



## EMPIRICAL STUDY ON THE IMPACT OF CSR DISCLOSURE ON PROFITABILITY

By:

Marsana<sup>1</sup>, Prayitno<sup>2</sup>, Eny Kusumawardhani<sup>3</sup>, Danik Karyawati<sup>4</sup>  
<sup>1,2,3</sup> Tantular Cooperative Management Academy

Email: [marsana@amkoptantular.ac.id](mailto:marsana@amkoptantular.ac.id)<sup>1</sup>

### ABSTRACT

*This research aims to determine the effect of CSR disclosure on Corporate Social Responsibility (CSR) on profitability. The variables used to measure profitability in this research are: return on equity (ROE), return on assets (ROA), earnings per share (EPS), and net profit margin (NPM). The object of this research is a high-profile company registered in the Indonesia stock exchange. using the descriptive analysis method. The results of this research are the regression coefficient showing that the influence of CSR on ROE is 0.057 with a significance value of 0.883. The significance value of 0.883 is greater than 0.05 so the CSR variable does not influence ROE. The influence of CSR on ROA shows a value of 0.240 with a significance value of 0.519. The significance value of 0.519 is greater than 0.05 so the CSR variable does not influence ROA. The effect of CSR on EPS shows a value of 1.147 with a significance value of 0.000. The significance value of 0.000 is smaller than 0.05 so the CSR variable influences EPS. The influence of CSR on NPM shows a value of 0.472 with a significance value of 0.248. The significance value of 0.248 is greater than 0.05 so the CSR variable does not influence NPM.*

*Keywords: Profitability; CSR; Return on Asset; Return on Equity; Earning per Share; Net Profit Margin*

### INTRODUCTION

Before investing in a company, investors need to ensure that the invested capital is able to provide a rate of return, which is by knowing the company's performance. The company has a good performance if it can provide the expected rate of return on the investment activities carried out by investors. One of the assessments of a company's performance is that it can be seen from the profitability factor.

Profitability is one of the bases for assessing the company's condition. According to (Rahmadhani & Faisal, 2018), the profitability ratio measures the ability of

a company to make its assets work efficiently in order to generate profits. The better the company's profitability level, the better the company's ability to obtain *profit*. In this study, the profitability ratio was measured using *Return on Asset* (ROA). Profitability is a factor that receives important attention because to be able to survive a company must be in favorable conditions so that investors who have invested their capital in the company do not withdraw their capital and investors who have not invested in the company will be interested in investing their capital in the company in question (Rahmadhani & Indriyani, 2019).

According to Wahyuni and Badera (2016) Companies need to look at what problems arise due to operational activities in the company environment. This is intended so that the company can maintain the survival of the company by playing an active role in protecting the environment around the company which can increase public and investor trust in the company). Law Number 40 of 2007 article 66 paragraph (2) also regulates Limited Liability Companies regarding corporate social responsibility has been written regarding the obligations of companies listed in the annual report to disclose CSR.

The disclosure of CSR activities is mandatory for companies to report, although in practice not all companies can carry it out. Some previous research such as the research of Mega and Moch (2016) In this study, the results were obtained that CSR had a significant effect on ROA and ROE. This research is in line with the research of (Rosdwianti et al., 2016). The results of the study showed that CSR had a significant effect on ROA, ROE and EPS.

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In contrast to the research of Fatah and Haryanto (2016) found that CSR had no significant effect on ROA and ROE. This is in line with the research of Heryanto and Juliarto (2017) found that the Corporate Social Responsibility (CSR) variable has a positive relationship with corporate profitability which is proxied with Return On Assets (ROA), Return on Equity (ROE), Earning per Share (EPS), and Net Profit Margin (NPM). However, only with the Net Profit Margin (NPM) proxy variables Corporate Social Responsibility (CSR) can significantly affect the company's profitability while Return On Assets (ROA), Return on Equity (ROE) do not

have a significant effect.

*From this exposure, the author wants to research whether the impact that occurs with CSR disclosure on the company's profitability*

## **LITERATURE REVIEW**

According to Rahmadhani and Meylani (2016) *Corporate Social Responsibility* (CSR) is a corporate social responsibility to the general environment. CSR is a form of the company's concern for the environment, both in economic, cultural, and other social issues, which is the company's commitment to continue to contribute to society in particular and national economic development in general. The CSR is expected to be carried out in a sustainable manner by the company.

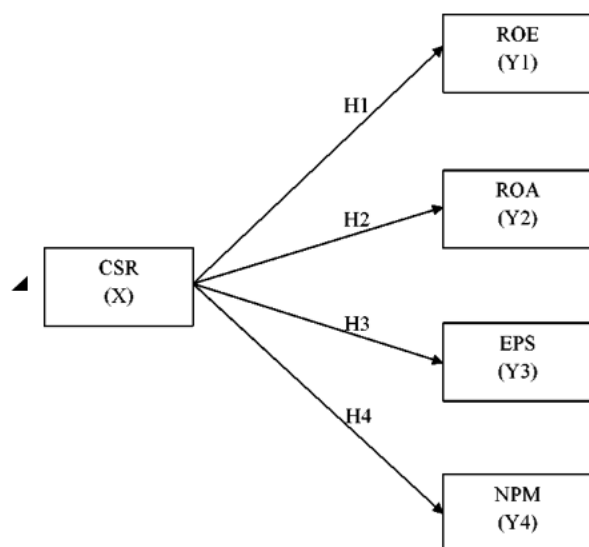
### **Profitability**

The profitability ratio is used to measure financial performance by measuring the effectiveness of overall management aimed at the size of the level of profit obtained in relation to sales and investment. The better the profitability ratio, the better the company's ability to make a profit. One of them is *Return on Equity* (ROE) (Kartika et al., 2020)

According to Brigham and Houston, 2006, Profitability is the net end result of various policies and decisions made by a company, where this ratio is used as a measure of the company's ability to make a profit. Thus, the measurement of a company's profitability shows the level of overall management effectiveness and indirectly long-term investors will be very interested in this analysis (Rozak et al., 2021). In addition, profitability is very important for the company not only to continue to maintain its business growth but also to strengthen the company's financial condition.

The indicators used to measure profitability include: *return on equity* (ROE), *return on asset* (ROA), *earning per share* (EPS) and *net profit margin* (NPM)

- a. ROE indicates a company's ability to generate net income based on a certain capital, and is used to assess the feasibility of stocks Mustafa & Handayani, (2014) and Ristianawati et al. (2021)
- b. *Return on Asset (ROA)* is one of the ratios to measure the success of a company in using its assets to generate profits. Although a lot of financing is spent to carry out CSR activities, CSR is believed to be an effort to create long-term profits for the company. CSR can increase a positive *brand image* for the community.
- c. *Earning Per Share (EPS)* This ratio shows the company's ability to earn profits and distribute the profits achieved by the company to shareholders. EPS is calculated in the way (Sugiharti, 2023)
- d. *Net Profit Margin (NPM)*  
In this study, the company's net profit margin (NPM) is influenced by the company's CSR disclosure. This ratio describes the profit for shareholders from the percentage of sales and is a measure of the company's ability to convert each rupiah earned from sales into net profit. The way to calculate net profit margin (NPM) is Kartika et al. (2023)



## Information

The effect of CSR disclosure as an independent variable on each dependent variable ROE, ROA, EPS and NPM in high-profile companies listed on the IDX for the 2019-2021 period

### Research Hypothesis

H<sub>1</sub> CSR Disclosure has a positive effect on return on equity ROE in high-profile companies listed on the IDX during the period 2019-2021

H<sub>2</sub> CSR Disclosure has a positive effect on return on assets ROA in high-profile companies listed on the IDX for the period 2019-2021

H<sub>3</sub> CSR Disclosure has a positive effect on earnings per share (EPS) in high-profile companies listed on the IDX for the period 2019-2021

H<sub>4</sub> CSR Disclosure has a positive effect on the net profit margin (NPM) of high-profile companies listed on the IDX for the period 2019 - 2021

## RESEARCH METHODS

### Research Object

This research was carried out on the Indonesia Stock Exchange through the IDX's official website with the research time being carried out in January 2022 to collect data, then in February 2022 data analysis and preparation of research reports were carried out.

### Population and Sample

The population in this study is 104 high-profile companies listed on the IDX period. 2019-2021 In terms of rind, the population in this study consisted of 20 mining companies, 10 petroleum companies, 8 chemical companies, 5 paper companies, 6 automotive companies, 2 aviation companies, 8 agribusiness companies, 3 tobacco and cigarette companies, 9 food and beverage companies, 17 media and communication companies, 8 health companies, 4 transportation companies and 4 tourism companies.

The sample is part of the number and

characteristics possessed by the population (Sugiyono, 2011: 81). The sample selection in this study was carried out using the purposive sampling method, which is a sample determination technique with certain considerations (Sugiyono, 2010: 68).

### Data Types and Data Sources

In this study, the type of data based on its nature is quantitative because it is in the form of numbers. This study uses secondary data in the form of financial statements and annual reports on commercial banks in Indonesia.

Data can be obtained from [www.idx.co.id](http://www.idx.co.id) or from the Indonesia Stock Exchange. The reason researchers use secondary data is because secondary data is easier to obtain, and more reliable in its validity.

### Data Acquisition Techniques

The data collection technique in this study uses documentation. Documentation is a technique for collecting data through intermediaries in the form of evidence, records of past or historical events that have been compiled in archives. The technique in this study takes data obtained from financial statements and annual reports published by the Indonesia Stock Exchange from the official website of the IDX.

### Operational Definition of Research Variables

#### Dependent Variables

a. Dependent variables are variables that are influenced or as a result of the existence of independent variables. In this study, the dependent variables include:

#### Return on Equity (ROE)

Return on equity (ROE) is net profit after tax divided by owner's equity multiplied by one hundred. This ratio shows the rate of return on equity from investment and sales activities carried out (Freddy Rangkuti, 2005: 154). With the following formula:

$$\text{ROE} = \frac{\text{Profit After Tax}}{\text{Net Worth}}$$

*Profit after tax* is net profit after tax and *net worth* is the equity of common stock.

#### Return on Assets (ROA)

This ratio measures the company's ability to invest in the entire funds invested in activities used for the company's operational activities with the aim of generating profits by utilizing its assets (Kartika et al., 2020).. Formula for calculating ROA (Brigham and Houston, 2006) :

$$\text{ROA} = \frac{\text{Net profit available to ordinary shareholde}}{\text{Total Assets}}$$

#### Earning per Share (EPS)

*Earnings per share (EPS)* is one of the profitability ratios calculated by dividing net profit after tax by the number of ordinary shares in circulation. This ratio shows the company's ability to earn profits and distribute the profits achieved by the company to shareholders.

EPS is calculated in the following way (Freddy Rangkuti, 2005: 155):

$$\text{EPS} = \frac{\text{Profit After Tax}}{\text{Number of Common Shares Outstanding}}$$

*Profit after tax* is net profit after tax and *number of common share outstanding* is the number of ordinary shares in circulation.

#### Net Profit Margin (NPM)

This ratio gives an overview of profit for shareholders as a percentage of sales and a measure of the company's ability to convert every rupiah earned from sales into net *profit*. The way to calculate *net profit margin (NPM)* is (Freddy Rangkuti, 2005: 150):

$$\text{NPM} = \frac{\text{Profit After Tax}}{\text{Sales}}$$

*Profit after tax* is net profit after tax and *sales* is sales.

### Independent Variables

Independent variables are variables that affect or are the cause of changes or the emergence of dependent variables (Sugiyono, 2011:39). The dependent variable in this study is *CSR Disclosure* using indicators from *the Global Reporting Initiative (GRI)* with a total of 79 disclosures which include: economy (*EC*), environment (*EN*), labor practices (*LP*), human rights (*HR*), society (*SO*) and responsibility product responsibility (*PR*) answers. Then the checklist is carried out by looking at the disclosure of corporate social responsibility in the economic (*EC*), environment (*EN*), labor practices (*LP*), human rights (*HR*), society (*SO*) and product responsibility (*PR*).

Corporate social responsibility disclosure is measured by CSRI (Corporate Social Responsibility Index) based on GRI (Global Reporting Initiatives) indicators with the formula

$$\text{CSR}_{ij} = \frac{\sum X_{ij}}{N_{ij}}$$

Information:

$\text{CSR}_{ij}$  : Corporate Social Responsibility Disclosure Index

$\sum X_{ij}$  : Number of corporate CSR disclosures

$N_{ij}$  : Number of items for the company is 79 indicators

### Data Analysis Techniques

This study uses a simple regression analysis method, because it examines the influence of CSR on each profitability ratio. Regression analysis is a process of estimating to obtain a functional relationship between random variable Y

and variable X. Simple regression analysis is a regression analysis between one variable Y and one variable X (Lukas Setia Atmaja, 2009: 165).

### Descriptive Analysis

#### Descriptive Analysis

Descriptive analysis aims to provide an overview or description of a data seen from the mean value, standard deviation, variance, maximum, minimum, sum, range, kurtosis and skewness or the awkwardness of the distribution (Imam Ghozali, 2011: 19).

### Inferential Analysis

#### Assumption Test

##### Normality Test

The normality test aims to test whether in a linear regression model, the bound variable and the free variable both have a normal distribution or not. The normality test also aims to test that in a regression model, the perturbing or residual variable has a normal distribution. A good regression model is to have a normal or near-normal distribution of data. The way to see normality is to look at a histogram that compares the observed data with a distribution that is close to the normal distribution. However, by looking only at the histogram, this can be misleading, especially for small samples. A more appropriate method is by statistical calculation using the *Kolmogorov-Smirnov test*.

In this study, the normality test using this study uses the Kolmogorov-Smirnov test with a significance level of 5%. If the significance value of the *Kolmogorov-Smirnov* value > 5%, the data used is normally distributed (Imam Ghozali, 2011: 150).

#### Linearity Test

The linearity test aims to test the relationship between independent variables and linear dependent variables. The linearity test is used to see if the specifications of the model used are correct

or not. The linearity test looks at whether the function used in an empirical study should be linear, square or cubic. The linearity test assumes that the correct function is a linear function (Imam Ghozali, 2011: 166-167).

The test against the linearity assumption can be done with the residual analysis calculation formula. Residual or *estimated error value* is notated as the distance or difference/difference between the observed data ( $Y_t$ ) and the predicted data ( $F_t$ ), which is the dependent data related to the *value of  $X_t$* . In terms of lines, *residual value* is a vertical line that separates the *observed value* from *the prediction line* (Sujoko Efferin, Stevanus Hadi Darmadji & Tan Yuliawati 2008: 183).

The formula of the residual value is:  $e_j = Y_t - Y_j$

In the SPSS view, the linearity test can be seen in the significance value of the F calculation compared to the F table by using the *Analyze, Compare Means* and then *Means menus*. If the significance value F is calculated  $>$  the significance value of the F table in the ANOVA table in the *Deviation from Linearity row*, then there is a linear relationship of each function or the relationship of independent variables with dependent variables.

### Heteroscedasticity Test

The heteroscedasticity test aims to test the variance inequality from the residual of one observation to another observation in the regression model. If the observation from one residual one observation to another observation is fixed, then it is called homoscedasticity and if it is different it is called heteroscedasticity. A good regression model is one that is homoscedasticity or heteroscedasticity does not occur (Imam Ghozali, 2011: 139).

One way to test heteroscedasticity is to look at the spread of residual variance. In this study, heteroscedasticity can be seen by looking at the plot graph between the prediction value of the dependent variable, namely ZPRED and the residual SRESID.

Heteroscedasticity is detected by looking at the presence or absence of a specific pattern in the *scatterplot* graph between SRESID and ZPRED where the Y axis is the predicted Y and the X axis is the residual (Y predicted - true Y) that has *been studentized*. If there is a certain pattern, such as the existing dots forming a certain pattern that is regular (undulating, widening, then narrowing) then it indicates that heteroscedasticity has occurred. Meanwhile, if there is no clear pattern, and the dots spread above and below the number 0 on the Y axis, then there is no heteroscedasticity (Ghozali, 2016)

Another way to find out the existence of heteroscedasticity is by the Park test. The *Park test* is carried out by storing the residual value in the data, absolutizing the residual value and conducting a regression analysis or regression of the residual absolute value of all independent variables (Ali Muhson, 2012:28). If the t-count test  $<$  t-table or the significance  $>$  0.05, it shows that there is homoscedasticity (no heteroskepestivity occurs). And vice versa, if the t-count test  $>$  the t-table or significance  $<$  0.05, it shows homoscedasticity.

### Autocorrelation Test

The assumption of independence can be done by testing for autocorrelation between existing variables. To perform the autocorrelation test, you can use *the Durbin-Watson* statistical method (Efferin et al., 2008). Durbin Watson's *statistical method* will measure the correlation between each residual and the other residuals of data taken from consecutive periods.

If the residual of the existing data has a positive correlation, then the value of D will be close to zero, while if the residual has no correlation, then the value of D will be close to the value of 2. If the residual has a negative correlation, then the value of D will be greater than 2 but carries a maximum value of 4.

## Hypothesis Testing

### Finding a regression line equation with a single predictor

Simple regression is based on the functional or causal relationship of one independent variable with one dependent variable (Sugiyono, 2010: 261).

Simple linear regression equations

$Y = a + bX$  Keterangan :

Y: The subject in the predicted dependent variable. a : Price Y when price X = 0 (constant price).

b : The direction number or regression coefficient that shows the number of increase or decrease of the dependent variable based on the change of the independent variable. If (+) the direction of the line is up and if (-) then the direction of the line is down.

X : The subject is an independent variable that has a certain value.

### Testing significance with t-test

The t-test was carried out to test the significance of each independent variable that would affect the dependent variable. The t-test is carried out with the following formula (Sugiyono, 2010: 230):

$$t = t$$

(Jl-R2)

Remarks: t = t calculate

r = correlation coefficient

n = number of samples

Conclusions were drawn by comparing the tcount with the table. If the tcount is greater than the ttable at the significance level of 5%, then the influence variable has a significant influence. On the other hand, if the tcount is smaller than the ttable at the significance level of 5%, then the variable has an insignificant influence. The calculation of the table in this study is the number of samples minus the number of variables for each regression (Sugiharti et al., 2023; Sugiyono, 2021)

The conclusion of the hypothesis accepted or rejected is determined by the following criteria:

- a) The tcount value > ttable or sig t level <  $\alpha = 0.05$ , the research

hypothesis is supported, meaning that the independent variable of corporate social responsibility (CSR) disclosure has a significant effect on each of the dependent variables of return on equity (ROE), return on asset (ROA), earning per share (EPS) and net profit margin (NPM) in high-profile companies listed on the IDX in the period 2019-2021.

- b) The ttable < calculation value or the level of sig t >  $\alpha = 0.05$ , the hypothesis of this study is not supported, meaning that the independent variables of corporate social responsibility (CSR) disclosure do not have a significant effect on each of the dependent variables of return on equity (ROE), return on asset (ROA), earning per share (EPS) and net profit margin (NPM) in high-profile companies listed on the IDX for the period 2019-2021

## RESULTS AND DISCUSSION

### High Profile Company

A high-profile industry is one that has consumer visibility, high political risk or faces high competition (Hackston & Milne, 1996: 87). High profile companies are also more sensitive to the desires of consumers or other parties who are interested in their products. Companies that are classified as high profile companies generally have a large number of workers and in the production process emit residues, such as liquid waste and air pollution (Nisya Nur Ayuna, 2008) (Rozak et al., 2023).

A high-profile company is a company engaged in petroleum and mining, chemicals, forests, paper, automotive, agribusiness, tobacco and cigarettes, food and beverages, media and communication, health, transportation, and tourism. Companies engaged in this field are believed to have received considerable public attention (Rahmadhani & Faisal,

2018).

### Descriptive Analysis

Descriptive statistical analysis is used to provide an overview or description of a data seen from the average, median, maximum and maximum values. This study uses CSR disclosure independent variables and profitability-bound variables measured by return on equity (ROE), return on asset (ROA), earning per share (EPS) and net profit margin (NPM)

#### a. Return on Equity (ROE):

The following is a description *Return on Equity* during the period 2019-2021

Table 1. Description of Return on Equity (ROE) 2019-2021

Information	ROE
Minimum Values	-0,99
Maximum Value	1,86
Average	0,12

Based on the ROE description table for companies in the high profile category listed on the IDX during the 2019-2021 period, they have an average ROE of 0.12. The minimum value of ROE is -0.99 and the maximum value of ROE is 1.86.

#### b. Return on Asset (ROA)

The following is a description of Return on Asset (ROA) during the 2019-2021 period:

Table 2. Description of Return on Asset (ROA) 2019-2021

Information	ROA
Minimum Values	-0,62
Maximum Value	0,36
Average	0,034

Based on the ROA description table for companies in the high profile category listed on the IDX during the 2017-2019 period, they have an average ROE of 0.034. The minimum value of ROA is -0.62 and the maximum value of ROA is 0.36

#### c. Earning per Share (EPS)

The following is a description of Earning per Share (EPS) during the period: 2019-2021

Table 3. Description of Earning per Share (EPS)

Information	EPS
Minimum Values	-699,77
Maximum Value	773,08
Average	102,93

Based on the EPS description table for companies in the high profile category listed on the IDX. during the period 2017-2019 had an average EPS of 102.93. The minimum value of EPS is -699.77 and the maximum value of EPS is 773.08.

#### d. Net Profit Margin (NPM)

The following is a description of the Net Profit Margin (NPM) during the period 2019-2021

Table 4. Description of *Net Profit Margin (NPM)*

Information	NPM
Minimum Values	-637,47
Maximum Value	39,56
Average	-9,4

Based on the NPM description table, companies in the high profile category listed on the IDX during the 2019-2021 period have an average NPM of -9.4. The minimum value of NPM is -637.47 and the maximum value of NPM is 39.56.

#### e. Corporate Social Responsibility (CSR)

The following is a description of Corporate Social Responsibility (CSR) during the 2019-2021 period:



Table 5. Description of *Corporate Social Responsibility*

Information	CSR
Minimum Values	0,076
Maximum Value	0,468
Average	0,218

Based on the CSR description table, companies in the high-profile category listed on the IDX during the period 2009-2011 had an average CSR of 0.218. The minimum value of CSR is 0.076 and the maximum value of CSR is 0.468. CSR disclosure in *high-profile* companies listed on the IDX for the 2017-2019 period is low because it is far from the perfect CSR disclosure index, which is 1.00.

Based on the results of the regression calculation, the regression equation is obtained as follows: ROE = -1.396 + 0.057 CSR ROA = -1.674 + 0.240 CSR EPS = 1.932 + 1.147 CSR NPM = 1.152 + 0.472 CSR.

If the regression coefficient value is a positive number, then there is a positive influence, namely the existence of a directly proportional relationship between the independent variable and the dependent variable. The increase in the percentage of independent variables will affect the increase in the percentage of dependent variables as well. If the regression coefficient value is a negative number, then there is a negative influence, namely the inversely proportional relationship between the independent variable and the dependent variable. An increase in the percentage of independent variables will affect the decrease in the percentage of dependent variables. Meanwhile, if the regression coefficient value is 0, then there is no positive or negative influence so that the change in the independent variable does not affect the change in the dependent variable. Overall, the interpretation of the regression equation is as follows:

The regression coefficient of CSR influence on ROE showed a value of 0.057 with a significance value of 0.883. The

significance value of 0.883 is greater than 0.05 so that the CSR variable has no influence on ROE. In conclusion, the first hypothesis, namely that corporate social responsibility (CSR) disclosure has a positive effect on return on equity (ROE) in high-profile companies listed on the IDX for the 2017-2019 period, was rejected. This regression coefficient sign is positive so that an increase in CSR disclosure will increase the value of the company's return on equity (ROE) but has an insignificant value. An increase in CSR disclosure of 1 percent will increase the company's return on equity (ROE) by 0.057 percent.

The regression coefficient of CSR influence on ROA showed a value of 0.240 with a significance value of 0.519. The significance value of 0.519 is greater than 0.05 so that the CSR variable has no influence on ROA. In conclusion, the second hypothesis, namely the disclosure of corporate social responsibility (CSR) has a positive effect on return on assets (ROA) in high-profile companies listed on the IDX for the 2017-2019 period, is rejected. This regression coefficient sign is positive so that an increase in CSR disclosure will increase the value of the company's return on asset (ROA) but has a non-significant value. An increase in CSR disclosure of 1 percent will increase the company's return on assets (ROA) by 0.240 percent.

The regression coefficient of CSR influence on EPS showed a value of 1.147 with a significance value of 0.000. The significance value of 0.000 is less than 0.05 so that the CSR variable has an influence on EPS. In conclusion, the third hypothesis, namely the disclosure of corporate social responsibility (CSR) has a positive effect on earnings per share (EPS) in high-profile companies listed on the IDX for the 2017-2019 period, is accepted. This sign of a regression coefficient is positive so that an increase in CSR disclosure will increase the company's earnings per share (EPS) value. An increase in CSR disclosure of 1 percent will increase the company's earnings per share (EPS) by 1.147 percent.

The regression coefficient of CSR's influence on NPM showed a value of 0.472 with a significance value of 0.248. The significance value of 0.248 is greater than 0.05 so that the CSR variable has no influence on NPM. In conclusion, the fourth hypothesis, namely the disclosure of corporate social responsibility (CSR) has a positive effect on net profit margin (NPM) in high-profile companies listed on the IDX for the 2017-2019 period, is rejected. This regression coefficient sign is positive so that the increase in CSR disclosure will increase the company's net profit margin (NPM) value but has an insignificant value. An increase in CSR disclosure of 1 percent will increase the company's net profit margin (NPM) by 0.472 percent.

## CONCLUSIONS AND SUGGESTIONS

Based on the results of the research and matters related to the limitations of the research, there are several things that must be considered, namely:

1. The company should carry out and disclosed corporate social responsibility (CSR) activities efficiently so as not to interfere with the company's profitability ratio.
2. For investors and potential investors who have and will invest their capital in the company, they should consider the CSR activities carried out by the company because it has an influence on the company's profitability ratio.
3. The public should be able to judge a good company, one of which is by seeing the company's concern for the natural environment and the surrounding community.
4. For future researchers: in the next research, they can use corporate sustainability reports or sustainability reporting, which has been cross-checked by the Global Reporting Initiative to reduce the subjective risk of CSR index assessment.
5. To obtain better research results, subsequent research can extend the research period.
6. Further research can increase the profitability ratio because the profitability ratio is not only ROE, ROA, EPS and NPM.
7. The next research population is not only high profile companies but can be expanded to companies listed on the Indonesia Stock Exchange

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