

## CHAPTER IV

### RESULT

#### 4.1. Research Result

##### 4.1.1 Research Data

Type of data used in the form of secondary data, understanding of secondary data is data that is not obtained by researchers directly from the object of research but through other parties who have data from the object under study (Amrillah, 2010). Secondary data used in the form of annual financial statements of Manufacturing companies listed on the Stock Exchange within 2014 to 2016.

**Table 4.1 Sampling Criteria**

Total number of manufacturing companies listed on BEI successively during 2014-2016	144
Companies that do not issue annual financial statements	23
Companies that do not use rupiah currency	27
Companies that do not issue CSR in a row from 2014-2016	17
Companies that suffered losses	22
Companies entering in the selection of sample criteria	55
Total of samples x 3 years (55x3)	165

Table 4.1 shows the total number of manufacturing firms listed on the Indonesia Eefek Exchange from 2013-2015 are 144 companies willing to invoice the Company that does not use the rupiah denominated financial statements 27, the Company does not issue the annual financial statements of 23 and the Company that suffered losses during the year in research is 22 and the Company that does not issue CSR respectively 2014-2016 17, so the Company that entered in the selection of sample criteria as many as 55 companies. Data analysis was then performed. This analysis aims to determine the effect of CSR on the performance of the Company.

## 4.1.2 Data Analysis

### 4.1.2.1 Multivariate Test Analysis of Variance (MANOVA)

The MANOVA test is defined as a statistical method to explore the relationships and mean differences simultaneously between two or more variables, where there are several independent variables of the categorical type (nominal or ordinal data) with some dependent variables of the metric type (interval or ratio data) Santoso, 2012).

Based on these definitions, it appears that there are two groups of variables, the first independent variable category or non-metric in this case is the CSR, and the second is the dependent variable of the type of metric which is the financial performance in proxy by Asset Turnover and Return on Asset.

**Table 4.2 Multivariate Test**

Effect	Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared	
Intercept	Pillai's Trace	,529	73,007 <sup>a</sup>	2,000	130,000	,000	,529
	Wilks' Lambda	,471	73,007 <sup>a</sup>	2,000	130,000	,000	,529
	Hotelling's Trace	1,123	73,007 <sup>a</sup>	2,000	130,000	,000	,529
	Roy's Largest Root	1,123	73,007 <sup>a</sup>	2,000	130,000	,000	,529
CSR	Pillai's Trace	,898	3,235	66,000	262,000	,000	,449
	Wilks' Lambda	,296	3,303 <sup>a</sup>	66,000	260,000	,000	,456
	Hotelling's Trace	1,724	3,371	66,000	258,000	,000	,463
	Roy's Largest Root	1,159	4,602 <sup>b</sup>	33,000	131,000	,000	,537

a. Exact statistic

b. The statistic is an upper bound on F that yields a lower bound on the significance level.

c. Design: Intercept + CSR

MANOVA analysis is done by making, Hypothesis:

Ho: Explains the absence of influence between CSR and financial performance

H1: Describes the influence of CSR and financial performance. If the number Sig. > 0.05, then Ho is accepted and if the number is Sig. <0.05, then Ho is rejected.

Based on the processing performed using IBM Statistics 19 The results of data processing can be seen in Table 4.3 In the table found that all procedures show the same significance number, which is 0.000. by that Ho is rejected because of the value of Sig. <0.05. This value indicates an influence on the model.

**Table 4.3 Test of Between – Subjects Effects**

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	ATO	118,305 <sup>a</sup>	33	3,585	2,356	,000	,372
	ROA	1,057 <sup>b</sup>	33	,032	2,736	,000	,408
Intercept	ATO	191,148	1	191,148	125,631	,000	,490
	ROA	1,570	1	1,570	134,032	,000	,506
CSR	ATO	118,305	33	3,585	2,356	,000	,372
	ROA	1,057	33	,032	2,736	,000	,408
Error	ATO	199,316	131	1,521			
	ROA	1,534	131	,012			
Total	ATO	564,439	165				
	ROA	4,336	165				
Corrected Total	ATO	317,621	164				
Total	ROA	2,592	164				

a. R Squared = ,372 (Adjusted R Squared = ,214)

b. R Squared = ,408 (Adjusted R Squared = ,259)

Tests of Between-Subjects Effects table shows the relationship between CSR and Financial Performance in proxy by (Asset Turnover and Return on Asset) in sequence has Sig value. (0.000, and 0.000) <0.05. This indicates that there is influence of CSR on Asset Turnover and there is influence from CSR to Return on Asset.

#### 4.1.2.2 Test Analysis of variance (ANOVA)

Analysis of variance (ANOVA) is a collection of statistical models used to analyze the mean differences between groups and related procedures (such as "variation" between groups). In the ANOVA setting, the variance observed in a given variable is divided into components due to various sources of variation. In its simplest form, ANOVA provides statistical tests of whether the averages of several groups are the same, and the generalization of the t-test for more than two groups. As performing some two-sample t-tests will result in an increased chance of observing type I statistical error, the ANOVA is useful for comparing (testing) three or more means (groups or variables) for the statistical significance of Ronald Fisher (sbm.binus.ac.id )

**Table 4.4 Test of Homogeneity of Variances of CSR on ATO**

Levene Statistic	df1	df2	Sig.
,990	30	131	,490

Before continuing the test keep in mind that one of the assumptions Anova is the same variance. From the Test of Homegeneity of Variances table it can be seen that the test results show that the variants of the three groups are the same (P-value = 0.490), so the Anova test is valid to test this relationship.

**Table 4.5 Anova Result of Effect of CSR on ATO**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4,699	33	,142	1,138	,299
Within Groups	16,391	131	,125		
Total	21,091	164			

From the ANOVA test obtained the value of F arithmetic of 1.138 with probability 0.299. Since the probability is much greater than 0.05, the regression model can not be used to predict the performance of the Company or it can be said that Corporate Social Responsibility has no effect on Asset Turnover.

**Table 4.6 Test of Homogeneity of Variances of CSR on ROA**

Levene Statistic	df1	df2	Sig.
1,268	29	125	,186

Before continuing the test keep in mind that one of the assumptions Anova is the same variance. From the Test of Homegeneity of Variances table it can be seen that the test results show that the variants of the three groups are the same (P-value = 0.186), so the Anova test is valid to test this relationship.

**Table 4.7 Anova Result of Effect of CSR on ROA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	,248	31	,008	2,305	,001
Within Groups	,433	125	,003		
Total	,681	156			

From the ANOVA test obtained the value of F arithmetic of 2.305 with a probability of 0.001. Since probability is much less than 0.05, the regression model can be used to predict Company performance or it can be said that Corporate Social Responsibility Affects Return on Assets (ROA).

## 4.2 Discussion

Effect of CSR on Asset Turnover and Return on Asset n running its operations, the company is faced with many stakeholders such as employees, suppliers, investors, government, consumers, and society. To maintain its existence the

company needs the support of stakeholders so that the company activity must consider the approval from stakeholders. The stronger the stakeholders, the company should be more adapt to the stakeholders (Dahlia, 2008).

Based on stakeholder theory, the company chooses to respond to many demands made by stakeholders, ie each group within the organization's external environment is affected by the organization's actions and decisions. It is expected that meeting the demands of stakeholders can increase the company's earnings (Dahlia, 2008)

Corporate social responsibility (CSR) is a stakeholder claim that the company not only operates for the benefit of shareholders but also for the benefit of stakeholders in business practices, ie workers, local communities, government, non-governmental organizations, and environment (Nugroho, 2007).

The results of previous research from Danu Candra Indrawan, 2011, conducted research on the analysis of corporate social responsibility influence on company performance which stated the result of his research that there is influence of CSR to company performance.

The conclusion of the results of this study that CSR has a significant effect on ROA Research that supports the influence of CSR with ROA is a study conducted by Arshad et al. (2012) concluded that the communication of corporate social responsibility affects the company's performance as measured by ROA and ROE.

This is supported by research by Rilla Gantino (2016) shows that Corporate Social Responsibility has a significant positive effect on return on assets (ROA).

However, CSR has no significant effect on ATO. This is in because that CSR is an additional cost that is issued by the company so that if the cost of costs incurred by a company increases, the output of the company issued will rise, then

this will have implications for the decline in sales activity. The company's reputation in social care does not increase even lower sales.

This is supported by the research of Januarti and Apriyanti (2005) on the influence of corporate social responsibility on financial performance shows that simultaneously the cost of employee welfare (ension) and community cost (donation) has no effect on Total Asset Turnover.

This is also supported by research (Barnea and Rubin, 2010). on the other hand CSR is considered to be the cause of the declining financial performance of a company because it leads to agency costs that waste company resources.