

ABSTRACT

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THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURES ON COMPANIES' PROFITABILITY PERFORMANCE: AN EMPIRICAL STUDY OF COMPANIES LISTED ON INDONESIA STOCK EXCHANGE

(xiv + 94 pages; 3 figures; 16 tables; 8 appendices)

Corporate Social Responsibility Disclosure is the act of disclosing CSR activities in the annual report. Investors that invest their funds in the organizations that implementing CSR activities, are eager to find out whether CSR disclosure affects their returns as shareholders. The particular method to answer this problem is analyze CSR disclosures' effects on Return on Equity. Therefore, the purposes of this research are to find out the number of Corporate Social Responsibility indicators disclosed by the companies in Indonesia, and to analyse whether there is a relationship between Corporate Social Responsibility disclosures, company size, sales growth, and financial leverage with Return on Equity either simultaneously or partially.

Samples used in this research are manufacturing and mining companies listed on IDX from 2009 to 2011, which altogether lead to 33 samples. Data used in this research is secondary data – annual reports published on IDX website and companies' official websites, and the regression method used is simple regression method.

The result of this research showed that Corporate Social Responsibility disclosures, company size, sales growth, and financial leverage simultaneously give no significant effect to Return on Equity. Meanwhile, partially, Corporate Social Responsibility disclosure also gives no significant effect to Return on Equity.

Key words : Corporate Social Responsibility, Corporate Social Responsibility Disclosures, Return on Equity, Profitability Performance, GRI Guidelines 3.1.

References : 29 (2000 – 2012)