

CHAPTER V

CONCLUSIONS AND IMPLICATIONS

5.1 Conclusions

This research aims to determine the effect of CSR disclosure on the company's investment efficiency. This study uses 36 companies that won Asia Sustainability Awards Reporting 2020 with the research year from 2018 – 2020. Based on the results of the previous analysis and discussion, the following conclusions can be drawn :

1. CSR reporting has a significant negative effect on the company's investment efficiency.
2. CSR reporting has Influenced investment efficiency in the overinvestment scenario.

Effect of control variables on investment efficiency :

1. There is a negative effect between leverage on investment efficiency.
2. There is a positive influence between ROA on investment efficiency.
3. There is a negative effect between size on investment efficiency.
4. There is a positive influence between tangibility on investment efficiency.
5. There is a positive influence between slack on investment efficiency.

5.2 Implications

Based on the results of the research, some benefits can be taken as implications for financial managers as a consideration in making investments and for investors who want to invest, some of these implications are as follows:

1. For the Company

The results of this study indicate that there is a significant effect between CSR disclosures on investment efficiency. From these findings, financial managers can consider improving the quality of CSR reports because it can affect the company's level of investment efficiency. Companies can also consider publishing a separate CSR report from the company's annual

report so that company information is more transparent and can improve the company's image in the eyes of the public, and attract investors to invest in the company. Managers also need to pay more attention to CSR to make the CSR reports are better and in a complete form so that they can give the signal to the investors and attract more investors to invest in the company.

2. For Investors

Investors can consider and pay attention to the quality of the company's CSR reporting as a consideration in making investment decisions. Because based on the results of this research, CSR reporting has an influence on the level of investment efficiency so that investors are expected to gain benefit from investing.

5.3 Research Limitations

This research has limitations that can be used as a consideration for future researchers to get better research results. The limitations in this research are as follows :

1. This research is limited to companies that won the Asia Sustainability Reporting Awards 2020 with a research period of only 3 years from 2018 to 2020.
2. This research only uses CSR reporting variables, leverage, ROA, size, tangibility, and slack to determine the factors that affect the company's investment efficiency.

5.4 Suggestions

Based on the results of this research that has been done, the suggestions that can be used as recommendations for further researchers are as follows :

1. Further research is expected to increase the research sample and increase the research period above 3 years.
2. Future research is expected to be able to analyze CSR disclosure in more depth by using a separate social responsibility report in the sustainability report.
3. Future research can use other proxies as a measure of investment efficiency.