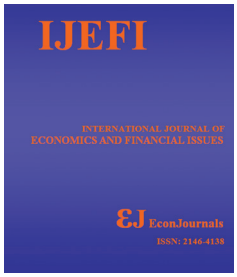

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Effect Corporate Social Responsibility on Financial Performance

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ABSTRACT

The company must be able to maintain a balance relationships with parties outside the company to do a corporate social responsibility (CSR). CSR is a concept or action taken by the company as a sense of social responsibility to the company and the environment in which they operate, as do an activity that can improve the welfare of local communities and protecting the environment, providing scholarships to children in the area are not able to fund for the maintenance of public facilities, donations to build a village/community facilities that are social and useful for many people, especially people who are in the vicinity of the company is located. CSR is a phenomenon and strategies that companies use to accommodate the needs and interests of its stakeholders. Implementation of CSR by companies can be realized with CSR disclosure disseminated to the public in the annual report (annual report) and the company can be measured through financial performance. This study was conducted to examine the effect of CSR on financial performance as measured by profitability ratios consisting of return on assets (ROA), return on equity (ROE), net profit margin (NPM) and earning per share (EPS). The population used in this study was the company mining and basic industry chemicals listed in Indonesia stock exchange during the period 2009-2012, while the sample used in this study using purposive sampling technique. Samples taken as many as 24 companies. This study used a quantitative approach and the method of multiple linear regression analysis of the data, with the first through the classical assumption. The results of this study indicate that simultaneous CSR and control variables consisting of leverage (DER) and size effect on ROA, ROE, NPM and EPS. CSR only partially significant effect on ROA and NPM and no significant effect on ROE and EPS.

Keyword: Corporate Social Responsibility, Return on Assets, Return on Equity, Net Profit Margin, Earning Per Share
JEL Classifications: M000

1. INTRODUCTION

The business world is growing rapidly, demanding the company's competence in maintaining their business. In developing a business enterprise requires not only investors who will invest in the company, but also needed a good relationship with the government, and society. The existence and impact of corporate activity are often contradictory and even detrimental to the interests of the other party. Therefore, the company should not only focus on the company's interests, but also consider the interests of parties outside the company. Awareness of the need to preserve the environment in Indonesia has begun to flourish. This is indicated by the rules limited liability company Act No. 40 of 2007 which came into force on August 16, 2007. In article 74 paragraph (1) states that the company runs its business activities in the field and or related to the natural resources required to implement social and environmental responsibility.

Past research has revealed that the implementation of corporate social responsibility (CSR) is believed to improve financial performance. Results of research conducted Bidhari et al. (2013) showed that the disclosure of CSR affect the financial performance is return on assets (ROA), return on equity (ROE) and net profit margin (NPM). But there are also studies that show that there is no positive link between CSR and financial performance. Research by Yaparto et al. (2013) shows that CSR has no significant effect on ROA, ROE and earning per share (EPS). This study is based on research Bidhari et al. (2013) on the effect of disclosure on CSR and the value of the company's financial performance in the banking industry listed in Indonesia stock exchange (IDX). In his research,

Bidhari et al., use dependent variable is the company's financial performance by ROA, ROE and NPM. The value of the company, and the population used is banking companies listed in IDX.

The difference in this study was researchers replace the corporate sector that will be examined are companies mining and chemical industry sector basis. Researchers use the dependent variable is the ROA, ROE, NPM and EPS. The dependent variable is the ratio of profitability, which is one measure of financial performance. Then it will extend the period or time range of research data, so that the results can be more accurate and will perform different tests using independent *t*-tests to determine whether there are differences in the effects of CSR on their respective industry sectors including mining and chemical basis.

2. LITERATURE REVIEW

2.1. Stakeholder Theory

The concept of CSR has been known since the early 1970s, which is commonly known as stakeholder theory means a collection of policies and practices relating to the stakeholders, values, compliance with legal requirements and the environmental community awards, as well as the commitment of business to contribute to the sustainable development. Stakeholder theory begins with the assumption that the value (value) explicitly and no doubt a part of business activities (Freeman et al., 2002 in Kusumadilaga, 2010). CSR is the company's strategy to satisfy stakeholders. If CSR is done well, the performance of the company will increase. This is because the stakeholders have confidence in the company that runs the CSR, that the company that runs the CSR is a company that cares about social and environmental problems that exist so that later stakeholders will provide full support for any action taken during the company did not violate the law.

2.2. Theory of Legitimacy

Legitimacy can be considered as the perception or assumption that the actions performed by an entity is a desired action, inappropriate, or in accordance with a system of norms, values, beliefs and definitions developed socially (Suchman, 1995 in Cahya, 2010; Qureshi et al., 2013). O'Donovan (2000) in Hadi (2011) argues the legitimacy of the organization can be seen as something that is given to the company and the community something to be desired or sought the company of the community. Thus legitimacy has benefits to support the survival of a company.

2.3. Signaling Theory (Signalling Theory)

The activities undertaken by the company always have an impact on stakeholders, such activities to the attention and interest of the stakeholders, especially investors and prospective investors. Therefore, the company has an obligation to provide a report as information to stakeholders. The report must be disclosed company consists of financial statements. However, companies are allowed to disclose additional reports e.g., annual reports that provide information about the company's workforce, awards received by the company and the company's CSR activities.

The purpose of this report is to provide additional information about the company's activities as well as provide sign (signal) on the company's concern for the environment. Signs (signals) is expected to be received positively by the market so as to affect the performance of the enterprise market as reflected in the market price of the company's stock. Signaling theory emphasizes that the company can increase the value of the company through its report. If the company fails to present more information, then the stakeholders will only assess the company as an average of the same with companies that do not disclose the additional report (Drever et al., 2007 in Fitriyani, 2012).

2.4. CSR

CSR is a mechanism for an organization to voluntarily integrate social and environmental concerns into its operations and interactions with stakeholders, which exceeds the responsibility of the organization in the field of law (Kusumadilaga, 2006). According to the International Standard ISO 26000 in Resturiyani (2012) CSR is the responsibility of an organization for the impacts of decisions and activities on society and the environment in the conference are realized in the form of transparent and ethical behavior that is consistent with sustainable development and public welfare, considering expectations of stakeholders, in accordance with established laws and norms of international behavior, and is integrated with the organization as a whole.

2.5. Analysis of Financial Performance

Analysis of the performance of the company in general is done by analyzing the financial statements. One of the analytical techniques that can be used to assess the performance of the company is through financial ratio analysis. In the study the ratio that will be used to measure the financial performance is the ratio of profitability. Here is the kind of profitability that will be used in the study:

a. ROA

$$ROA=\frac{\text{Net income}}{\text{Total assets}}\times 100\%$$

b. ROE

$$ROE=\frac{\text{Net income}}{\text{Equity}}\times 100\%$$

c. NPM

$$NPM=\frac{\text{Net income}}{\text{Total sales}}\times 100\%$$

d. EPS

$$EPS=\frac{\text{Net income-dividen}}{\text{Total all shares}}\times 100\%$$

2.6. Hypothesis

Based on the above as well as the previous study, the hypothesis to be tested as follows:

H1: CSR, DER and SIZE have an influence on the ROA, ROE, NPM and EPS.

H2: CSR has an influence on the ROA.

H3: CSR has an influence on the ROE.

H4: CSR has an influence on the NPM.

H5: CSR have influence terhadap EPS.

H6: Average disclosure of CSR among companies mining and industrial sectors are not the same chemical basis.

3. RESEARCH DESIGN

The research instrument was a test and documentation. Tests performed by measuring and calculating the influence of CSR to the financial performance was measured using profitability ratios consisting of ROA, ROE, NPM and the EPS. The samples in this study was purposive sampling. The sample selection criteria used are:

The company's mining and basic chemical industry listed in IDX with observations 2009-2012.
The company's mining and basic chemical industry that provides a complete financial statement period 2009-2012.
The company's mining and basic chemical industry that provides the complete annual report 2009-2012 period.

Data collection techniques in this study using secondary data to collect. The data used is in the form of financial statements and annual report of the mining and chemical industrial base has been published. Data obtained from the website of the stock exchange (www.idx.co.id). Data processing techniques in this study using computerized calculation SPSS version 17. The method of data analysis used in this study is a multiple linear regression analysis.

4. RESULTS AND DISCUSSION

4.1. Test of Normality

Normality test aims to determine the distribution of the data in the variable that will be used in research. Normality test used in this study is the Kolmogorov–Smirnov test (Sujarweni, 2007). Here are the results of tests of normality in this study:

Normality test results showed all asymptotic outcome variables. Significant (two-tailed) >0.05 is that it can be concluded that the data are normally distributed and feasible for use in research (Table 1).

4.2. Multikoliniaritas Test

Regression models were well on this test should not occur in the correlation between independent variables. The results of this test to analyze the calculation of the value of tolerance and variance inflation factor (VIF).

Tolerance value calculation results showed no independent variables that have a tolerance value of <0.10 and the value of VIF of no more than 10. So it can be concluded that there is no multikolenieritas between independent variables in the regression (Table 2).

4.3. Autocorrelation Test

Sujarweni (2007) describes the autocorrelation test aims to test whether the linear regression model is no correlation between bullies error in period t with the error in period $t-1$ (previously).

Here autocorrelation test results:

From the Table 3 it can be seen that the value of DW shows in between −2 and +2 means it can be concluded that there is no autocorrelation.

4.4. Test Heterokedastisidas

Sujarweni (2007) describes heterocedastisity test the residual variance difference an observation period to another period of observation.

The test results heterocedastisity:

From the Figure 1 it can be seen that the points spread, do not clump together and not shaped pattern of spread both above and below the number 0 on the Y-axis so that it can be concluded not happen heterocedastity.

4.5. Results of Testing Hypotheses

After testing the classical assumption, then the next step is to test causality research variables. Testing causality study variables was carried out by multiple regression analysis to determine whether there was an effect of CSR, leverage (DER) and size on the financial performance consisting of ROA, ROE, NPM and EPS.

From the test results in the Table 4, the test can be arranged partial linear equation as follows:

$$ROA = 0.142 + 0.223CSR - 5.635DER + 0.000SIZE + e$$

Based on the above equation, it can be explained that if the independent variable does not exist then the value of ROA for 0142. Changes every 1 unit of CSR will lead to increased value of ROA for 0.223. Changes every 1 unit of DER will lead to declining value of ROA for 5.635. Changes every 1 unit of SIZE will cause increasing ROA of 0.000.

From the test results in the Table 5, the test can be arranged partial linear equation as follows:

$$ROE = 0.212 + 0.239CSR - 0.126DER - 0.002SIZE + e$$

Based on the above equation, it can be explained that if the independent variable does not exist then the value of ROE for 0.212. Changes every 1 unit of CSR will lead to increased value of ROE for 0.239. Changes every 1 unit of DER will lead to declining value of ROE for 0.126. Changes every 1 unit of SIZE will lead to declining value of ROE for 0.002.

From the test results in the Table 6 it can be composed of multiple linear equations as follows:

Figure 1: (a-d) Result test of heterocedastisity

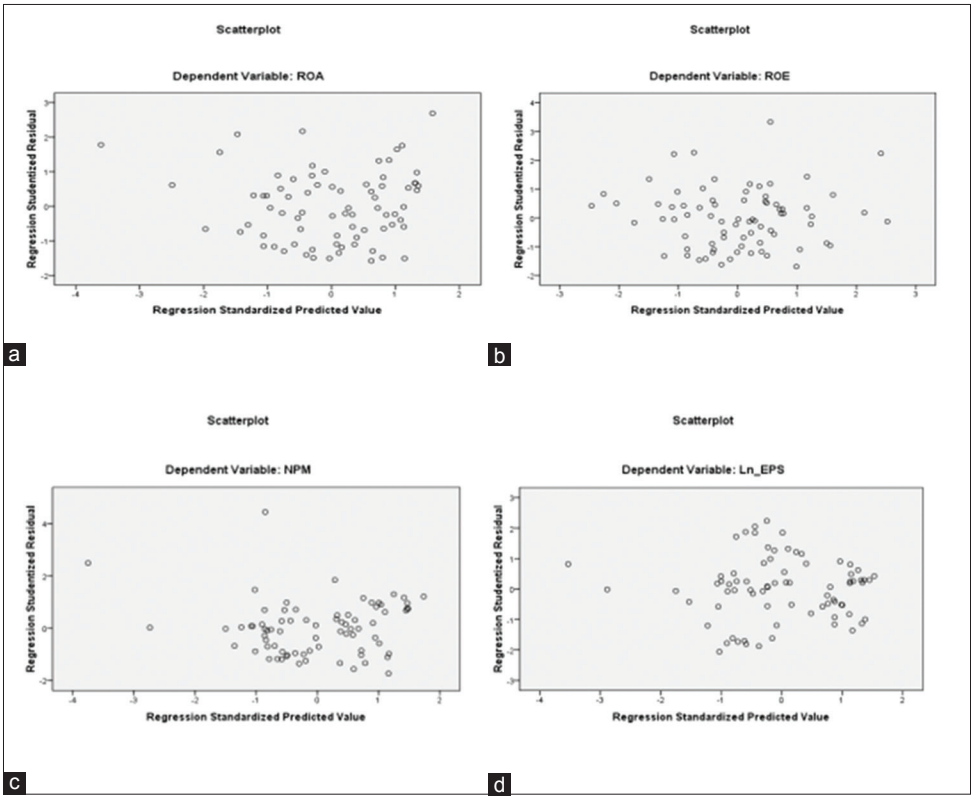

Table 1: Test normality

One-sample Kolmogorov-Smimov test							
Description	**ROA**	**ROE**	**NPM**	**SIZE**	**DER**	**CSR**	**Ln_EPS**
N	76	76	76	76	76	76	76
Normal Mean Parameters[a,b]	0.120	0.201	0.134	28.912	0.008	0.175	4.653
SD	0.072	0.112	0.090	1.653	0.006	0.070	1.876
Most extreme Absolute Differences	0.072	0.069	0.106	0.130	0.134	0.072	0.105
Positive	0.072	0.069	0.106	0.068	0.134	0.062	0.083
Negative	−0.057	−0.055	−0.079	−0.130	−0.125	−0.072	−0.105
Kolmogorov–Smirnov *Z*	0.631	0.603	0.923	1.132	1.164	0.626	0.919
Asymptomatic significance (two-tailed)	0.821	0.861	0.362	0.154	0.133	0.829	0.366

[a]Test distribution is normal, [b]Calculated from data. ROA: Return on assets, ROE: Return on equity, NPM: Net profit margin, CSR: Corporate social responsibility

Table 2: Multikoliniaritas test

Coefficients		
Model	**Collinearity statistics**	
	Tolerance	**VIF**
CSR	0.635	1.576
DER	0.992	1.008
SIZE	0.635	1.574

VIF: Variance inflation factor, CSR: Corporate social responsibility, DER: Debt equity ratio, SIZE: Ln (asset total)

Table 3: Autocorrelation test

Dependent variable	Durbin-Watson	Conclusion
ROA	1.561	Not occur autocorrelation
ROE	1.967	Not occur autocorrelation
NPM	1.582	Not occur autocorrelation
EPS	0.993	Not occur autocorrelation

ROA: Return on assets, ROE: Return on equity, NPM: Net profit margin, EPS: Earning per share

$$NPM = 0.058 - 0.318CSR - 5.8576DER + 0.006SIZE + e$$

Based on the above equation, it can be explained that if the independent variable does not exist then the NPM value of 0.058. Changes every 1 unit of CSR will lead to decline in value of NPM for 0.318. Changes every 1 unit of DER will lead to declining value of NPM for 5.857. Changes every 1 unit will cause increasing NPM SIZE 0.006.

From the test results in the Table 7 it can be composed of multiple linear equations as follows:

$$EPS = 10.706 - 4.436CSR - 103.761DER + 0.534SIZE + e$$

Table 4: Linear variable ROA

Coefficients[a]					
Model	Unstandardized coefficients		Standardized coefficients	*t*	Significant
	B	Standard error	Beta		
(Constant)	0.142	0.145		0.980	0.331
CSR	0.223	0.128	0.219	1.738	0.086
DER	−5.635	1.209	−0.470	−4.662	0.000
SIZE	0.000	0.005	−0.011	−0.088	0.930

[a]Dependent variable: ROA, ROA: Return on assets, CSR: Corporate social responsibility

Table 5: Linear variable ROE

Coefficients[a]					
Model	Unstandardized coefficients		Standardized coefficients	*t*	Significant
	B	Standard error	Beta		
(Constant)	0.212	0.264		0.803	0.424
CSR	0.239	0.234	0.150	1.023	0.310
DER	−0.126	2.207	−0.007	−0.057	0.955
SIZE	−0.002	0.010	−0.027	−1.181	0.040

[a]Dependent variable: ROE, ROA: Return on assets, CSR: Corporate social responsibility

Table 6: Linear variable NPM

Coefficients[a]					
Model	Unstandardized coefficients		Standardized coefficients	*t*	Significant
	B	Standard error	Beta		
(Constant)	−0.058	0.182	-	−0.317	0.752
CSR	0.318	0.161	0.250	1.976	0.052
DER	−5.857	1.518	−0.390	−3.859	0.000
SIZE	0.006	0.007	0.118	0.937	0.352

[a]Dependent variable: NPM. CSR: Corporate social responsibility, NPM: Net profit margin

Table 7: Linear variable EPS

Coefficients[a]					
Model	Unstandardized coefficients		Standardized coefficients	*t*	Significant
	B	Standard error	Beta		
(Constant)	−10.706	3.318		−3.227	0.002
CSR	4.436	2.933	0.166	1.512	0.135
DER	−103.761	27.686	−0.330	−3.748	0.000
SIZE	0.534	0.125	0.471	4.283	0.000

[a]Dependent variable: Ln_EPS. CSR: Corporate social responsibility, EPS: Earning per share

Based on the above equation, it can be explained that if the independent variable does not exist then the value of EPS of 10.706. Changes every 1 unit of CSR will lead to decline in the value of EPS for 4.436. Changes every 1 unit of DER will lead to declining value of 103.761 EPS. Changes every 1 unit of SIZE will lead to increased earnings of 0.534.

4.6. Simultaneous Test (Test *F*)

This test aims to determine whether simultaneous (together/unison) independent variables affect the dependent variable with a 95% confidence level (α = 0.05). The results of simultaneous test in this study are:

From the test results it is known that the value of $F = 9.135$ greater than the F table for 2.494 with a significance level of 0.000 is smaller than 0.05 (significant <0.05). 0.05 significance value below shows that simultaneous independent variables which include CSR, leverage (DER) and size has an influence on ROA (Table 8).

From the test results it is known that the value of $F = 3454$ is greater than the F table for 2.494 with a significance level of 0.038 is smaller than 0.05 (significant > 0.05). 0.05 significance values above shows that simultaneous independent variables which include CSR, leverage (DER) and size has an influence on ROE (Table 9).

From the test results it is known that the value of $F = 8888$ is greater than the F table for 2494 with a significance level of 0.000 is smaller than 0.05 (significant <0.05). 0.05 significance value below shows that simultaneous independent variables which include CSR, leverage (DER) and size has an influence on NPM (Table 10).

From the test results it is known that the value of $F = 19.413$ greater than the F table for 2.494 with a significance level of 0.000 is smaller than 0.05 (significant <0.05). 0.05 significance value below shows that simultaneous independent variables which include CSR, leverage (DER) and size has no effect on EPS (Table 11).

Based on test results simultaneously in mind that the level of significance of each dependent variable is smaller than 0.05 (significant <0.05). 0.05 significance value below shows that the simultaneous or concurrent independent variables which include CSR, DER and SIZE has a significant effect on ROA, ROE, NPM and EPS. From these results we received H5.

H5: CSR, DER and SIZE have an influence on the ROA, ROE, NPM and EPS.

4.7. Partial test (*t*-test)

This test was conducted to test the effect of the level of significance of independent variables such as CSR, leverage (DER) and the size of the dependent variable in the form of ROA, ROE, EPS NPM and partially with a confidence level of 95% (α = 0.05). Here are the results of individual parameter significance test (test statistic *t*):

From these test results that the dependent variable is the independent variable is ROA with CSR in mind t_{count} of 1.738 <1.665 t_{table} ($t_{count} > t_{table}$) but significant 0.086 (significant >0.05). In this interpretation indicates that the CSR effect on ROA. The results are consistent with previous studies conducted by Resturiyani (2012) who said that the disclosure of CSR positive effect on ROA. In accordance with the theory of signal that the company disclose CSR information in the annual report can give an indication of the signal on the company's concern for the environment. Signs of this signal is expected to be received positively by the market so as to affect market performance and financial performance. Conclusion, H0 is rejected and H1 is accepted (Table 12).

Table 8: Results of test *F* variable ROA

ANOVA[b]					
Model	**Sum of squares**	**df**	**Mean square**	***F***	**Significant**
Regression	0.106	3	0.035	9.135	0.000[a]
Residual	0.278	72	0.004		
Total	0.384	75			

[a]Predictors: (Constant), SIZE, DER, CSR. [b]Dependent variable: ROA. CSR: Corporate social responsibility, ROA: Return on assets

Table 9: Results of test *F* variable ROE

ANOVA[b]					
Model	**Sum of squares**	**df**	**Mean square**	***F***	**Significant**
Regression	0.018	3	0.006	3.454	0.038[a]
Residual	0.927	72	0.013		
Total	0.945	75			

[a]Predictors: (Constant), SIZE, DER, CSR. [b]Dependent variable: ROE. CSR: Corporate social responsibility, ROE: Return on equity

Table 10: Results of test *F* variable NPM

ANOVA[b]					
Model	**Sum of squares**	**df**	**Mean square**	***F***	**Significant**
Regression	0.162	3	0.054	8.888	0.000[a]
Residual	0.439	72	0.006		
Total	0.601	75			

[a]Predictors: (Constant), SIZE, DER, CSR. [b]Dependent variable: NPM. CSR: Corporate social responsibility, NPM: Net profit margin

Table 11: Results of test *F* variable EPS

ANOVA[b]					
Model	**Sum of squares**	**df**	**Mean square**	***F***	**Significant**
Regression	118.062	3	39.354	19.413	0.000[a]
Residual	145.957	72	2.027		
Total	264.019	75			

[a]Predictors: (Constant), SIZE, DER, CSR. [b]Dependent variable: Ln_EPS, CSR: Corporate social responsibility, EPS: Earning per share

H1: CSR effect on ROA

From the test results with the dependent variable is the independent variable is ROE CSR known for 1023 t_{count} smaller than t_{table} of 1665 t_{table} ($t_{count} > t_{table}$) and significant 0310 (significant >0.05). This shows that CSR has no effect on ROE (Table 13).

These results together with previous studies conducted by Cahyono (2011); Khan et al. (2014); Husnan (2013) both said that CSR does not affect ROE. In implementing CSR, the company will get a good image in the public eye. A good image will attract investors to invest in the company, so the company can make a profit and the company's performance will also increase. But not all investors consider CSR activities that have been carried out by the company. Sometimes investors have a low perception of the CSR because as imaging, thereby reducing the interest of investors to invest capital to the company. Conclusion from these results, H0 is accepted.

H0: There is no effect of CSR on ROE

From the test results with the dependent variable is the independent variable CSR NPM known t_{count} of 1976 <1665 t_{table} t_{table} ($t_{count} > t_{table}$) but significant 0052 (significant > 0.05). In the interpretation of this case shows that the CSR effect on NPM (Table 14).

These results together with research conducted by Bidhari et al. (2013). In accordance with the theory of legitimacy of a company whose management is oriented towards empowering communities, government and the environment has the benefit of which is to support the survival of the company. Good service will increase the loyalty that ultimately affect the consumers to buy the company's products. Conclusion from these results, the H3 is received.

H3: CSR effect on NPM

From the test results with the dependent variable EPS independent variables are known CSR t_{count} of 1512 smaller than t_{table} of 1665 t_{table} ($t_{count} > t_{table}$) and significant 0135 (significant > 0.05). This shows that CSR has no effect on EPS (Table 15).

The results are consistent with previous studies conducted by Yaparto et al. (2013) which states that indicate that CSR does not affect the EPS. An investor is willing to invest in a company with the hope to earn dividends. If the value of earnings per share is small it will be smaller the company the possibility to distribute dividends. However, over time more and more available information used by investors in the valuation of the company. One that can be used by investors is CSR information. The results were not significant between CSR and EPS suggests that investors invest their capital in CSR activities has not been looked at as one of concern to the community. Conclusion from these results, H0 is accepted.

H0: There is no effect of CSR on the EPS.

4.8. Independent *t*-Tests

It aims to compare the test of the average of the two groups were not related to each other, with the aim of whether the two groups have the same average or not (Sujarweni, 2007). Here are the test results independent *t*-test:

From the test results in the Table 16 it is known that the average disclosure of CSR in the mining sector companies is 0.1884, or about 15 items of disclosure of the 78 indicators of CSR disclosure. While on the basis of the chemical industry sector the company is 0.1635, or about 13 items of disclosure of the 78 indicators of CSR disclosure.

From the test results in the Table 17 it is known that significant two-tailed is 0124 <0.05 (significant <0.05). 0.05 significance values above this indicates that there is no difference CSR in the mining sector and the basic chemical industry. These results indicate that the mining company and the basic chemical industry in implementing CSR activities with a number of activities that are not too much. From these results, H0 is accepted.

H6: Average disclosure of CSR among companies mining and industrial sectors are not the same chemical basis.

4.9. Test the Coefficient of Determination (R^2)

The following test results coefficient of determination in this study are as follows:

Table 12: Results of test *F* of *t* variable ROA[a]

Model	*t*	Significant
(Constant)	0.980	0.331
CSR	1.738	0.086
DER	−4.662	0.000
SIZE	−0.088	0.930

[a]Dependent variable: ROA. ROA: Return on assets

Table 13: Variables ROE[a] *t*-test results

Model	*t*	Significant
(Constant)	0.803	0.424
CSR	1.023	0.310
DER	−0.057	0.955
SIZE	−1.181	0.040

[a]Dependent variable: ROE. CSR: Corporate social responsibility, ROE: Return on equity

Table 14: Test results of *t* variable NPM[a]

Model	*t*	Significant
(Constant)	−0.317	0.752
CSR	1.976	0.052
DER	−3.859	0.000
SIZE	0.937	0.352

[a]Dependent variable: NPM. CSR: Corporate social responsibility, NPM: Net profit margin

Table 15: Test results of *t* variable EPS[a]

Model	*t*	Significant
(Constant)	−3.227	0.002
CSR	1.512	0.135
DER	−3.748	0.000
SIZE	4.283	0.000

[a]Dependent variable: Ln_EPS. CSR: Corporate social responsibility, EPS: Earning per share

Table 16: Test independent *t*-test (group statistics)

Sector	Group statistics			
	N	Mean	Standard deviation	Standard error mean
CSR				
Mining	36	0.1884	0.0909	0.0152
Basic industrial chemicals	40	0.1635	0.0424	0.0067

CSR: Corporate social responsibility

Table 17: Test independent *t*-test (group statistics)

Description	Levene's test for equality of variances		Independent samples test						
			t-test for equality of means					95% confidence interval of the difference	
	F	Significant	*t*	df	Significant (two-tailed)	Mean difference	Standard error difference	Lower	Upper
CSR									
Equal variances assumed	17.844	0.000	1.557	74	0.124	0.0249	0.0160	−0.0070	0.0568
Equal variances not assumed			1.504	48.411	0.139	0.0249	0.0166	−0.0084	0.0582

CSR: Corporate social responsibility

In the Table 18 known *R* value of 0.525 on the research model and coefficient of determination of 0.246. This suggests that the ability of the independent variables in explaining the dependent variable is equal to 24.6%. Still there is a 75.4% variance dependent variable that has not been able to be explained by the independent variables in the research model. In other words, 24.6% CSR, DER and SIZE have an influence on ROA, while 75.4% are influenced by other factors outside of the variables studied.

In the Table 19 known *R* value of 0.136 in the research model and coefficient of determination of 0.022. This suggests that the ability of the independent variables in explaining the dependent variable is equal to 2.2%. Still there is a 97.8% variance dependent variable that has not been able to be explained by the independent variables in the research model. In other words, 2.2% of CSR, DER and SIZE have an influence on ROA, while 97.8% are influenced by other factors outside of the variables studied.

In the Table 20 known *R* value of 0.520 on the research model and coefficient of determination of 0.240. This suggests that the ability of the independent variables in explaining the dependent variable is equal to 24%. There are still 76% variance dependent variable that has not been able to be explained by the independent variables in the research model. In other words 24% of CSR, DER and SIZE have an influence on the NPM, while the other 76% is influenced by other factors outside of the variables studied.

In the Table 21 known *R* value of 0.669 on the research model and coefficient of determination of 0.424. This suggests that the ability of the independent variables in explaining the dependent variable is equal to 42.4%. Still a 57.6% variance dependent variable has not been able to be explained by the independent variables in the research model. In other words, 42.4% CSR, DER and SIZE have an influence on the NPM, while 57.6% are influenced by other factors outside of the variables studied.

5. CONCLUSION AND SUGGESTIONS

Based on the results of research, analysis and discussion, it can be concluded that the CSR effect on financial performance is ROA and NPM. But CSR has no effect on ROE, and EPS in the mining sector companies and industry sectors listed chemical base in the IDX. This study has limitations that the results obtained allow for deviations from the fact that actually happened or of theories and

Table 18: Test dependent variable coefficient determination ROA

Model summary[b]				
Model	*R*	R^2	Adjusted R^2	Standard error of the estimate
1	0.525[a]	0.276	0.246	0.062

[a]Predictors: (Constant), SIZE, DER, CSR. [b]Dependent variable: ROA. CSR: Corporate social responsibility, ROA: Return on assets

Table 19: Test dependent variable coefficient determination ROE

Model summary[b]				
Model	*R*	R^2	Adjusted R^2	Standard error of the estimate
1	0.136[a]	0.019	−0.022	0.113

[a]Predictors: (Constant), SIZE, DER, CSR. [b]Dependent variable: ROE. ROE: Return on equity, CSR: Corporate social responsibility

Table 20: Test dependent variable coefficient determination NPM

Model summary[b]				
Model	*R*	R^2	Adjusted R^2	Standard error of the estimate
1	0.520[a]	0.270	0.240	0.078

[a]Predictors: (Constant), SIZE, DER, CSR. [b]Dependent variable: NPM. CSR: Corporate social responsibility, NPM: Net profit margin

Table 21: Test dependent variable coefficient determination EPS

Model summary[b]				
Model	*R*	R^2	Adjusted R^2	Standard error of the estimate
1	0.669[a]	0.447	0.424	1.423

[a]Predictors: (Constant), SIZE, DER, CSR, [b]Dependent variable: Ln_EPS. CSR: Corporate social responsibility, EPS: Earning per share

existing literature. Limitations of this study is the company that a sample only company mining sector - The basic chemical industry with years of observation 2009-2012 and indicators CSR refers to the indicators used by Global Reporting Index.

Advice can be given through this research in order to get better results, which further research is expected to add the sample companies and the observations are longer, so that the results can be more accurate, add a reference indicator that can be used in calculating the CSR disclosure, adding a dependent variable which can be retrieved from external companies and for companies suggested that remain can implement CSR as CSR is the social responsibility of the company to the outside pihakdi companies such as society and the environment.

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