081081	0.081081081	0.081081081	0.081081081
PT. Resource Alam Indonesi Tbk	0.027027027	0.054054054	0.108108108	0.135135135
PT Sugih Energy Tbk	0.054054054	0.054054054	0.054054054	0.054054054
PT. Tambang Batubara Bukit Asam Tbk	0.864864865	0.864864865	0.864864865	0.675675676
PT. Timah Tbk	0.918918919	0.918918919	0.918918919	0.918918919
PT. Vale Indonesia Tbk	0.891891892	0.891891892	0.891891892	0.891891892



**APENDIX 3**  
**DATA RETURN ON ASSETS**

	<i>RETURN ON ASSET</i>			
	2010	2011	2012	2013
PT. Adaro Energy Tbk	0.054366082	0.054366082	0.057276201	0.034046666
PT. Aneka Tambang Tbk	0.136742476	0.136742476	0.151868966	0.238558894
PT Apexindo Pratama Duta Tbk	-0.60662581	0.08393964	0.032445628	0.062256236
PT. Bayan Resources Tbk	0.088483876	-0.014175428	0.028781506	-0.035241525
PT. Bukit Asam Tbk	0.03546949	0.329193595	-0.095947055	-0.094247878
PT. Berau Coal Energy Tbk	0.037237334	0.078096326	-0.083565784	-0.081019099
PT. Benakat Integra Tbk	-0.020054732	-0.016512437	0.001936079	0.041287558
PT. Citatah Tbk	0.064032418	0.004199096	0.010554297	0.001480547
PT. Dharma Henwa Tbk	0.001271596	-0.059240582	-0.0094259	-0.171471082
PT. Delta Dunia Makmur Tbk	-0.020773734	-0.014175428	-0.013128128	-0.027149035
PT. Dian Swastika Sentosa Tbk	0.036461814	0.025790881	0.018870886	-0.008462112
PT Eksploitasi Energi Indonesia Tbk	0.058319234	0.053467397	0.05425619	0.018776634
PT. Elnusa Tbk	0.01737253	-0.006859987	0.029786541	0.055503774
PT. Energi Mega Persada Tbk	-0.005298299	0.010021674	0.013303613	0.074784374
PT Garda Tujuh Buana Tbk	0.001907779	0.001907779	0.576995825	0.074784374
PT. Harum Energy Tbk	0.23743478	0.382976818	0.300145431	0.103158384
PT. Indika Energy Tbk	0.067435013	0.065749043	0.0371528	-0.023225645
PT. Indo Tambangraya Megah Tbk	0.187345027	0.345983526	0.289723744	0.165560935
PT. Medco Energi Internasional Tbk	0.03646053	0.32302264	0.007099092	0.006311453
PT. Mitra Investindo Tbk	0.061420966	0.232941513	0.148717958	0.140149967

21	PT Perdana Karya Perkasa Tbk	0.017334257	-0.006187633	-0.022887253	0.000923145
22	PT. Perusahaan Gas Negara Tbl	0.194448763	0.197511674	0.234190951	0.204870197
23	PT. Petrosea Tbk	0.189895376	0.139526316	0.092709281	0.03398777
24	PT. Radiant Utama Interinsco Tbk	0.021641865	0.003295214	0.02464239	0.023189994
25	PT. Resource Alam Indonesi Tbk	0.314894797	0.460381335	0.227258962	0.162510354
26	PT Sugih Energy Tbk	0.055515365	-0.176862344	0.007630787	0.059415431
27	PT. Tambang Batubara Bukit Asam Tbk	0.230306124	0.268361788	0.228566686	0.158795614
28	PT. Timah Tbk	0.161183233	0.136504162	0.198765465	0.06534096
29	PT. Vale Indonesia Tbk	0.199687705	0.137841017	0.028929141	0.016900477
	TOTAL	1.853915855	2.877806153	2.576654299	1.331777364

APENDIX 4

DATA RETURN ON EQUITY

	RETURN ON EQUITY			
	2010	2011	2012	2013
PT. Adaro Energy Tbk	0.118823245	0.226065761	0.127979996	1.766414807
PT. Aneka Tambang Tbk	0.175718448	0.178679134	0.233248286	0.766046932
PT Apexindo Pratama Duta Tbk	0.174284558	0.174284558	0.174284558	0.174284558
PT. Benakat Integra Tbk	-0.028321832	-0.019675547	0.002328856	-8.448587158
PT. Bukit Asam Tbk	0.192356225	0.083334674	-1.799379249	-0.046313013
PT. Berau Coal Energy Tbk	0.193915431	0.306917032	-0.840944063	-0.414224294
PT. Bayan Resources Tbk	0.252021667	0.291254633	0.077642514	3.751226203
PT. Citatah Tbk	0.170261553	0.012059866	0.035037936	0.344194538
PT. Dharma Henwa Tbk	-1.166741294	-0.160550987	-0.170105596	0.943831305
PT. Delta Dunia Makmur Tbk	0.001748193	-0.076677562	-0.151420811	0.506387213
PT. Dian Swastika Sentosa Tbk	0.072274928	0.036338331	0.025082728	1.44873918
PT. Elnusa Tbk	0.032987334	-0.015809851	0.062636951	-0.252404548
PT eksploitasi energi indonesia Tbk	0.031801943	0.031801943	0.031801943	0.031801943
PT. Energi Mega Persada Tbk	-0.010643537	0.028327623	0.039911883	0.70975412
PT Garda Tujuh Buana Tbk	-0.08886324	0.500138741	-0.08886324	-5.628184841
PT. Harum Energy Tbk	0.358467631	-0.08886324	0.377170438	-0.235604998
PT. Indika Energy Tbk	0.142088262	0.065749043	0.085103646	0.772576105
PT. Indo Tambangraya Megah Tbk	0.283140367	0.505296057	0.43100127	1.172377189
PT. Medco Energi Inedonesia Tbk	0.198797003	0.01781819	0.01781819	0.01781819
PT. Mitra Investindo Tbk	0.01781819	0.43752553	0.23300007	1.877791415

PT Perdana Karya Perkasa Tbk	0.315529182	0.001905013	0.001905013	0.001905013
PT. Perusahaan Gas Negara Tbl	0.001905013	0.356026314	0.388678176	0.000327763
PT. Petrosea Tbk	0.449892088	0.330605657	0.262224358	0.088497566
PT. Radiant Utama Interinsco Tbk	0.350147089	0.015334556	0.121854904	0.113156567
PT. Resource Alam Indonesi Tbk	0.060164656	0.685087198	0.321830778	0.235040001
PT Sugih Energy Tbk	0.481078033	0.10618154	0.10618154	0.10618154
PT. Tambang Batubara Bukit Asam Tbk	0.10618154	0.378207746	0.342076801	1.105622319
PT. Timah Tbk	0.225550506	0.195051324	0.094683866	2.060027023
PT. Vale Indonesia Tbk	0.260359915	0.188655239	0.039208009	4.811650549
TOTAL	3.432743099	4.791068515	0.68197975	7.780333189

**APENDIX 5**

**DATA NET PROFIT MARGIN**

		<i>NET PROFIT MARGIN</i>			
		2010	2011	2012	2013
1	PT. Adaro Energy Tbk	0.089403509	0.138461731	0.10297062	0.069787851
2	PT. Aneka Tambang Tbk	0.192513975	0.186029266	0.286425696	0.461671959
3	PT Apexindo Pratama Duta Tbk	0.18967676	0.18967676	0.18967676	0.18967676
4	PT. Bayan Resources Tbk	0.084704533	0.141525189	0.038616683	-0.048119888
5	PT. Bukit Asam Tbk	0.071209424	0.049223375	-0.18689515	-0.186079645
6	PT. Benakat Integra Tbk	-0.406235639	-0.180665788	0.02428397	0.290204735
7	PT. Berau Coal Energy Tbk	0.064653553	0.097029135	-0.117245339	-0.11378078
8	PT. Citatah Tbk	0.083787124	0.006171379	0.017055531	0.002010343
9	PT. Dharma Henwa Tbk	-0.027360028	-0.022486632	-0.018055777	-0.233009858
10	PT. Delta Dunia Makmur Tbk	0.002556121	-0.084904536	-0.123656359	-0.016747043
11	PT. Dian Swastika Sentosa Tbk	0.066599235	0.05599933	0.036474741	-0.042264265
12	PT. Elnusa Tbk	0.015176739	-0.006384664	0.028384895	0.058999658
13	PT Eksploitasi Energi Indonesia Tbk	0.063015377	0.063015377	0.063015377	0.063015377
14	PT. Energi Mega Persada Tbk	-0.049866579	0.081929223	0.042117942	0.214808055
15	PT Garda Tujuh Buana Tbk	-0.230533512	0.243808958	-0.230533512	-0.230533512
16	PT. Harum Energy Tbk	0.183651917	-0.230533512	0.154960172	0.05922984
17	PT. Indika Energy Tbk	0.220341791	0.230370569	0.113155009	-0.062499183
18	PT. Indo Tambangraya Megah Tbk	0.122378599	0.229284072	0.177143687	0.000105787
19	PT. Medco Energi Internasional Tbk	0.061420966	0.017974715	0.017974715	0.017974715
20	PT. Mitra Investindo Tbk	0.017974715	0.197134075	0.146465248	0.157177379

21	PT Perdana Karya Perkasa Tbk	0.550356066	0.001646776	0.001646776	0.001646776
22	PT. Perusahaan Gas Negara Tbl	0.001646776	0.312673498	0.355233349	0.29781095
23	PT. Petrosea Tbk	0.31566583	0.199579935	0.127400828	0.04806496
24	PT. Radiant Utama Interinsco Tbk	0.226018861	0.002791044	0.001809291	0.016504981
25	PT. Resource Alam Indonesi Tbk	0.012284278	0.211601499	0.109770177	0.089109186
26	PT Sugih Energy Tbk	0.171275459	0.027695277	0.027695277	0.027695277
27	PT. Tambang Batubara Bukit Asam Tbk	0.027695277	0.291834482	0.250940719	0.165424638
28	PT. Timah Tbk	0.113671559	0.102496601	0.05517222	0.088014718
29	PT. Vale Indonesia Tbk	0.342674229	0.268610243	0.069773717	0.041829872
	TOTAL	2.576356913	2.821587377	1.761777263	1.427729645

**APENDIX 6**

**DATA LOG NATURAL TOTAL ASSET**

		LOG TOTAL ASSET			
		2010	2011	2012	2013
1	PT. Adaro Energy Tbk	24.42705659	31.66684652	0	0
2	PT. Aneka Tambang Tbk	23.23373725	23.44464252	23.70431793	23.80815839
3	PT Apexindo Pratama Duta Tbk	27.92799278	29.24292871	29.56592647	0
4	PT. Benakat Integra Tbk	22.84816808	23.3895381	31	0
5	PT. Bukit Asam Tbk	29.1780473	28.94484494	22	23.516724
6	PT. Berau Coal Energy Tbk	23.53540569	30.55810935	0	30.62726426
7	PT. Bayan Resources Tbk	32.10530339	31.93077039	31.92889508	0
8	PT. Citatah Tbk	26.01971344	26.10891402	0	26.51310389
9	PT. Dharma Henwa Tbk	29.66408336	23.10464169	30.08182863	0
10	PT. Delta Dunia Makmur Tbk	29.05616141	28.93468079	31.38046189	28.92782292
11	PT. Dian Swastika Sentosa Tbk	29.43049978	30.08808849	0	0
12	PT. Elnusa Tbk	20.91614709	21.26016227	21.13106161	22.43094098
13	PT Eksploitasi Energi Indonesia Tbk	22.02578884	22.20258367	22	22.19824942
14	PT. Energi Mega Persada Tbk	23.18814286	23.57713692	30.66228985	0
15	PT Garda Tujuh Buana Tbk	26.81053446	26.86394317	28.12109121	27.73156111
16	PT. Harum Energy Tbk	15.05971529	22.25908907	0	29.42407378
17	PT. Indika Energy Tbk	23.16202235	23.62764005	31	0
18	PT. Indo Tambangraya Megah Tbk	29.91315313	23.38447613	30.29964668	30.46239715
19	PT. Medco Energi Internasional Tbk	30.65057301	28.54915045	30.87681068	31.06094005
20	PT. Mitra Investindo Tbk	25.46754319	25.49366903	0	0

21	PT Perdana Karya Perkasa Tbk	26.87131665	26.87990214	19.79762524	26.61341391
22	PT. Perusahaan Gas Negara Tbl	31.09948551	31.06424822	31.26311669	0
23	PT. Petrosea Tbk	31.09948551	21.9567303	0	20.19461641
24	PT. Radiant Utama Interinsco Tbk	27.11174673	27.61684331	0	0
25	PT. Resource Alam Indonesi Tbk	26.99093118	27.60866599	28	0
26	PT Sugih Energy Tbk	24.43241813	21.26016227	28.93233441	0
27	PT. Tambang Batubara Bukit Asam Tbk	22.88919455	23.16623042	23	23.18090021
28	PT. Timah Tbk	22.49501102	22.60575029	21	0
29	PT. Vale Indonesia Tbk	23.70449926	30.71911005	30.76283517	30.95622113



## APENDIX 7

### Corporate Social Responsibility Indicators :

	7 Keys of Issues in ISO 26000	PERFORMANCE INDICATORS
1	Community Involvement and development	<ul style="list-style-type: none"> <li>• Society preservation</li> <li>• Culture and preservation</li> <li>• Job creation and skills upgrading</li> <li>• Development of and access to technology</li> <li>• Health</li> <li>• Social investment</li> <li>• Revenue and income creation</li> </ul>
2	Human Right	<ul style="list-style-type: none"> <li>• Due diligence</li> <li>• Conditions that pose a risk of human rights</li> <li>• Avoidance of violation</li> <li>• Resolution of complaints</li> <li>• Discrimination and vulnerable groups</li> <li>• Civil and political rights</li> <li>• The rights of economic, social and cultural</li> <li>• The fundamental rights of labor</li> </ul>
3	Employment Practices	<ul style="list-style-type: none"> <li>• Employment and labour relations</li> <li>• Working conditions and social security</li> <li>• Employment Dialogue</li> <li>• Health and safety</li> </ul>

		<ul style="list-style-type: none"> <li>• Development of resources and training</li> </ul>
4	Environment	<ul style="list-style-type: none"> <li>• Prevention of pollution</li> <li>• Use of sustainable resources</li> <li>• Mitigation and adaptation to climate change</li> <li>• Protect the environment and biodiversity and habitat restoration</li> </ul>
5	Fair Operating Practice	<ul style="list-style-type: none"> <li>• Anti-corruption</li> <li>• Responsible involvement in political affairs</li> <li>• Fair competition</li> <li>• Promotion of social responsibility in the sphere of influence</li> <li>• Respect for the ethical rights</li> </ul>
6	Consumer's Issue	<ul style="list-style-type: none"> <li>• Fair marketing, flexible and not biased information</li> <li>• Maintenance of the health and safety of consumers</li> <li>• Sustainable Consumption</li> <li>• Care and support for consumers</li> <li>• Protection and privacy of consumer data</li> <li>• Access to essential services</li> <li>• Education and awareness</li> </ul>
7	Organizational Governance	Company's system of decision-making and implementation in achieving its goals

**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		96
Normal Parameters <sup>a</sup>	Mean	.0000000
	Std. Deviation	.33135712
Most Extreme Differences	Absolute	.221
	Positive	.221
	Negative	-.130
Kolmogorov-Smirnov Z		2.164
Asymp. Sig. (2-tailed)		.000

a. Test distribution is Normal.

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.223	.041		5.449	.000		
	ROA	1.663	.455	.412	3.658	.000	.691	1.448
	ROE	.031	.030	.098	1.038	.302	.975	1.026
	NPM	.000	.287	.000	.002	.999	.704	1.421

a. Dependent Variable:  
CSR

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.223	.041		5.449	.000
	ROA	1.663	.455	.412	3.658	.000
	ROE	.031	.030	.098	1.038	.302
	NPM	.000	.287	.000	.002	.999

a. Dependent Variable:  
CSR

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.439 <sup>a</sup>	.193	.166	.336716344	1.400

a. Predictors: (Constant), NPM, ROE, ROA

b. Dependent Variable: CSR

**ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.490	3	.830	7.321	.000 <sup>a</sup>
	Residual	10.431	92	.113		
	Total	12.921	95			

a. Predictors: (Constant), NPM, ROE, ROA

b. Dependent Variable: CSR

**Descriptive Statistics**

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
ROA	96	-.176862	.323023	.05453300	.009331477	.091429432
ROE	96	-8.448587E0	4.811651	.17905887	.119745913	1.173265545
NPM	96	-.406236	.550356	.07455781	.014632144	.143365143
CSR	96	.027027	.945946	.31925676	.037639851	.368793715
Valid N (listwise)	96					