Abstract

Objective: This research investigates the level of profitability in Indonesia may influence the corporate social responsibility (CSR) disclosure. It means that whether higher profitability companies tend to disclose more CSR compared to lower profitability companies and the vice versa.

Method: The samples used in this research are 134 samples out of 422 companies that are listed in Indonesia Stock Exchange (IDX) from 2007 to 2010. The annual report is used as the data for measuring the CSR disclosure by company, based on G3.1 framework. Moreover, other related information is also extracted from annual report, such as the data to measure profitability, growth, size and leverage of company. For data analysis, this research will employ a multiple regression analysis that the data have been completed with white heteroskedasticity-consistent t-statistics.

Result: The result shows that the higher profitability companies don’t show a significant relationship with CSR disclosure. This result is contradicting with lower profitability companies that show a significant relationship with CSR, although it is shown a negative sign.

Conclusion: This research concludes that higher profitability companies tend not to be concerned about performing CSR compared to lower profitability companies. From the whole finding result, it turns out that size and growth of companies showing more influence toward CSR performance compared other two variables which are profitability and leverage.
**Key words:** Corporate Social Responsibility Disclosures, GRI G3.1 guideline, profitability

**PREFACE**

This thesis title is “COMPANY PROFITABILITY LEVEL AFFECTING CORPORATE SOCIAL RESPONSIBILITY DISCLOSURES” is prepared to fulfill the requirement for completion of obtaining undergraduate Accounting degree at BINUS International University.

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