THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON EARNINGS MANAGEMENT

(Study of Consumer Goods Industry Sector Listed on the Indonesia Stock Exchange 2016-2019)

THESIS

Submitted as a Partial Fulfillment of the Requirement for Obtaining a Bachelor Degree of Management at the Faculty of Economics and Business

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Stating correctly that the thesis I made and submitted is my own work, except the quotations and summaries that all of which I have already explained the sources. If in the future it is proven and or can be proven that this thesis is a copy, then I am willing to accept any sanctions from the Faculty of Economics and Business or the degree and certificate given by Universitas Muhammadiyah Surakarta is cancelled.

Bandung, November 24, 2020

Who make a statement,

Irestaluna Leanzagindaswari

iii

MOTTO

"Maka sesungguhnya bersama kesulitan, ada kemudahan. Sesungguhnya bersama kesulitan, ada kemudahan"

(QS Al-Insyirah 5-6)

"Tetapi hanya Allah-lah pelindungmu, dan Dia penolong yang terbaik"

(QS Ali 'Imran 150)

"A little progress each day adds up to big results"

(Satya Nani)

"Kadang 1 + 1 = gula pasir. Kadang 1 + 1 = batu bara. Hidup perlu diperhitungkan. Tapi hasil bukan kuasa"

(NKCTHI)

DEDICATION

Bismillahirrahmanirrahiim

I present this paper with full of love for:

- My beloved parents and family members.
- My university, Universitas Muhammadiyah Surakarta.

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh pengungkapan *corporate social responsibility* terhadap praktik manajemen laba di perusahaan. Variabel independen yang digunakan dalam penelitian ini adalah *corporate social responsibility* yang dihitung menggunakan CSR Indeks (CSRI) berdasarkan pedoman ISO26000. Variabel dependen yang digunakan dalam penelitian ini adalah manajemen laba yang dihitung menggunakan proxy dari akrual diskresioner. Tingkat hutang, *return on assets*, dan pertumbuhan perusahaan juga digunakan sebagai variabel kontrol. Populasi dalam penelitian ini terdiri dari perusahaan dalam sector industry barang konsumsi yang tercatat di Bursa Efek Indonesia (BEI) dalam tahun 2016-2019. *Purposive sampling* digunakan untuk mengumpulkan sampel dan kemudian sampel dianalisis menggunakan teknik regresi linear berganda. Hasil dalam penelitian menunjukkan bahwa pengungkapan corporate social responsibility tidak memiliki pengaruh signifikan terhadap manajemen laba.

Kata kunci: *corporate social responsibility*, manajemen laba, tingkat hutang, *return on assets*, pertumbuhan perusahaan

ABSTRACT

This research aims to determine the effect of corporate social responsibility on earnings management practices in the company. The independent variable used in this research is a corporate social responsibility which is measured using the CSR Index (CSRI) based on the ISO26000 guidelines. The dependent variable used in this research is earnings management which is measured using a proxy of discretionary accruals. The level of debt, return on assets, and company growth also used as control variables. The population in this research consisted of companies in the consumer goods industry sector which were listed on the Indonesia Stock Exchange (IDX) in 2016-2019. Purposive sampling is used to collect samples and then the samples are analyzed using multiple linear regression techniques. The results in this research indicate that the disclosure of corporate social responsibility has no significant effect on earnings management.

Keywords: corporate social responsibility, earnings management, debt level, return on assets, company growth

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Praises and gratitude for almighty God, Allah SWT, who has given me strength and endless blessings so I can finally finish my thesis with the title **"THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON EARNINGS MANAGEMENT (Study of Consumer Goods Industry Sector Listed on the Indonesia Stock Exchange 2016-2019)"** This thesis was composed as one of the requirements to achieve a Bachelor of Management degree at the Faculty of Economics and Business, Study Program Management double degree, Universitas Muhammadiyah Surakarta.

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10. All parties that the author cannot mention one by one who have meaning in completing this thesis. Without meaning to ignore, only the limitations of space and the writer's mistakes.

The author realizes that the writing of this thesis is still lacking in both writing and presentation. For that all constructive suggestions and criticisms may be useful for further research. Hopefully this thesis will be useful for all those who need it and become an early success of the author in the future. Aamiin.

Wassalaamu'alaikum Warahmatullahi Wabarakaatuh

TABLE OF CONTENT

LIST OF TABLE

Page

LIST OF FIGURE

Page

LIST OF APPENDIX