FINAL PAPER

THE RELATIONSHIP OF COMPANY DESCRIPTIVES AND CSR DISCLOSURE OF PUBLICLY-LISTED MANUFACTURING COMPANIES IN INDONESIA

Submitted as a final requirement to obtain the degree of Sarjana Ekonomi Strata Satu

By:

NAME : HENDRIK YULIUS PIAN

NPM : 01120080066



PROGRAM STUDI MANAJEMEN FAKULTAS EKONOMI UNIVERSITAS PELITA HARAPAN SURABAYA 2012



UNIVERSITAS PELITA HARAPAN SURABAYA STATEMENT OF ORIGINALITY OF FINAL PAPER

I, a student of the Jurusan Manajemen, Fakultas Ekonomi, Universitas Pelita Harapan Surabaya,

Student Name

: Hendrik Yulius Pian

NPM

: 01120080066

Department

: Management

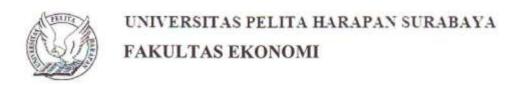
Hereby declare that the Final Paper I have written entitled " THE RELATIONSHIP OF COMPANY DESCRIPTIVES AND CSR DISCLOSURE OF PUBLICLY-LISTED MANUFACTURING COMPANIES IN INDONESIA " is:

- Written and completed by myself using lecture materials, field research, textbooks, and journals listed in the references section of this Final Paper;
- Not a duplication of published final paper or thesis used for obtaining the Bachelor's degree from other universities, except for the review of literature with proper reference citation; and
- Not a translation of a book or journal listed in the references section of this Final Paper.

If I am proven for not being truthful, this Final paper will be invalid and cancelled.

Surabaya, 27th April 2012

Hendrik Yulius Piar



AGREEMENT OF MENTORING GUIDANCE FOR FINAL PAPER

THE RELATIONSHIP OF COMPANY DESCRIPTIVES AND CSR DISCLOSURE OF PUBLICLY-LISTED MANUFACTURING COMPANIES IN INDONESIA

By:

Name

: Hendrik Yulius Pian

NPM

: 01120080066

Department

: Management

Has been checked and recommended for final and comprehensive oral defense in order to obtain the degree of Sarjana Ekonomi at the Fakultas Ekonomi, Universitas Pelita Harapan Surabaya.

Surabaya, 27th April 2012

Agreed:

Advisor

Co-Advisor

Prof. Maria Rochelle G.

Divinagracia, M.Sc., DBA

Yanuar Dananjaya, B.Sc., M.M.

Head

Program Studi Manajemen

Dean Fakultas Ekonomi

Ronald, S.T., M.M.

Prof. Louie A. Divinagracia, M.Sc., DBA



UNIVERSITAS PELITA HARAPAN SURABAYA FAKULTAS EKONOMI

FINAL PAPER EXAMINATION COMMITTEE

On Tuesday, 15th May 2012, this Final Paper has been examined in a comprehensive oral presentation to fulfill one of the academic requirements to obtain the degree of *Sarjana Ekonomi* at the Fakultas Ekonomi, Universitas Pelita Harapan Surabaya:

Name

: Hendrik Yulius Pian

NPM

: 01120080066

Department

: Management

The members of the Examination Committee involved in the comprehensive oral examination of this Final Paper entitled "THE RELATIONSHIP OF COMPANY DESCRIPTIVES AND CSR DISCLOSURE OF PUBLICLY-LISTED MANUFACTURING COMPANIES IN INDONESIA" were the following:

Name		Status	Signature	
1.	Prof. Maria Rochelle G. Divinagracia, M.Sc., DBA	as Head of the Committee and Thesis Advisor	run	
2.	Ronald, S.T., M.M.	as the Member of the Committee	Fond	
3.	Oliandes Sondakh, S.E., M.M.	as the Member of the Committee		

ACKNOWLEDGEMENT

The researcher is grateful for God Almighty for His mercy so that the researcher can complete the Final Paper. The Final Paper is completed as a final requirement to obtain the degree of Sarjana Ekonomi Strata Satu of Program Studi Manajemen, Fakultas Ekonomi, Universitas Pelita Harapan Surabaya.

During the accomplishment of this Final Paper, the researcher faced issues in developing and applying the related theories and literatures. With help and guidance from related parties, the researcher eventually succeeds to submit the Final Paper. The researcher would give sincere gratitude to:

- 1. Prof. Louie Divinagracia., M.Sc., DBA. as the Dean of Fakultas Ekonomi
- 2. Ronald Suryaputra, S.T., M.M. as the Head of Program Studi Manajemen who have managed the department very well and contributed valuable actions toward the success of student in the Management department.
- 3. Prof. Maria Rochelle D., M.Sc., DBA. as Advisor of this Final Paper for have given suggestion and advice for the improvement of this Final paper and for have checked the final paper thoroughly so that many errors in the content and writings of the Final Paper could be solved. Prof. Rochelle was also the Academic Advisor of the International Class of Management 2008 who has been very supporting the class since the first until the last semester and has been standing as the counselor for each student in dealing with any academic issues.
- 4. Yanuar Dananjaya, B.Sc., M.M. as *Co*-Advisor of this Final Paper for have given advices, information, and clarification during the construction of the Final Paper.
- Oliandes Sondakh S.E., M.M., for have helped and given many inputs and advise during the accomplishment of this Final Paper. She had given valuable support and enthusiasm for many students including the researcher.

- 6. Author's family: Manuel Pian, Lodia Manu, Rakhmania, David Louis, and Gweneth who have given total support for the researcher in all situations. For good communication and lots of prayer which have accompanied the accomplishment of the Final Paper.
- 7. Lecturers of International Class of Management.
- 8. Administration, Academic, Finance and Student Service staffs of Universitas Pelita Harapan Surabaya who have been very supporting the students in dealing with administrative and schooling issues.
- 9. Lery Salo who have given special attention and care in any situation faced by the researcher. She has given great contributions toward the accomplishment of the Final Paper and other academic and non-academic tasks.
- 10. Alexander Christian and Noulando Kansil as extraordinary friends who have been proactively supporting the researcher anytime and anywhere. They have also been a special people during the university life since the very beginning of the study.
- 11. To the researcher's classmates and relatives who have given contributions and support during the study: Evy, Erik, Amin, Williem, Prio, Eldwen, Lisa, Stella, Elsa, Sherlita, Monita, Gunanto, Richard, Nehemia, Steve, Rossi, Karin, Ichad, Edwin, Eny, Fany, Blek, Iche, Ardo, Riyan, Yunus, Chomax, Jean, Rista, Marlyn, Vivin, Rahma, Tomi, Devi, and Jeff.

The researcher hopes this Final Paper could contribute to the parties in need and could be further improved to overcome the current limitations and meet future objectives.

24th April 2012

The Researcher

TABLE OF CONTENTS

		Page
TITLE PAGE		
	OF ORIGINALITY OF FINAL PAPER	
	OF MENTORING GUIDANCE FOR FINAL PAPER	
	R EXAMINATION COMMITTEE	
		V
ACKNOWLEI	OGEMENT	vi
CONTENTS		viii
LIST OF TABI	LES	xi
LIST OF FIGU	JRES	xii
LIST OF APPI	ENDICES	xiii
CHAPTER I	INTRODUCTION	
	1.1 Background of the Research	1
	1.2 Research Problems	4
	1.3 Research Objectives	5
1.4 Research Contributions		5
	1.5 Research Limitations.	
	1.6 Research Outline	6
CHAPTER II	REVIEW OF RELATED LITERATURE	
	2.1 Corporate Social Responsibility	8
	2.1.1 CSR Disclosure	11
	2.1.2 CSR Disclosure Reporting	12
	2.2 Company Descriptives	13
	2.2.1 Company Size	13
	2.2.2 Board of Commissioner	14
	2.2.3 Company Profitability	15
	2.2.4 Financial Leverage	16
	2.3 Theoretical Framework	17
	2.4 Hypotheses	19
	2.5 Research Model	19

CHAPTER III	RESEAR	CH MODEL	
	3.1 Research	ch Design	20
	3.2 Research	ch Variables	20
	3.2.1	Operational Definitions	20
	3.2.2	Variables to be tested	21
	3.2.3	Content Analysis Measurement	23
	3.3 Data C	ollection Method	24
	3.3.1	Sample and Sampling Plan	24
	3.4 Method	ls of Data Analysis	25
	3.4.1	Descriptive Statistics	25
	3.4.2	Multiple Regression Analysis	25
	3.4.3	Hypotheses Testing	27
CHAPTER IV	RESULTS	S AND DISCUSSIONS	
	4.1 Descrip	otion of Publicly-listed Manufacturing Companies	29
	in Indo	nesia and CSR Disclosure Indicators	
	4.1.1	Description of Publicly-listed Manufacturing	29
		Companies in Indonesia	
	4.1.2	Description of CSR Disclosure Indicators	30
	4.2 Description of CSR Disclosure of 34 Publicly-listed		34
	Manufa	ecturing Companies' in 2008, 2009, and 2010	
	4.3 The Re	lationship of Company Descriptives and CSR	36
	Disclos	ure	
	4.3.1	Descriptive Statistics of Company Descriptives	36
		and CSR Disclosure	
	4.3.2	Classic Assumption Test Results on Multiple	38
		Regression	
	4.3.3	Hypothesis Testing of Company Descriptive	41
		and CSR Disclosure	
	4.4 Discuss	sion	44
	4.4.1	Company Descriptives and CSR Disclosure	44
	4.4.2	Company Size towards CSR Disclosure	45
	4.4.3	Board of Commissioner towards CSR	45
		Disclosure	

	4.4.4	Company Profitability towards CSR	46
		Disclosure	
	4.4.5	Financial Leverage towards CSR Disclosure	47
CHAPTER V	SUMMAR	Y, CONCLUSION, AND	
	RECOMM	IENDATION	
	5.1 Summa	ıry	48
	5.2 Conclu	sion	49
	5.3 Recom	mendation	50
REFERENCES			
APPENDICES			

LIST OF TABLES

	Page
Table 1	Operational Definitions
Table 2	CSR Disclosure indicators of ISO 26000:201021
Table 3	List of Manufacturing Companies per Industry with annual reports29
Table 4	Number of Publicly-listed Manufacturing Companies that Disclosed
	CSR Acticities/Items
Table 5	10 Most disclosed CSR Items in 2008-201031
Table 6	10 Least disclosed CSR Items in 2008-201032
Table 7	CSR Disclosure Index (CSRI) of Manufacturing Companies in 2008,
	2009, and 2010
Table 8	Descriptive Statistics of Company Descriptives and CSR Disclosure 36
Table 9	Kolmogorov-Smirnov for Normality test of Company Descriptives
	and CSR Disclosure
Table 10	Multicollinearity Test for Company Descriptives40
Table 11	Autocorrelation Test of 2008, 2009, and 2010 data41
Table 12	2 Coefficient Determination Test of Regression Model41
Table 13	3 Simultaneous Significance Test of Company Descriptives
Table 14	Individual Significance Test of Company Descriptives

LIST OF FIGURES

	Page
Figure 1 Theoretical Framework	18
Figure 2 Normal Probability Plot of Company Descriptives and CSR	
Disclosure	38
Figure 3 Normality Histogram of Company Descriptives and CSR Disch	osure39
Figure 4 Heteroscedasticity Scatterplot of Regression Model	40

LIST OF APPENDICES

		Page
Appendix A	Checklist items of CSR Disclosure	.A-1
Appendix B	Samples of Manufacturing Companies	.B-1
Appendix C	Statistic Results of SPSS 16.0	.C-1