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Financial Performance of Mining Companies in Relation to Corporate Social Responsibility

Yuni Nustini^{1*}, Wirawan Hardinto², Anastasya Putri³

^{1,2,3}Department of Accountancy, Faculty of Business and Economics, Islamic University of Indonesian

*Corresponding email: 903120102@uii.ac.id

Abstract

The purpose of this research is to explore the impact of corporate social responsibility (CSR) on the financial performance of mining companies. Population of the study includes mining firms listed on the Indonesia Stock Exchange (IDX) between 2017-2021. The sample was selected through purposive sampling, consists of 38 mining companies during the year 2017 to 2021. The number of data collected and furtherly analyzed were 178. SPSS version 29 was used to perform multiple regression and two mean differences tests. The analysis was performed using multiple linear regression, with IBM SPSS Version 29 serving as the data processing tool. The results indicate that both economic and social CSR have a positive significant impact on a company's financial performance, while environmental CSR does not have any such impact.

Keywords

Economic-CSR, Social-CSR, Environmental-CSR, Financial-Performance

1.0 Introduction

Corporate Social Responsibility (CSR) refers to the obligations that corporations bear towards their communities and environments. This idea has gained widespread recognition as well-designed CSR programs can contribute to the long-term viability of corporate operations.

The implementation and disclosure of corporate social responsibility (CSR) in Indonesia are governed by several regulations, including Law no. 40 of 2007 concerning Limited Liability Companies and Law no. 25 of 2007 concerning Capital Investment. Additionally, Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies (PP 47/2012) provides further regulations on this matter. Article 2 PP 47/2012 states that every company, as a legal entity, has social and environmental responsibilities as a form of human activity in the business sector. It is morally obligated to maintain a harmonious and balanced relationship with the environment and local community in accordance with societal values, norms, and culture. Existing regulations require companies to disclose their social responsibility efforts, making CSR disclosure mandatory in Indonesia. However, there are no specific reporting standards that provide guidelines on what information must be reported and what the reporting policy should be. As a result, CSR disclosure in Indonesia remains voluntary (voluntary disclosure).

According to the provisions of this particular law, mining corporations are mandated to undertake corporate social responsibility (CSR) activities. Given that mining companies primarily utilize natural resources in their operations and business activities, they have a direct impact on the surrounding community and environment. Therefore, it is crucial for these companies to disclose their CSR activities, particularly those related to any negative consequences that may arise during the mining process. It is expected that these

CSR activities will have a favourable influence on stakeholders, customers, society, and the environment surrounding the mining site.

The Stakeholder Theory suggests that company management should fulfil the expectations of stakeholders, as their support is crucial to the company's existence. To do so, companies often pay attention to their social and environmental activities and voluntarily disclose transparent information about these activities as a form of accountability to stakeholders (Tista & Putri, 2020).

Corporate social responsibility (CSR) reporting refers to a company's systematic disclosure of information on its social performance. The term social performance is understood in a broad sense and refers to social, environmental, and governance issues that are typically not covered by financial performance metrics (Schreck, 2013). CSR involves social disclosure, social accounting, social and environmental accounting, and conveying the social and environmental impacts of operational activities to stakeholders and society at large (Harahap & Septiani, 2019; Tista & Putri, 2020).

There are relevant researches that shows diversified results regarding company performance. Asmeri, et al (2022) show that Corporate Social Responsibility has a significant effect on Financial Performance. Brammer, et al (2006) in Octavera and Rahadi (2017) stated that using stock returns is a tool to measure the relationship between corporate social performance and financial performance in the United Kingdom (UK). The results of research by Rafsanjani and Jasa (2022) show that social performance and environmental performance have a proportional impact on company value.

This study aimed to evaluate the impact of Economic, Social, and Environmental Corporate Social Responsibility (CSR) on financial performance and to compare Economic, Social, Environmental, and Financial CSR during the pre-Covid-19 and at the Covid-19 periods in mining companies.

2.0 Literature Review

This expanded study was constructed on two theoretical backgrounds which are CSR Theory and Legitimacy Theory.

Corporate social responsibility (CSR) Theory

Corporate social responsibility (CSR) prioritizes certain responsibilities over others, such as a company's obligations to society, primarily to communities and partially to employees and customers, over its responsibilities to other stakeholders, such as financiers, suppliers, and shareholders. In CSR theory, a corporation or company is perceived from the perspective of the society at large, extends social orientation much further and outside the stakeholder circle, not only limited in the circle of company's stakeholders (Awa, Etim, & Ogbonda, 2024).

Legitimacy Theory

According to O'Donovan (2002), legitimacy theory is an idea or thought that aims to ensure that companies continue to operate in accordance with social norms. Therefore, companies must ensure that their operational activities are in accordance with applicable norms/standards and receive support from the surrounding community. Companies can achieve their goals well if they gain recognition (legitimacy) from the surrounding community. Companies must not only prioritize the interests of the company but must also

be able to provide benefits to the communities living around the company's operational locations (Pamungkas & Winarsih, 2020).

Financial performance

According to Nugroho (2018), Financial Performance is one of the factors for measuring the performance of a company. Performance measurements must be carried out to see the qualifications and efficiency of the company or the company's efficiency in business activities during the reporting period. Financial performance is also seen as a form of formal business carried out by a company to assess the effectiveness and efficiency of the company's operational activities. A picture of business success that results from its operational activities sacrificing its resources is called financial performance (Nurhayati, 2017). Financial performance is an important part of a company, because it is the basis for decision making by internal and external parties. Financial ratios companies must measure the company's financial performance using financial ratios. One parameter that can be used to determine how well financial performance is the profitability ratio (Ningsih & Subarkah, 2018).

Profitability ratios are ratios that aim to assess and measure how far a company is in generating profits or profits (Pondrinal et al., 2022). This ratio also provides an overview of the level of management effectiveness in carrying out its operational activities (Sanjaya & Rizky, 2018). This ratio will also find out how well a company manages its resources, by showing the profits generated from sales and investment income. A ratio that may be used to measure a company's profitability is Return on Assets (ROA) ratio; it is a ratio that shows the results (return) of all assets used by a company (Koloay et al., 2018).

Corporate Social Responsibility (CSR)

According to Mardikanto (2019), Corporate Social Responsibility (CSR) is a concept where companies voluntarily integrate social and environmental concerns into their company operations and interact with stakeholders, resulting in long-term success for the company. According to Rosidah et al. (2018), social responsibility or Corporate Social Responsibility (CSR) is a concept that organizations, especially (but not only) companies, have various forms of responsibility towards all their stakeholders, including consumers, employees, shareholders, communities. and the environment in all aspects of company operations which include social economic and environmental aspects.

2.1 Hypotheses Development

There are four hypotheses that were developed in this study. The justifications of each hypothesis are elaborated in the following paragraphs.

2.1.1 The Influence of Economic CSR on Financial Performance

Economic dimension refers to the economic impact of an organization on the economic system and its stakeholders, and also describes the company's financial position (Indriani, 2018). When carrying out operational activities, stakeholders and the company must always communicate. Because the position of stakeholders affects the smooth operation of the company, therefore the position of stakeholders is very important for the organization.

CSR theory states that companies have obligations towards stakeholders and must pay attention to their needs in achieving organizational goals. Good financial responsibility influences investor interest increases

working capital and the company's financial performance. The results of research by Kusmiyatun and Ramdhani (2018), Afdila (2021), Oktaviana and Worokinasih (2020), Octavera and Rahadi (2017), found that economic social responsibility or Corporate Social Responsibility (CSR) has a significant positive effect on financial performance. Based on this research, the following hypothesis can be formulated:

H1: Economic CSR has a positive effect on financial performance

2.1.2 The Influence of Social CSR on Financial Performance

The form of corporate social responsibility (CSR) in companies towards the social system, such as following the values and norms of the surrounding community, as well as carrying out useful social activities is a form of the social dimension (Indriani, 2018). This concept is also related to legitimacy theory, which emphasizes the importance of companies gaining support and legitimacy from society. In this relationship, stakeholders, including society, are considered important for the success and survival of the company. The research results of Ludfi and Firdausi (2019), Parengkuan (2017), and Oktaviana and Worokinasih (2020) found that the social aspect of corporate social responsibility (CSR) has a positive effect on the company's financial performance. This shows that socially responsible corporate behavior can increase investor interest and support company growth. Based on this research, the following hypothesis can be formulated:

H2: Social CSR has a positive effect on financial performance

2.1.3 The Influence of Environmental CSR on Financial Performance

The environmental dimension in Corporate Social Responsibility (CSR) refers to the company's responsibility for the impact of its operational activities on the surrounding environment. The obligations that companies must carry out are to create a healthy environment, manage waste properly, and make environmentally friendly products. The company's contribution to environmental activities is greater and is disclosed transparently in the annual report to increase the trust of the public, stakeholders and other parties who use financial reports in the company (Kusmiyatun & Ramdhani, 2018). Research results from Ludfi and Firdausi (2019), Kusmiyatun and Ramdhani (2018), Afdila (2021), Siregar et al. (2022), and Oktaviana and Worokinasih (2020) show that social responsibility (CSR) in environmental aspects has a positive influence on company financial performance. This confirms that company behavior that cares about the environment can improve the company's reputation, growth and sustainability. Thus, the company's transparency and commitment to the environment strengthens the confidence of investors and stakeholders, which in turn increases the company's capital and financial performance. Based on this research, the following hypothesis can be formulated:

H3: Environmental CSR has a positive effect on financial performance.

2.1.4 Difference in the Average of Economic, Social, Environmental and Financial Performance CSR Before and During the Covid-19 Pandemic.

The Covid-19 pandemic has had a significant impact, including on the capital market in Indonesia. Composite Stock Prices experienced a decline at the start of the pandemic, although they started to increase afterwards but have not yet reached pre-pandemic levels. The impact is not only limited to the capital

market, but also covers all aspects of life, especially the economy, with the possibility of a decline in company sales and production.

This pandemic has also become an obstacle for companies in carrying out their social responsibilities (CSR) because the target recipients of CSR have become wider. Nevertheless, companies are still trying to fulfill their social responsibilities amidst the Covid-19 pandemic situation. Research shows that there are differences in the company's financial performance before and during the Covid-19 pandemic. Jalih and Rani's (2020) research results show that the NPL figures before COVID-19 and after the announcement of COVID-19 did not experience significant differences, while the NPL figures after the announcement of COVID-19 and after the implementation of New Normal experienced significant differences. Ediningsih and Satmoko's (2022) research results show that there is no difference in financial performance as measured by: CR, DR and PE before and during the Covid-19 pandemic and there is a difference in financial performance: TATO and ROE before and during the Covid-19 pandemic in food companies and drinks. Thus, the Covid-19 pandemic has become a challenge for companies in carrying out their social responsibilities, while also affecting their financial performance, especially in certain sectors such as food and beverages. Based on this research, the following hypothesis was formulated:

H4: There are differences in average CSR Economic, Social, Environmental and Financial Performance before and during the Covid-19 pandemic.

3.0 Methods

3.1 Sample

The population examined in this study comprises mining businesses that were listed on the Jakarta Stock Exchange from year 2017 to 2021. A purposive method was employed to gather the samples, with the following characteristics defined as the sample criteria:

- a. Mining companies listed on the Indonesia Stock Exchange which consistently publish annual reports from 2017 to 2021,
- b. Mining companies that consistently publish all CSR variables in the company's annual reports from 2017 to 2021, including financial, social, and environmental responsibility accounting information.

3.2 Data types and sources

The financial data for the year 2017, 2018, 2019, 2020 and 2021 was taken from the Indonesian Stock Exchange via www.idx.co.id. The data taken includes: the annual financial reports of mining companies' that have been audited and published for the period 31 December 2017 to 31 December 2021. The financial reports include balance sheets, profit and loss, and notes to financial reporting to gather information about financial, social, and environmental responsibility accounting information, as well as Return on Asset.

3.3 Definitions and measurements of the variables

The measurement of the variables involved in this study can be illustrated as:

The Dependent Variable is Company's Financial Performance, it is represented by Return on Assets (ROA). ROA is a ratio that measures a company's profitability relative to its total assets.

The formula of Return on Assets (ROA) = Net Profit After Tax/Total Assets (Larasati, 2019)).

The Independent Variables comprise Economic Corporate Social Responsibility, Social Corporate Social Responsibility, and Environmental Corporate Social Responsibility. In the annual reports, a list of CSR items or indexes is used to measure the level of Economic, Social, and Environmental CSR (Pratiwi et al., 2020).

This research exploited the Global Reporting Initiative's (GRI-91) index which are widely recognized for their excellence in reporting Economic, Social, and Environmental. GRI-91 index was proposed by Global Reporting Initiative (GRI) in 2013 (GRI, 2013).

GRI-91 index covers: Economic CSR that consists of 9 items and divided into 4 aspects; Social CSR consists of 48 items covering 4 sub-categories, and divided into 29 aspects; and finally Environmental CSR consists of 34 items divided into 12 aspects (GRI, 2013)

Table 1: The Aspects dan Items of GRI Dimensions

Dimension	Aspects and Items
Economic CSR	4 Aspects: Economic Performance (4 items); Market Presence (2 item); Inderect Economic Impacts (2 items); Procurement (1 items)
Social CSR	4 Sub-categories: Employment Practices and Work Comfort (7 aspects, 16 items); Human rights (10 Aspects, 11 Items); Public (7 aspects, 11 items); Product Responsibility (5 aspects, 8 items)
Environmental CSR	12 Aspects: Materials (2 items); Energy (5 items); Water (3 items); Biodiversity (4 items); Emission (7 items); f. Effluent and Waste (5 items); Product and Services (2 items); Obey (1 item); Transportation (1 item); Others (1 item); Supplier Environmental Assessment (2 items); Environmental Problem Complaint Mechanism (1 item).

The dataset was prepared by examining the GRI items presented in the CSR disclosure as part of a company's financial statements. A checklist of CSR items reported in the CSR disclosure was identified and calculated by assigning a value of 1 for each CSR item presented and 0 for each item absent. A separate calculation was administered for each type of CSR (Economic CSR, Social Corporate Social CSR, and Environmental CSR). The formula for determining the Corporate Social Responsibility Disclosure Index (CSDI) is as follows (Purnaningsih, 2018):

$$CSDI_C = (\sum X_{I_C}) / n_C \text{ (Purnaningsih, 2018).}$$

Notes:

CSDI_C : Corporate Social Responsibility Disclosure Index of company C

n_C : number of Economic CSR items for company C, (n_C = 9 items)

n_C : number of Social CSR items for company C, (n_C = 48 items)

n_C : number of Environmental CSR items for company C, (n_C = 34 items)

X_{I_C} : 1 = if item I is disclosed; 0 = if item I is not disclosed.

Thus, $0 < CSDI_C < 1$

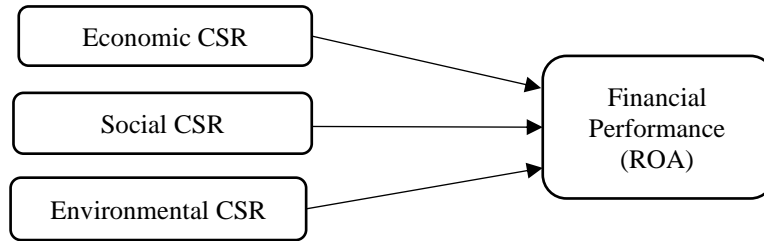


Figure 1: Conceptual Framework

4.0 Results and Discussion

4.1 Data and sample

The object of this research is mining sector companies listed on the Indonesia Stock Exchange for the period 2017-2021. Data sourced from annual financial reports collected from www.idx.com. Sample selection was carried out with the following criteria:

- a. Mining companies that consistently publish annual reports from 2017 to 2021, and
- b. Mining companies that consistently publish all CSR variables (financial, social, environmental) in the company's annual reports from year 2017 to 2021.

Table 2: Sample Selection Procedure

No	Criteria	No of Sample
1.	Mining companies listed on the IDX in year 2017-2021	55
2.	Mining companies that do not consistently disclose all CSR variables, that consists of Economic, Social, Environmental CSR in their 2017-2021 annual financial reports.	(18)
3.	The number of sample (companies)	37
4.	Year of observation	5
5.	Total sample	185
6.	Sample with incomplete information	(7)
7.	Number of sample analyzed	178

4.2 Descriptive analysis

The results of the descriptive statistical test can be seen in the table below:

Table 3: Descriptive Analysis for The Data

Variables	n	Minimum	Maximum	Mean	Dev.Std.
CSR Economics (X_1)	178	0.22	0.44	0.2904	0.06562
CSR Social (X_2)	178	0.21	0.38	0.2479	0.03741
CSR Environment (X_3)	178	0.03	0.44	0.1783	0.09048
ROA	178	-1.54	0.29	0.0044	0.19147
Valid n (listwise)	178				

The output from descriptive statistics analysis in Table 3 shows that there were 178 total samples. From the 120 samples, the mean value of ROA is 0.004; while the mean value of Economic CSR, Social Corporate Social CSR, and Environmental CSR are 0.2904, 0.2479, and 0.1783. These mean values indicate that most of the sample report or disclose in the annual Financial Reporting between 17% until 29% of the entire suggested GRI items.

4.3 Normality test

The following Table 4 shows result of normality tests. The research model with the dependent variable ROA financial performance indicates a probability of 0.20 above 0.05, which means that the distribution of variables in this study is normally distributed.

Tabel 4. Normality Test

Kolmogorov-Smirnov	Asymp.Sig (2-tailed)	Explanation
0.227	0.200	normally distributed

4.4 Multikolonierity Test

The following Table 5 reports that the centered VIF value of each independent variable showing a VIF value < 10 and a tolerance value above 0.10. It can be concluded that there is no multicollinearity between the independent variables in this regression.

Table 5. Multicolonierity Test

Independent Variable	Tolerance	VIF	Explanation
CSR Economics	0.980	1.020	No Multicolonierity
CSR Social	0.903	1.107	No Multicolonierity
CSR Environmental	0.896	1.116	No Multicolonierity

4.5 Heteroskedastisity Test

Table 6 shows that the significance value of all independent variables is greater than 0.05, which means that the variables in this study do not have heteroscedasticity problems.

Table 6. Heteroscedastisity Test

Independent Variable	Tolerance	Explanation
CSR Economics	0.240	No Heteroscedastisity
CSR Social	0.108	No Heteroscedastisity
CSR Environmental	0.320	No Heteroscedastisity

4.6 Coefficient of Determination (R²)

While doing the regression analysis, the R² coefficient that represents the capability of independent variable in explaining the dependent variable is introduced in Table 7.

Table 7: Coefficient Determinant

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.756 ^a	0.571	0.561	0.08358

The coefficient of the adjusted R-Square is 57.1%. This suggests that the independent variables, specifically CSR Economy, CSR Social, and CSR Environment are capable of explaining the dependent variable Financial Performance to a certain extent which is 57.1%. However, it is important to note that the remaining 42.9% of the variance in the dependent variable is influenced by factors outside the scope of this research model.

4.7 Regression Analysis

Table 8 presents the outcomes of the hypothesis testing by running a multiple linear regression analysis.

Table 8: Regression Analysis

Variable	Unstandardized Coefficients	Sig.
Constant	-1.038	0.001
CSR Economics (X ₁)	1.089	0.001
CSR Social (X ₂)	1.339	0.001
CSR Environmental (X ₃)	-0.052	0.460

As depicted in the table, the following equation can be derived:

$$Y = -1.038 + 1.089 X_1 + 1.339 X_2 + (-0.052) X_3$$

While:

X₁(CSR Economics); X₂ (CSR Social). and X₃ (CSR Environmental)

The results suggest that CSR Economic, CSR Social have a substantial and positive impact on financial performance, indicating that corporate social responsibility plays a crucial role in influencing profitability which is ROA. However, the CSR Environmental with a significant value of 0.460 failed to achieve statistical significance. Consequently the third hypothesis, which suggests that CSR Environmental affects financial performance is not supported by the data. Managers understand that company's operations can have impacts on the environment, the negative impact of company's activities may promote environmental

damages. Although the company has carried out environmental CSR activities at a considerable cost, it does not necessarily have a good impact on the company's financial performance.

According to CSR theory, stakeholders are recognized as group of people affected by corporation's operations. Under CSR theory, company predominantly focuses on ethical labour practices and environmental efforts (unidirectional). Company's responsibilities are to fulfil the aspirations of the large circle of communities including stakeholders. To the stakeholders (financiers, suppliers, shareholders, etc), company have to satisfy them by distributing dividends, and offering premium products at discounted prices to customers, setting competitive prices for raw materials to suppliers, and providing benefits while assisting in resolving issues for local residents. Profit not only shows the company's financial ability to fulfill its obligations to stakeholders, but also indicates the value and future prospects of the company (Fatima & Elbanna, 2022; Freeman, 1984; Freeman et al., 2010).

Corporate Social Responsibility (CSR) is a commitment on the part of the company to allocate a portion of its resources with the aim of minimizing the adverse consequences that may arise and maximizing the favorable impact of its operations on all stakeholders. Legitimacy theory posits that corporate social responsibility aims to achieve legitimacy recognition from the community through ethical business practices that adhere to societal norms. It is important for a company, to not only prioritize its own interests, but also to provide benefits to the community surrounding its operational location, as doing so can ultimately result in greater success for the company.

Corporate Social Responsibility (CSR) disclosure is an investment made by a company to improve its public image and maintain a positive reputation among stakeholders, ultimately aiming to enhance its overall performance. This study aligns with Ludfi and Firdausi (2019), Parengkuan (2017), and Oktaviana and Worokinasih (2020), which demonstrate that corporate social responsibility (CSR) social aspects have a favorable impact on financial performance in companies.

Finding of research by Okafor, Adeleye and Adusei (2021) indicated that there was link between corporate financial performance and CSR proxies. The main results indicate that techcompanies that spend more on CSR experience a corresponding increase in revenue and profitability. This Okafor's finding is in accordance with result of this study.

Other study that support findings of this study disclosed a positive relationship between return on equity and all the CSR variables (environmental management systems, employee relations and community performance). Net profit margin relates positively with CSR activities such as environmental management system and employee relations whilst return on asset was found to have a positive relationship with only one employee relations (Arthur, Adibo, Tackie, 2017).

Furthermore, one study conducted in Africa with South Africa, Kenya, Nigeria, Morocco, Egypt and Mauritius countries, found that CSR does not generate economic benefits for the firms in the short-run with those many types of industry listed in the stock market (Mansaray, Yuanyuan, Brima, 2017).

Many businesses recognize that any environmental harm could have a detrimental effect on the environment itself. Environmental damage caused by the company's operations may lead to a decline in production and

overall business performance. Although the organization has engaged in corporate social responsibility (CSR) initiatives, it remains unclear whether these activities have any direct impact on financial performance. Despite the considerable resources allocated to CSR programs, the company's financial performance has not demonstrated any significant improvements. The findings of this study align with the results of Parengkuan's (2017) research, which assert that corporate social responsibility (CSR) has no impact on financial performance. Additionally, the research of Larasati (2019), Wiranty and Kartikasari (2018), and Harisianto and Sutjahyani (2017) also demonstrates that the environmental aspects of CSR have no bearing on a company's financial performance.

4.8 Two Mean Difference Test

The two-sample mean difference t-test is employed to determine whether there is a statistically significant difference in Corporate Social Responsibility (CSR) measures before and after the onset of the Covid-19 pandemic. Table 4 in next page reports result the two mean difference test of each variable in the research model. The following paragraphs exlaborate the result.

The Mean Difference Test for the Economic CSR variable processed with SPSS yielded a t value of -2.360 with a significant probability of $0.019 < 0.050$, indicating that the Economic CSR mean of the variable before the Covid-19 pandemic is significantly different from the Economic CSR after the Covid-19 pandemic.

The Mean Difference Test results for the Social Corporate Social Responsibility (CSR) variable reveal the Statistical Package for the Social Sciences (SPSS) test outcomes indicating that the t-value on unequal variances is not assumed is -4.967, with a significant probability of $0.000 < 0.050$. Therefore, it can be inferred that the average variable of Social CSR before the Covid-19 pandemic is significantly different from Social CSR after exposure to the Covid-19 virus.

The SPSS Mean Difference test's outcomes for the Environmental CSR variable indicate that the t-value for the unequal variances assumption is -2.875, with a probability of 0.005 being less than 0.050. This suggests that the mean of the Environmental CSR variable before Covid-19 is significantly different from the Economic CSR after Covid-19 pandemic.

The Mean Difference Test results for the ROA Financial Performance showed a t-value at equal variances not assumed to be 1.225, with a probability of significance of 0.222 greater than 0.050. Consequently, it can be inferred that the average Financial Performance variable before Covid-19 is not significantly different from the Financial Performance variable after Covid-19.

Table 9. Mean Difference Test Results

Variables	Levene's Test for Equality of Variances		t-test for Equality of Means			
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
CSR Economics	0.515	0.474	-2.360	183	0.019	-0.024524
CSR Social	4.914	0.028	-4.967	183	0.000	-0.027311
CSR Environment	6.097	0.014	-2.875	183	0.005	-0.032466
Financial Performance	6.153	0.014	1.225	183	0.222	18.847478

5.0 Conclusion

This is a study that aimed to analyze the influence of CSR Economic, CSR Social, as well as CSR Environmental to the ROA that represent financial performance of mining companies listed in the Indonesia Stock Exchange (BEI). The sample consists of 38 mining companies during the year 2017 to 2021. The number of data collected and furtherly analyzed were 178. SPSS version 29 was used to perform multiple regression analysis and two mean differences tests.

Results of this study prove the significant role of CSR Economic, CSR Social and financial performance of mining companies in Indonesia; however CSR Environmental found has no significant influence. Some companies experienced that impacts on the environment particularly the negative impacts in relation to company's activities, bring unpleasant company's image. Even though the company has exerted many environmental CSR activities at substantial expenditures, this does not inevitably create a respectable impact on the company's image that echoed in the financial performance. This result suggests that, companies are expected to pay lot more attentions to the implementation of Corporate Social Responsibility (CSR) activities as a strategy that companies can do to improve financial performance.

Meanwhile, variables CSR Economic, CSR Social, and CSR Environmental found to have significantly mean difference before and during the Covid-19pandemic. In contrary, the Financial Performance ROA has no significant mean difference before and during the Covid-19 pandemic. This research employs a sample of mining companies. The mining industry, which its operations was not impacted by the Covid-19 pandemic, confirms the outcomes of the mean difference test for the ROA variable in this study.

This research has only focused on mining companies, which prevents the results from being generalized to all industries or companies; and this becomes one limitation of this study. Future research may be conducted on various types of companies or industries and not limited to those based in Indonesia.

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Surat kami : 700-KPK (PRP.UP.1/20/1)

Tarikh : 20 Januari 2023

Prof. Madya Dr. Nur Hisham Ibrahim
Rektor
Universiti Teknologi MARA
Cawangan Perak



Tuan,

PERMOHONAN KELULUSAN MEMUAT NAIK PENERBITAN UiTM CAWANGAN PERAK MELALUI REPOSITORI INSTITUSI UiTM (IR)

Perkara di atas adalah dirujuk.

2. Adalah dimaklumkan bahawa pihak kami ingin memohon kelulusan tuan untuk mengimbas (*digitize*) dan memuat naik semua jenis penerbitan di bawah UiTM Cawangan Perak melalui Repositori Institusi UiTM, PTAR.

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Kelulusan daripada pihak tuan dalam perkara ini amat dihargai.

Sekian, terima kasih.

“BERKHIDMAT UNTUK NEGARA”

Saya yang menjalankan amanah,

Setuju.

27.1.2023

SITI BASRIYAH SHAIK BAHARUDIN
Timbalan Ketua Pustakawan

PROF. MADYA DR. NUR HISHAM IBRAHIM
REKTOR
UNIVERSITI TEKNOLOGI MARA
CAWANGAN PERAK
KAMPUS SERI ISKANDAR

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