Impact of Corporate Social Responsibility and Company Size on Corporate Financial Performance with Good Corporate Governance as Moderating Variable

Narumondang Bulan Siregar  
Department of Accounting  
Faculty of Economic and Business  
Universitas Sumatera Utara  
Medan, Indonesia  
naru.siregar@gmail.com

Rina Br Bukit  
Department of Accounting  
Faculty of Economic and Business  
Universitas Sumatera Utara  
Medan, Indonesia  
rina.bukit@usu.ac.id

Abstract—This research aims to analyze the impact of Corporate Social Responsibility and Company Size on Firm's Value with Good Corporate Governance as moderating variables of all the companies that listed in Indonesia Stock Exchange and Malaysian Stock Exchange in Plantation Firm from 2012 to 2014. There is many plantation companies has been breach business ethics and environmental harassment. The population of this research is 14 companies that listed in Indonesia Stock Exchange and 35 companies that listed on Malaysian Stock Exchange during 2012 – 2014. This research used simple linear regression analysis for the first hypothesis and multiple regression analysis with MRA to analyze moderating variables that are in the second, third, and fourth hypothesis. The results of this research show that, (1), Corporate Social Responsibility, Company Size, and Institutional Ownership partially do not significantly affect the Corporate Performance, (2) Corporate Social Responsibility, Company Size, and Institutional Ownership simultaneously have a significant effect on company performance, (3) Institutional ownership can moderate the relationship between CSR and company performance (ROA), and (4) Institutional ownership is unable to moderate the relationship between Company Size (TA) and Company Performance (ROA).

Keywords—Corporate Social Responsibility; Good Corporate Governance; Corporate Financial Performance

I. INTRODUCTION

Corporate Social Responsibility (CSR) is a global concept and currently extremely popular in the business world. CSR increasingly growing into the warm topic when the increasingly growing offense ethics the business conducted by the company. An entity in running their business not in spite of the community and surrounding environment, so as to create a reciprocal relation between the community and companies. The company needs a respond positively from the community gained through what the company did to its stakeholders, including the community and surrounding environment [1]. This responsibility communicated to stakeholders through the disclosure of corporate social responsibility (CSR). The disclosure of CSR good economic dimension, social environment, human rights, the community, or responsibility products based on Global Reporting Initiative (GRI) used as a signal from management to all stakeholders included investor about the prospects companies in the future, that company has positive signaling over daily necessities company in the future that the company gives positive signaling over survival company in the future. The signal trying to inform that the company is more valuable than any other company because concern of the economic impact, environmental and social that manifested through the activity of the company.

The implementation of CSR in company can have a good relationship in the long term with stakeholders. [2] disclose CSR is closely related to ethical issues and moral that including maintaining environmental conservation, human resource management, occupational safety and health, relationships with local communities and maintain good relations with suppliers and customers. At this time, the issue of CSR increasingly develops and become information required by customers, investors, and stakeholders who want transparency relating to all aspects of the business activities undertaken company. [3] state that a company that performs a CSR will give the disclosure that widely to their operations. When examined, this business ethics position above because of the existence of expectations between stakeholders and companies. According to the theory of legitimacy, the gap expectation impacted weakens the support legitimacy to corporate survival [4]. The existence of legitimacy from stakeholders will ensure the credibility and the operational support for the survival company itself in the long term. CSR is a means of communication from a company to keep, improve and regain legitimacy from its stakeholders.
ASEAN as an association of countries in Southeast Asia did not escape from efforts to increase and even distribution of CSR among its members. Based on a study from 10 ASEAN member countries, it turns out that only five countries, namely Indonesia, Malaysia, Singapore, Philippines, and Thailand were considered having a growth CSR better. While the rest, namely Cambodia, Myanmar, Vietnam, Brunei Darussalam, and Laos, were considered to have CSR development is still very minimal [5]. CSR research in this area is also supported by sporadic or per country only [6].

Based on an analysis of data from the Organization of Agriculture and United Nation Food (United Nations Food and Agriculture Organization), University found that 55-59 percent expansion of palm oil in Malaysia and least 56 percent in Indonesia happen to a forest as victims. Because of palm oil plantations biologically afflict woods primary and, secondary the researchers recommend to prohibit expansion in the future if not attentive to their problems.

Therefore, this research intends to fill the gap by analyzing CSR in two ASEAN countries, namely Malaysia and Indonesia. The elections triggered Malaysia and Indonesia in is regarded as a country with the implementation and disclosure CSR the best of the other ASEAN countries [7]. So expected CSR practice and its disclosure has become a common thing and needed in the business climate in each country. Which this will support the research that is the disclosure of character CSR, the size of the company and its effect on the company performance in the future.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A. Corporate Financial Performance

Corporate Financial Performance (CFP) can be seen from the ability of a company to gain profit (Profitability). Profitability is a description of the performance of management in managing the company [8]. The size of profitability can be various such as operating profit, net income, return on investment or assets, and rate of return on owner’s equity. Profitability is the ratio to assess the ability of companies in the search for profit." The bottom line is the use of this ratio shows the efficiency of the company. Profitability is an important consideration for investors in their investment decisions. The value of a company with profitability has a close relationship because profitability is a company's achievement action on the company's profit, so that it can develop the company to a higher level again. The ROA variable is a variable that is often used in research on CSR [9]. Therefore, this study also uses these variables as a proxy for the company's future financial performance. The profitability ratios in this study are represented by return on Assets (ROA), by the formula:

\[
\text{Return on Asset (ROA)} = \frac{\text{Earning After Income Tax}}{\text{Asset}}
\]

B. Corporate Social Responsibility

The impact of corporate social responsibility on firms overall performance has been a topic of debate among different researchers and scholars. Different researches have been conducted to explore the impact of corporate social responsibility on firm’s performance. Techniques and Methodologies used by different researchers were different and there have been different opinions about the results. Some researchers find that there is positive impact of CSR on FP where others pointed out negatively impact and neutral also.

Due to performing of these practices, firms have positive impression not only to the interested parties but also to the whole economy. Stakeholders like supplier, lenders, banks, general public and all other affiliated parties must be affected through these practices and a positive image created in mind about the firm. The result of these consequence's in the shape of financial property and improving financial performance and growth.

In spite of these researchers, [10] Founds that impact of corporate social responsibility on firms performance to be negative. That means the use of idle and huge financial resources on corporate social responsibility practices does not give a positive impact. Firms must require putting these slack financial resources in some productive projects in spite of performing such type of social responsibilities practices. Firms that perform these practices are more financially distress as compared to those who not perform these practices but pay little attention to it.

[10] and other researchers claim that firms main objectives to work the benefit of the stakeholders in not for the whole society, so they are liable not to invest their idle resources in these social and moral practices. They claim that by performing these practices companies weak in their financial position.

In spite, these positive and negative impact of corporate social responsibility on firm performs, some researchers [11] and [12]. Found that the impact of corporate social responsibility on financial performance is neutral. This was pointed out on the behalf Meta-analysis executed by previous empirical researchers.

There are so many reasons about results of different research such as lack of authentic and accurate definition of corporate social responsibility use of different matrices of corporate social responsibility and also many others related and existing factors of corporate social responsibility.

C. Corporate Social Responsibility Dimensions

There are different five dimensions of responsibility of the corporation. These dimensions include stakeholders' voluntariness economic, social, and environmental dimensions [13].

1. Stakeholder Dimension

Stakeholder dimension is very important as perspective of firms that are socially responsible. Firms must interact, protect their interest and give them monetary as well as non-monetary benefit.
2. Social Dimension
Firms must require participating in those activities which are in the best interest and in benefit of the society. Boundaries of activities include provision of quality products and services, provision of employment opportunities and also protect the right of minority same as the majority.

3. Economic Dimension
Corporate must be performing those activities which lead economic development and county prosperous. It is a responsibility of firms to make sure the best utilization of national resources and to work accordingly, the rules defined by the nation.

4. Voluntariness Dimension
Corporate must be involved in activities which are not enforcing by law. These activities are beyond the legal obligation such as ethical practices for wellbeing society and rehabilitation of disasters victims.

5. Environment dimension
Environment dimension includes firm working in those areas which are far away from the population. Firm most establish industries and factories disposal plant for wastage and control noise and prevent people firm their reaction.

D. Corporate Social Responsibility and its Relationship with Corporate Financial Performance
There has been much research conducted to know the importance of corporate social responsibility and corporate financial performance. Different researches have different opinion about the impact of corporate social responsibility and corporate financial performance. As defined in the previous section that there is a mixture of CSR and CFP due to different research method and omission of contingency aspect [14]. Researchers suggest that these variations in the result of impact CSR on CFP and resolved by adopting the theory of contingency ([15];[16];[17]). [12] says that the power of relationship between Corporate social responsibility and corporate financial performance depend upon reputation of firms and operation performed in society. Some of other researchers also claimed that the relationship between CSR and CFP was positive by using resource base view [18]. The relationship between corporate social responsibility and corporate financial performance was identified to be negative in a research conducted by [10].

The hypothesis is as follows:
H1. There is a significant positive association between CSR with corporate financial performance.

E. Company Size
Larger companies can be expected to disclose more CSR information to show or portray their corporate citizenship, thereby legitimizing their existence [19]. In addition, larger companies usually undertake more activities, make a greater impact on society, have more shareholders who might be concerned with social programs are undertaken by the company and the annual report can be an efficient means of communicating this information [20].

Evidence from previous studies supports the existence of a positive relationship between company size and disclosure level (e.g.,[21];[22];[23]). [24] found that there was a positive relationship between size and the content of corporate social disclosure. A similar finding was also reported by [25],[26], [27] and [19] and Said et al. (2009). Company size can be seen from several aspects of measurement, for example, the total sales of the company or associated with stockholders or large shareholders. Regarding firm size, it is said that large companies will have better predictable stability and operations that can lead to errors estimation are small. In addition, large companies will have better diversification capabilities and have an effect of variation in their division-portfolio and business activities so as to mitigate the relative effects of estimation errors. Based on the results of prior research, a positive relationship is expected between company size and CSR disclosure. The hypothesis is as follows:

H2. There is a significant positive association between company size and corporate financial performance

F. CSR and Corporate Financial Performance moderated by Good Corporate Governance
According to [28], the effectiveness of corporate governance determined by how was the corporate governance the work in the company, but if mechanism / the process did not function as intended so the purpose the end of protecting the interest of shareholders and stakeholders will never reach. Therefore, research asserts to the mechanism of corporate governance. Several studies show that there are two potential agency the problem pertaining to possession. First, agency the problem between management and shareholders [29]. Second, agency the problem of stockholder and minorities. The solution to the problem the agency tends to be a problem of the two categories that is through incentives and monitoring. These incentives include to give stake in manager [29] and the stock ownership institutional investors [30]. Therefore in this study GCG seen from stake in institutional structure. The hypothesis is as follows:

H3. Ownership Institutional as moderating variable impact on CSR and CFB
H4. Ownership Institutional as moderating variable impact on Company Size and CFP

III. RESEARCH METHOD
A. Data and Sample Selection
This research using data from the annual financial report issued by the company an estate that registered at the Indonesian stock exchange and exchange Malaysia, from 2012 to 2014. Data from the financial reports and annual report of plantation company were obtained from site www.idx.co.id and www.bursamalaysia.com/market. Population research it is a whole plantation company listed on the Indonesian stock is as much as 15 company and exchange Malaysia, is as much as 40 companies.
Samples of plantation companies listed on BEI and Bursa Malaysia with the following criteria:

a. Plantation companies listed on the Indonesia Stock Exchange and Bursa Malaysia from 2012 to 2014.
b. Each company has a financial report or annual report that is disclosed to the public at the end of each year from 2012 to 2014.
c. Companies that have data completeness related to CSR. After sampling in accordance with the above criteria obtained sample of research as many as six plantation companies listed on the Indonesia Stock Exchange and 30 plantation companies listed in Bursa Malaysia. The total sample of this study amounted to 36 companies where the observation period of research for three years, so the total observation is 108.

B. The Measurement of Variable Operational Definition and Variable Measurement of Independent Variables

a. Corporate Social Responsibility (CSR) for measuring the disclosure of corporate social responsibility use of the tools measuring the score the application of CSR, namely use indicators variable referring to the instrument consisting of some dimensions: economic dimension, social environment, human rights, the community or responsibility products based on Global Reporting Initiative (GRI) the measurement of then will be based on index the disclosure of each of the enterprises calculated through dividing the total number of items that actually expressed company with the number of items expected to be disclosed by the company. The calculation: 

\[ \text{CSRD} = \frac{ \text{M} }{ \text{V} } \]

CSRD : Corporate disclosure index  
V : The number of items actually revealed by the company  
M : The amount of goods expected to be disclosed by the company

d. Corporate Financial Performance (CFP) proxied from ROA that shows the company's ability to generate profits from the assets used in its operations.

c. Institutional ownership  
Institutional ownership is the ownership of shares by external shareholders who are institutions, companies, insurance institutions, banks, pension funds [31]. In accordance with [32], institutional ownership in this study was measured using the percentage indicator of the number of shares owned by the institution of all outstanding share capital.

d. Corporate Financial Performance (CFP) proxied from ROA that shows the company's ability to generate profits from the assets used in its operations.

C. Model for Testing the Influence of CSR Disclosures and Company Size to the Company's Financial Performance

The test model below is used to examine the relationship of the effect of CSR disclosure on financial performance. This model was developed in reference to previous research: [33] The following are the specifications of the test model: The dependent variable in this test model is the accounting company's future financial performance (ROA). The independent variables are CSR and Company Size. The method of analysis used to test the hypothesis in this study is a simple regression analysis for Hypotheses 1 and 2 and Moderated Analysis Regression for Hypothesis 3 and 4. Model Regression used to test the hypothesis, namely:

\[ Y = \alpha + \beta_1 \text{CSR} + \beta_2 \text{SIZE} + \beta_3 \text{GCG} + e \]

IV. RESULTS AND DISCUSSION

A. Hypothesis Testing

The statistical expectations for each hypothesis are as follows:

The companies use CSR and Corporate Size (Total Asset) as independent variable, Company Performance (ROA) as dependent variable and GCG as moderator variable (Institutional Ownership).

Descriptive statistics of these research variables are described in the following table:

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>108</td>
<td>0.00</td>
<td>37</td>
<td>0.0831</td>
<td>0.07596</td>
</tr>
<tr>
<td>Total Asset</td>
<td>108</td>
<td>5197552.0</td>
<td>70685345</td>
<td>599.61</td>
<td>7599143071072.49</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13026781072.49</td>
<td>301599.14307813.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional Ownership</td>
<td>108</td>
<td>26</td>
<td>1.00</td>
<td>0.7436</td>
<td>1.7694</td>
</tr>
<tr>
<td>ROA</td>
<td>108</td>
<td>0.00</td>
<td>24</td>
<td>0.0719</td>
<td>0.06017</td>
</tr>
</tbody>
</table>

Table 1 Above shows that CSR variable as the independent variable has the lowest value of 0, highest value 0.37, average value 0.0831 and standard deviation 0.07596. It shows that there are some companies that reveal a maximum of 37% of CSR disclosure item. Total Asset Variable has the highest value of 3706853451599.61, the lowest value of 5197552, average value of 413026781072.4958 and standard deviation of 759914307813.9430. Institutional Ownership as moderator has the average value of 0.7436, the highest value of 3.7068, the lowest value of 0, the average value of 0.0719 and standard deviation of 0.06017.

a) Classic Assumption Test

The statistical requirements that need to be done on multiple linear regression analysis based on Ordinary Least
Square (OLS) is to test the classical assumptions. This must be done to ensure the test results not to be biased. The classical assumption test used in this study includes normality test, multicollinearity, heteroscedasticity, and autocorrelation.

b) Normality Test
Normality testing performed by Kolmogorov-Smirnov test is shown in the following table.

<table>
<thead>
<tr>
<th>TABLE 2. Kolgomorov-Smirnov Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
</tr>
<tr>
<td>Normal Parameters</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
</tr>
<tr>
<td>Absolute</td>
</tr>
<tr>
<td>Positive</td>
</tr>
<tr>
<td>Negative</td>
</tr>
<tr>
<td>Test Statistic</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
</tr>
</tbody>
</table>

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Based on Table 2, the value of \( \text{asymp. sig (2-tailed)} \) is 0.78 > 0.05, it is concluded that this research data has a normal distribution.

c) Multicollinearity Test

<table>
<thead>
<tr>
<th>TABLE 3. Multicollinearity Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>CSR</td>
</tr>
<tr>
<td>Total Asset</td>
</tr>
<tr>
<td>Institutional Ownership</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ROA

According to Table 3, the value of VIF from CSR is 1.311, total asset value is 1.050 and the value of institutional ownership value is 1.261. Since each VIF value is not greater than 10 and the tolerance value is greater than 0.1, there is no multicollinearity symptom.

d) Heteroscedasticity Test

The heteroscedasticity test on the data concluded that heteroscedasticity did not occur in the regression model. This is seen from the scatterplot charts in which the dispersion of dots is scattered randomly and does not form a certain clear pattern, as well as scattered above and below the number 0 on the Y-axis.

e) Autocorrelation Test

<table>
<thead>
<tr>
<th>TABLE 4. Park Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
</tr>
<tr>
<td>CSR</td>
</tr>
<tr>
<td>Total Asset</td>
</tr>
<tr>
<td>Institutional Ownership</td>
</tr>
<tr>
<td>INTEGRASI_X1X3</td>
</tr>
<tr>
<td>INTEGRASI_X2X3</td>
</tr>
</tbody>
</table>

a. Dependent Variable: LnU

Table 4 shows Sig. Value for each independent variable to the square residual of In value is greater than 0.05, it means that the data does not contain heteroscedasticity.

f) Coefficient of Determination (R2)

The essence of R-value is to measure the magnitude of the relationship of independent variables with the dependent variable.

<table>
<thead>
<tr>
<th>TABLE 5 Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Institutional ownership, Total Asset, CSR
b. Dependent Variable: ROA

According to Table 5, Durbin-Watson (DW) obtained a score of 2.096. DW score for 108 samples with three independent variables 1.705 therefore, 4-DW is 2.295. DW is 2.096, amongst the value of DW dan 4-DW, which means that this research data does not contain symptoms of autocorrelation.

R-value obtained based on the test results in the table is 0.154. This shows that the independent variables X1, X2 and moderator variables X3 affect Y. While the value of R square (R2) or coefficient of determination aims to measure the ability of the model to explain the variation of the dependent variable. If the independent variable is more than one, then it is better to see the variable ability to explain the dependent variable, the value used is the adjusted value of R2. The result of hypothesis test of this research is Adjusted R2 is equal to 0.130. This result shows that 13% of dependent variable (ROA) can be explained by the three independent variables namely CSR, Total Assets and Institutional Ownership and the rest of 87% or 87% can be explained by other factors not included in this study.
g) Simultaneous Test (F Statistic Test)

The results of F statistical tests (simultaneous test) from the results obtained the following results:

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>062</td>
<td>5</td>
<td>021</td>
<td>6.576</td>
<td>0.007</td>
</tr>
<tr>
<td>Residual</td>
<td>326</td>
<td>104</td>
<td>003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>387</td>
<td>107</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Through ANOVA or F test, the F value is 6.576 with the probability of 0.000, the decision-making criterion uses F significance value at 5% real level. Because probability is much smaller than 0.05 it is concluded simultaneously CSR variable, total assets and institutional ownership have significant effect to ROA variable.

h) T Statistic Test (Partial test)

The value of t arithmetic is used to test the effect partially (per variable) to the dependent variable. Whether the variable has a significant effect on the dependent variable or not. The partial influence of CSR, total assets and institutional ownership of ROA variables is seen from the Table below:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.009</td>
<td>.040</td>
<td>1.732</td>
<td>.086</td>
</tr>
<tr>
<td>CSR</td>
<td>-.610</td>
<td>.403</td>
<td>-.760</td>
<td>.134</td>
</tr>
<tr>
<td>Total Asset</td>
<td>-.957E-14</td>
<td>.000</td>
<td>-1.209</td>
<td>.150</td>
</tr>
<tr>
<td>Institutional Ownership (IO)</td>
<td>-.012</td>
<td>.053</td>
<td>-.036</td>
<td>.235</td>
</tr>
<tr>
<td>Interaksi_X1X3</td>
<td>.943</td>
<td>.462</td>
<td>1.120</td>
<td>.246</td>
</tr>
<tr>
<td>Interaksi_X2X3</td>
<td>1.311E-12</td>
<td>.000</td>
<td>1.223</td>
<td>.144</td>
</tr>
</tbody>
</table>

Through ANOVA or F test, the F value is 6.576 with the probability of 0.000, the decision-making criterion uses F significance value at 5% real level. Because probability is much smaller than 0.05 it is concluded simultaneously CSR variable, total assets and institutional ownership have significant effect to ROA variable.

Regression equation obtained with Moderated Regression Analysis (MRA) is as follows:

\[
\text{ROA} = 0.069 - 0.610 \text{CSR} - 9.570E14 \text{TA} - 0.012 \text{IO} + 0.943(\text{CSR} + \text{IO}) + 1.311E13 (\text{TA} + \text{IO})
\]

From the equation it is shown that if CSR, total assets, and ownership of Institutional value is zero then ROA is 0.069. If ROA increases by one then the value of CSR will decrease by 0.610, the total value of the asset decreased by 9.570E14 and the value of the Institutional Ownership (IO) decreased by 0.012. The value of CSR + IO interaction of 0.943 indicates a positive moderation effect that the higher moderation of Institutional Ownership, the higher the effect of CSR on ROA, and the interaction value of TA and IO increased by 1.311E13.

While the interaction of TA + IO is not a significant value, meaning there is no influence of moderation of Institutional Ownership to the relationship of TA with ROA. According to the table t-test, it is concluded that:

1. The effect of CSR on ROA Sig value of CSR is 0.134, higher than 0.05 sig value, therefore it is concluded that it is not significant and CSR has no effect on ROA.
2. The effect of TA on ROA Sig value of TA is 0.150, higher than 0.05 sig value, therefore it is concluded that it is not significant and TA has no effect on ROA.
3. The effect of IO on ROA Sig value of IO is 0.815 higher than 0.05 sig value, therefore it is concluded that it is not significant and IO has no effect on ROA.
4. The effect of IO moderation on the relationship of CSR with ROA Sig value of CSR+ROA interaction is 0.044 lower than 0.05 sig value, therefore it is concluded that it is significant and IO is able to moderate the relationship of CSR with ROA.
5. The effect of KI moderation on the relationship of TA with ROA Sig value of TA+ROA interaction is 0.144 higher than 0.05 sig value, therefore it is concluded that it is significant and KI is not able to moderate the relationship of TA with ROA. To strengthen the test results above, Residual Test is also conducted as follows:

TABLE 9. Residual Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>145</td>
<td>.014</td>
<td>10.476</td>
<td>.000</td>
</tr>
<tr>
<td>ROA</td>
<td>-246</td>
<td>1 .48</td>
<td>-1.669</td>
<td>.098</td>
</tr>
</tbody>
</table>

a. Dependent Variable: AbsResmod

ROA constant value is negative and not significant therefore it is concluded that KI is not suitable as moderation variable.

B. Discussion

1. Corporate Social Responsibility and its Relationship with Corporate Financial Performance

This study is line with [10] This is in fact also in line with the demands of society for environmentally friendly industrial practices that will force almost all industries to optimize exhaust emissions resulting from the company's business processes, from production infrastructure, supply chain, to distribution of final products to consumers.

Indeed at this time not many consumers who demand products/services must be environmentally friendly, but in the long run this will change. Along with changes in consumer's point of view, industries capable of producing renewable energy or those with energy-efficient transportation practices will prevail.

2. Company Size, Institutional Ownership and Its Relationship with Corporate Financial Performance

Size (Total Asset) and institutional ownership do not affect corporate financial performance (ROA). While the
performance of plantation companies is also strongly influenced by existing risks, such as sustainability risks, risk changes in Government Regulations, risk of fluctuations in World Market Prices and Commodities, Interest Rate Risk, Legal and Regulatory Risk. All the above risks greatly affect the performance of plantation companies.

**CSR, Company size, Institutional ownership and Its relationship with Corporate Financial Performance**

Simultaneously the CSR variable, total assets and institutional ownership significantly influence the ROA variable. From an economic perspective, the company will disclose information if that information will increase the value of the company. Currently, economic decision-making simply by looking at the financial performance of a company is no longer relevant. We need a tool that can provide information on social aspects, environment, and finance simultaneously.

**The Effect of IO Moderation on CSR Relationships, Firm Size (Size) and ROA.**

This is consistent with research that states that the solution to the problem the agency tends to be a problem of the two categories, that is through incentives and monitoring. These incentives include to give stakeholders in managers [29] and the stock ownership institutional investors [30]. This is a positive relationship between corporate social disclosure and foreign ownership foreign ownership).

**V. CONCLUSIONS AND SUGGESTIONS**

**A. Conclusions**

Based on the results of the analysis and discussion that have been proposed, the conclusions of this study are as follows:

1. This study shows that to see the plantation corporate performance, environment and risk aspect should be considered, if the company wants to remain as a continuous sustainable growth company because to see the current performance of the company not only from its economic aspect only.
2. A high degree of institutional ownership will result in greater oversight efforts by institutional investors, thus requiring greater disclosure to impede opportunistic manager behavior.
3. Institutional ownership is unable to moderate the relationship between Company Size (TA) and Company Performance (ROA).

**B. Limitations and Advice for Advanced Research**

This research is still far from perfect both in terms of data processing and writing. Here are some research limitations that are expected to be followed up in further research:

1. Some previous studies in the CSR field use the following variables as a proxy for corporate financial performance: PBV, ROE, stock price, EVA, or cumulative abnormal return.
2. Further research is expected to increase the other corporate governance variables so that it can be a better proxy for existing corporate governance.
3. Adding the number of countries in the ASEAN regions.

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**References**


