

The Effect of Institutional Share Ownership, Profitability, and Leverage on Disclosure of Corporate Social Responsibility (CSR)

Case Study of SOE Go Public Banking Companies Registered at PT. Indonesia Stock Exchange in 2010-2017

ABSTRACTION

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This study aims to find out and obtain empirical evidence about the influence of institutional share ownership, profitability, and leverage on disclosure of Corporate Social Responsibility (CSR) in Indonesia. Where institutional share ownership is calculated by institutional shares divided by circulating shares, profitability is measured by ROA, and leverage is measured by DER and CSDI CSR disclosure. This study included quantitative research. The population in this study is the BUMN Go Public banking company listed on the Indonesia Stock Exchange for the period 2010-2017. The research sample was selected using saturated sample techniques so that the samples obtained were 4 companies. Before the data analysis is carried out, the classical assumption test is conducted first. The data analysis technique used after performing the classical assumption test is a simple regression analysis. Whereas to test the hypothesis, use the t test.

The results of this study show that institutional ownership has a positive and significant effect on CSR disclosure, profitability has a positive and significant effect on CSR disclosure, while leverage has a negative and not significant effect on CSR disclosure. These results indicate that the higher the profitability and institutional share ownership of a BUMN Go Public banking company, the more profit the company will get and increase sales and increase company value and carry out CSR activities well.

Keywords: Institutional share ownership, profitability, leverage, CSR disclosure.