ABSTRACT

Nurul Hidayati. 2014, THESIS. Title: “An Analysis of the Influence of Corporate Social Responsibility Disclosure to Profitability of Company (Empirical Study at Food and Beverage Companies Listed in The Indonesian Stock Exchange)”

Advisor : Niken Nindya Hapsari, SE., M.SA., Ak., CA

Keywords : Corporate Social Responsibility (CSR), Net Profit Margin (NPM), Return on Assets (ROA), Return on Equity (ROE)

This study aimed to determine the effect of Corporate Social Responsibility (CSR) to the profitability of company. CSR disclosure may have an impact on improving long-term profitability, so in this study the profitability ratios are taken Net Profit Margin (NPM), Return On Assets (ROA, Return On Equity (ROE).

This type of research is descriptive quantitative approach. The population is food and beverage company listed in Indonesia Stock Exchange. The sampling technique was conducted with a purposive sampling method, in order to obtain a sample of 13 companies. The data used is annual reports from 2010 to 2013. The method of analysis used is a simple regression analysis.

The results of this study indicate that CSR significantly influence NPM. This is because CSR disclosure of food and beverage companies tend to be consumer-oriented and product excellence so as to attract consumers resulting in increased sales (profit margin also increased). However, CSR does not significantly affect the ROA and ROE. This is because most investors have a low perception of the CSR, the costs incurred for the implementation of CSR is thought to reduce profits of shareholder and return on assets, as well as the disclosure of CSR is still not informative.