

***THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON
COMPANIES' PROFITABILITY IN INDONESIA***

THESIS

As Part of Requirement to Receive Bachelor's Degree (S1)

Of International Undergraduate Program Business and Accounting

Faculty of Business And Economics Universitas Atma Jaya Yogyakarta



Compiled by: Amelia Chintya Dewi

Student Number: 181524308

**FACULTY OF BUSINESS AND ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA**

April 2022

***THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON
COMPANIES' PROFITABILITY IN INDONESIA***

THESIS

As Part of Requirement to Receive Bachelor's Degree (S1)
Of International Undergraduate Program Business and Accounting
Faculty of Business and Economics Universitas Atma Jaya Yogyakarta



Compiled by: Amelia Chintya Dewi

Student Number: 181524308

**FACULTY OF BUSINESS AND ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA**

April 2022

THESIS ENTITLEMENT

**THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON
COMPANIES' PROFITABILITY IN INDONESIA**



Compiled by: Amelia Chintya Dewi

Student Number: 181524308

Have been read and approved by:

Supervisor,

Dr. Amal Ahmad Khair, B.Sc., M.Sc., Ph.D.

Date: July 7th, 2022

STATEMENT OF APPROVAL



**FAKULTAS BISNIS
DAN EKONOMIKA**
UNIVERSITAS ATMA JAYA YOGYAKARTA

Letter of Statement

No. 1149/J/I

Based on the Thesis Defense results that has been held on Thursday, 7 April 2022 with the following examiner:

1. Dr. Amal Ahmad Khair, B.Sc., M.Sc., Ph.D.

The examiners team has decided that:

Name : Amelia Chintya Dewi

Student Number : 181524308

Program : International Undergraduate Program in Business Accounting
as a Dual Degree student in University of Northampton

Has passed

Thesis Defense

The thesis revision has been reviewed and confirmed by examiner.

This letter of statement is made for Yudisium/Graduation of Bachelor of Accounting in Faculty of Business and Economics Universitas Atma Jaya Yogyakarta.

Dean,

Drs. Budi Suprpto, MBA., Ph.D.

Alamat

Kampus III Gedung Bonaventura
Jalan Babarsari 43 Yogyakarta 55281

URL

<https://fbe.uajy.ac.id>

Kontak

Telepon : +62-274-487711 ext. 3120, 3127
Fax : +62-274-485227
Surel : fbe@uajy.ac.id



AUTHENTICITY ACKNOWLEDGEMENT

I hereby declare that the thesis with the title:

THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON COMPANIES' PROFITABILITY IN INDONESIA

is compiled with my own writings and thoughts. I'm fully aware that this thesis do not contain any of others' writings except the ones cited and mentioned in the references.

Leicester, April 7th 2022



Amelia Chintya Dewi

ACKNOWLEDGEMENT

Praise to the Lord as because of His Grace, researcher can finish this thesis titled “The Influence of Corporate Social Responsibility On Companies’ Profitability in Indonesia”. It was a long process for the researcher to be able to conduct and finish this thesis. And by His Grace only, this thesis was approved to be submitted to fulfil the graduation requirements to achieve the degree as a Bachelor of Accounting (Sarjana Akuntansi) of The International Financial Accounting Program at the Faculty of Business and Economics Universitas Atma Jaya Yogyakarta. There were many parties involved during the process, hereby the researcher gratefully thank the names below:

1. The God Almighty, as only by His Grace and Guidance, the researcher able to finish this project on time.
2. Researcher’s family including Mama, Papa, Stevan, and Cherryn for giving the researcher endless supports and prayers.
3. Researcher’s partner, Michael Nicholas Chandra, for the help, support, encouragement, and motivation.
4. Dr. Amal Ahmad Khair as the supervisor of this thesis. Dr. Amal offered massive guidance, attention, encouragement, and all of the advice needed to finish this thesis.
5. All of IFAP 2018 class members.
6. All of Universitas Atma Jaya Yogyakarta lecturers and staffs who have helped the researcher during the study.

Leicester, April 7th 2022



Amelia Chintya Dewi

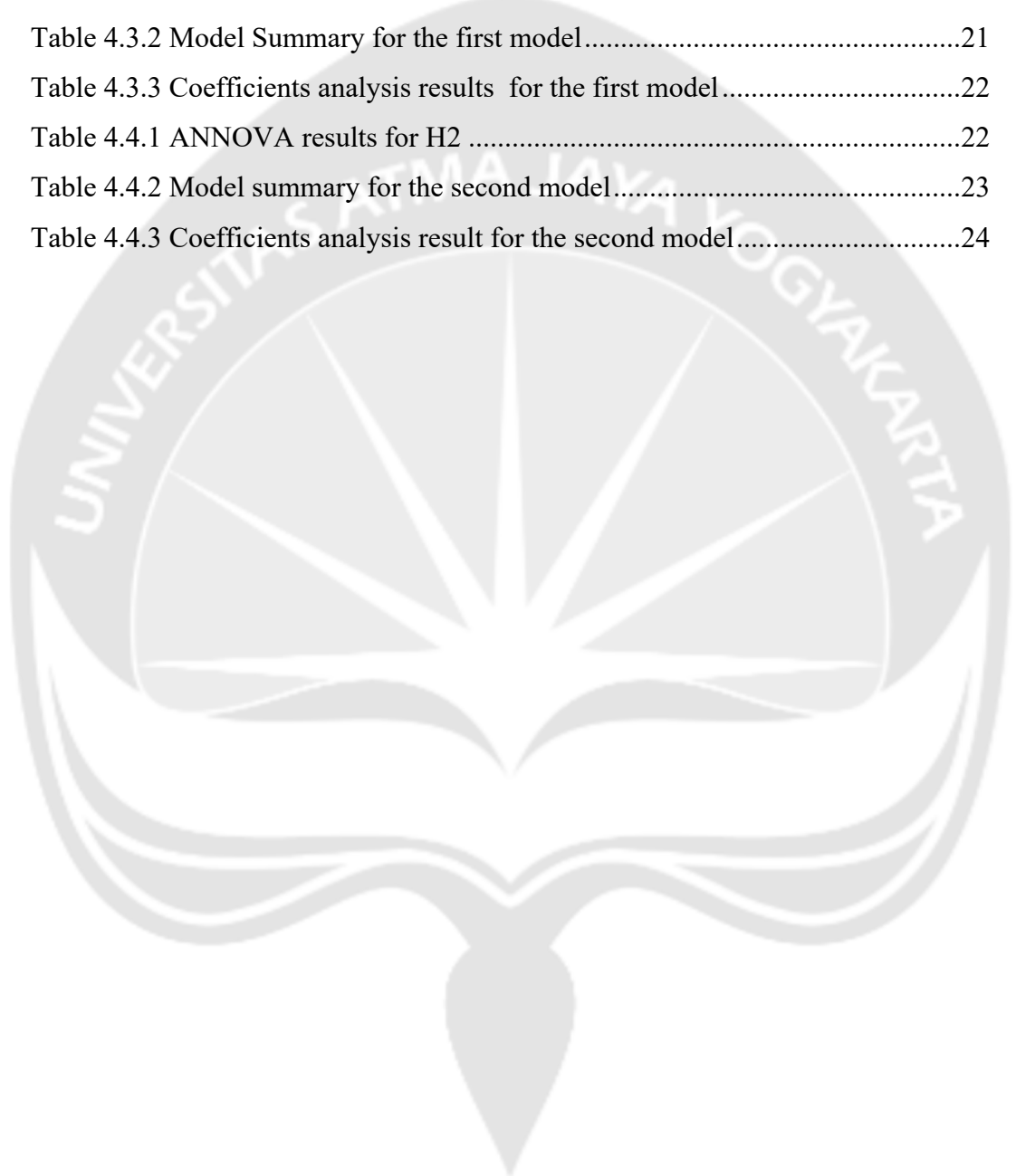
Table of Contents

THESIS ENTITLEMENT	ii
STATEMENT OF APPROVAL	iii
AUTHENTICITY ACKNOWLEDGEMENT	iv
ACKNOWLEDGEMENT	v
Lists of Tables.....	viii
ABSTRACT	ix
CHAPTER I INTRODUCTION	1
1.1. Introduction.....	1
1.2. Motivation and Significance of Research.....	2
1.3. Research Objectives and Hypotheses	3
1.4. Research Methodology and Research Design.....	3
1.5. Summary of the findings of the study.....	4
1.6. Research Contributions.....	4
1.7. Structure of the Dissertation.....	5
CHAPTER II LITERATURE REVIEW	6
2.1. Introduction.....	6
2.2. Corporate Social Responsibility (CSR).....	6
2.3. CSR and Company's Profitability	7
2.4. Literature Gaps	8
2.5. Conclusion	9
CHAPTER III RESEARCH METHODOLOGY	10
3.1. Introduction.....	10
3.2. Research Approach and Research Design.....	10
3.3. Research Variables.....	11
3.4. Sample of the Research.....	14
3.5. Data Collection.....	14
3.6. Data Analysis	15

3.7.	Conclusion	16
CHAPTER IV RESULTS AND DISCUSSIONS		18
4.1.	Introduction	18
4.2.	Descriptive Statistics	18
4.3.	Regression Results for Short Term Model	20
4.4.	Regression Results for the Long Term Model	22
4.5.	Discussion	24
4.6.	Conclusion	27
CHAPTER V CONCLUSION		28
5.1.	Introduction	28
5.2.	Research Conclusion	28
5.3.	Research Limitation	29
5.4.	Recommendations for Future Research	30
REFERENCES		31
REFLECTION OF RESEARCH WORK AND ACTIVITY		36
Research Approval Form		38
Preliminary Ethics Form		40
Supervisor Meeting Minutes Record Forms		41
Data Collection Source		44
Data Analysis		45
Appendix		55

Lists of Tables

Table 4.2.1 Descriptive Statistics for the first model	18
Table 4.2.2 Descriptive Statistics for the second model	19
Table 4.3.1 ANOVA results for H1	20
Table 4.3.2 Model Summary for the first model.....	21
Table 4.3.3 Coefficients analysis results for the first model.....	22
Table 4.4.1 ANNOVA results for H2	22
Table 4.4.2 Model summary for the second model.....	23
Table 4.4.3 Coefficients analysis result for the second model.....	24



THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON COMPANIES' PROFITABILITY IN INDONESIA

Compiled By

Amelia Chintya Dewi

NPM: 181524308

ABSTRACT

The purpose of this study is to determine if Corporate Social Responsibility has any effect on the profitability of non-cyclical consumer goods sector companies in Indonesia. This research provides two models to examine the short term and long-term effects of Corporate Social Responsibility on the companies' profitability. The sample size for the first model is 315, which comprises data from 63 companies over a five-year period. The second model has 63 samples. This study employs a quantitative approach. The descriptive statistics are used to analyse the data, followed by the F-test and ANOVA. Durbin-Watson test was also employed to check whether there is any autocorrelation in the regression. While the statistical computations were significant, the independent and control factors' influence on the dependent variable is extremely modest. Thus, the results of these statistical computations reveal that the existence of CSR has a negligible effect on the companies' profitability in Indonesia.

Keywords: Companies' profitability, corporate social responsibility, CSR, company's size, CSR influence