

THE INFLUENCE OF BUSINESS ETHICS, ORGANIZATIONAL GOVERNANCE, AND CORPORATE SOCIAL RESPONSIBILITY ON THE FINANCIAL PERFORMANCE OF COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

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Abstract

Sustainability issue nowadays requires companies in Indonesia to act strategically and not only focus on financial performance, but also social and environmental aspects. Corporate social responsibility is seen as an obligate and one way to comply with the business ethics value as generally required by society. However, the differences in the company's stakeholders' needs could cause variation of corporate governance system, which sometimes does not follow the ethics value. This research aims to look over the effect of ethics (generally) to corporate governance practices and implementation of corporate social responsibility in Indonesia, also towards the company's financial performance. The sample of this research is the companies listed in the IDX80 index of Bursa Efek Indonesia. The data collection technique used is the purposive sampling method and data collected will be analyzed using linear regression method. This research proved that ethics affecting the corporate governance system and corporate social responsibility practices, but there's no prove that corporate governance system and corporate social responsibility affect the corporate financial performance.

Keywords: *Sustainability, business ethics, corporate governance, social responsibility, financial performance.*

INTRODUCTION

As the only member of the G-20 in the Southeast Asian, Indonesia is predicted to play a more important role in the future (Ridho, 2018). Increasing public perceptions and expectations of Indonesia's economic development require companies to act strategically for its sustainability (Menne et al., 2022). Companies are expected to consider aspect such as Corporate Governance (GC) and Corporate Social Responsibilities (CSR) while deciding its strategic decisions in order to sustain in this VUCA world. (ElGammal, El-Kassar, & Messarra, 2018) argues that business is considered ethical if the business has a balance in terms of pursuing profit and also fulfilling its social responsibilities, even though the morals and standards of each company can vary because they are influenced by the culture or location. (Mahrani & Soewarno, 2018) did a research which aimed to determine the relationship between the independent variables CG and CSR on the dependent variable FP through the intermediary variable earning management (EM) or income management which data used comes from secondary data of 102 companies that have been listed on the Indonesia Stock Exchange during the 2014 period. The result showed that EM is a full

intermediary between CSR and FP. To see the implementation of CSR and its impact on FP and Non-FP factors for companies in Indonesia in particular, (Ridho, 2018) in his research in 2014-2015 stated that the implementation of CSR carried out by companies in Indonesia is still relatively low. Strategic decisions made by a company that are oriented towards sustainability issues will make the company more balanced in meeting the needs and desires of its stakeholders (Liao, Luo, & Tang, 2015). Many experts believe that the implementation of good corporate governance and corporate social responsibility can improve the company's financial performance in the long term (Jizi, Salama, Dixon, & Stratling, 2014). The ethical style held by the company is also believed to influence the decisions taken regarding aspects of corporate governance and corporate social responsibility (Parker, 2014).

RESEARCH METHODS

The research paradigm used is positivism, a paradigm that believes that true (positive) knowledge is knowledge based on the facts of observation obtained through scientific investigation/research (Nelson, 2014). This research is basic research with the objective of causal explanatory study, or in other words research that examines the causal relationship between certain phenomena between variables based on pre-existing theory and knowledge. In this study, the ethics variable acts as an independent variable on the dependent variable corporate governance and the dependent variable corporate social responsibility. Meanwhile, the corporate governance and corporate social responsibility variables will each be tested again as independent variables on the dependent variable financial performance (Sugiyono, 2017).

Variable: *Ethics* (E)

The measurement of variable E is carried out by calculating the number of reference words based on those listed in the Table 1 in the Company's annual report for 3 years. The more words identified, it can be said that the related Company has a higher ethical value.

Tabel 1. Reference Words Used for Text Analysis

DAFTAR KATA	
<i>Award</i> / penghargaan	<i>Moral</i> / moral
<i>Care</i> / peduli	<i>Norm</i> / norma
<i>Copyright</i> / hak cipta	<i>Obligation</i> / kewajiban
<i>Emission</i> / emisi	<i>Openness</i> / keterbukaan
<i>Emotions</i> / emosi	<i>Pollution</i> / polusi
<i>Environmental</i> / lingkungan	<i>Renewable energy</i> / energi terbarukan
<i>Ethics</i> / etika	<i>Respect</i> / rasa hormat
<i>Ethical</i> / etis	<i>Rights</i> / hak
<i>Fraud</i> / penggelapan	<i>Safety</i> / keamanan
<i>Freedom</i> / kebebasan	<i>Social responsibility</i> / tanggung jawab sosial
<i>Religion</i> / agama	<i>Social value</i> / nilai sosial

DAFTAR KATA

<i>Health</i> / kesehatan	<i>Sustainability</i> / keberlanjutan
<i>Honesty</i> / kejujuran	<i>Transparency</i> / transparansi
<i>Impartiality</i> / ketidakberpihakkan	<i>Universality</i> / keuniversalan
<i>Justice</i> / keadilan	<i>Waste</i> / limbah
<i>Morality</i> / moralitas	

Variable: Corporate Governance (CG)

The CG variable in this study was determined by measuring the percentage of the number of independent commissioners (IK) from outside the company compared to the total existing commissioners and the number of audit committees (denoted by KA) was measured by the total number of audit committees in the company concerned.

Variable: Corporate Social Responsibility (CSR)

Citing the results of (Andreas & Chang, 2021) that media exposure has a positive impact on disclosure of CSR activities by companies, the CSR variable in this study will be measured based on media exposure on the google search system (www.google.com) which is specifically for searching CSR news. The measurement is based on the number of stories that appear on search engines up to the 5th search page. The more CSR news that appears on search engines, the higher the level of CSR execution in the company is said to be. The tally method will be used to process data which will previously be divided into 5 class categories, which are denoted by the numbers 1 (one) to 5 (five). The lower the category number means that the related company has a lower CSR value.

Variable: Financial Performance (FP)

The financial performance ratio (FP) used in this study is Return on Equity (ROE) – the company's annual rate of return (net income) divided by the total value of equity owned by shareholders and written as a percentage – and Tobin's Q / Q Ratio – Comparison of the proportion of the total market value of a company with the replacement value of related company assets.

Data

The data in this study will use secondary data, namely annual reports of public companies listed on the Indonesia Stock Exchange IDX-80 Index and also news published in the mass media that are relevant to the discussion in this study. The type of data collected is in the form of a time series because it is devoted to a period of 3 years, namely 2019-2021. The types of data collected are nominal, ordinal, and ratio data. The IDX80 index also incorporates free float stock adjustments and good fundamentals so that it is expected to reflect stock price movements more accurately.

Population and Sample

The population studied in this study are public companies listed on the Indonesia Stock Exchange (IDX), which are based on IDX data in IDX Announcement No. Peng-00210/BEI.POP/07-2021 dated 26 July 2021. This research will take a sample of companies listed on the IDX80 index using a purposive sampling method of data

collection, namely a sampling technique that is limited to predetermined conditions/objectives.

Analysis Tools

The tools used in this research descriptive statistical analysis are the average value, maximum value and minimum value, according to the type of data processed in this study (Shahravan, Ghassemi, & Baneshi, 2013). The relationship between variables in this study will be tested using the linear regression method, with the test being carried out between one variable and one other variable separately. Each test will be carried out based on the hypothesis that was written in Chapter II of this study, which is divided into 2 parts (Ma, Shi, & Ji, 2020). Namely, the first part: testing the effect of the Ethics (E) variable on Corporate Governance (CG) variables and testing the effect of the Ethics (E) variable on Corporate Social Responsibility (CSR) variables. Next, the second part: the effect of the Corporate Governance (CG) variable on the Financial Performance (FP) variable, and testing the effect of the Corporate Social Responsibility variable on the Financial Performance (FP) variable.

Statistical Test

Three types of tests were conducted on the data collected in this study, namely as follows:

1. For the reliability test, the Cronbach's Alpha (α) method was used, the value will be accepted or in accordance with the hypothesis if $\alpha \geq 0.6$
2. For the linear regression test, with the equation $Y = AX + B$, in which the hypothesis will be accepted if the p-value is $\leq 5\%$. There are 4 linear regression tests carried out with each variable shown as follows:

- Linear regression test #1: Variable E to CG

Y = dependent variable, namely CG

X = independent variable, namely variable E

Hypothesis H1: Ethics (E) has a positive effect on Corporate Governance (CG)

- Linear regression test #2: Variable E on CSR

Y = dependent variable, namely CSR variable

X = independent variable, namely variable E

Hypothesis H2: Ethics (E) has a positive effect on Corporate Social Responsibility (CSR)

- Linear regression test #3: Variable CG on FP

Y = dependent variable, namely variable FP

X = independent variable, namely variable CG

Hypothesis H3: Corporate Governance (CG) has a positive effect on Financial

- Linear regression test #4: CSR variable on FP

Y = dependent variable, namely FP

X = independent variable, namely CSR variable

Hypothesis H4: Corporate Social Responsibility (CSR) has a positive effect on Financial Performance (FP)

For the correlation test, to see how the relationship/influence of each variable to each other (ethics, corporate governance, corporate social responsibility, financial performance).

RESULTS & DISCUSSION

Variable E data used is the average value of total reference words identified shown by Table 2. The CG variable data used consists of two indicators, namely the number of independent commissioners and the number of audit committee members in a company is presented in Table 3. The number of news reports used as CSR variable data is shown in Table 4. FP variable data obtained based on two indicators, namely ROE and Q Ratio which can be seen in Table 5. The Q-Ratio calculation data based on the annual financial reports published by each Company shows that there are outstanding values (beyond the normal value) for 13 (thirteen) issuers, namely: ADRO, BRPT, DOID, HRUM, INCO, INKP, ITMG, MDKA, MEDC, PGAS, TKIM, TPIA and UNVR. Because there is an outstanding FP value, the results of the statistical test performed produce an unreliable output. Therefore, it is necessary to adjust the test data to be used. This study decided to eliminate issuers with outstanding data. So that all statistical tests carried out later only used 67 out of 80 issuers that belonged to the IDX-80.

Table 2. Variable E data

NO.	EMITEN	YEAR			AVERAGE
		2019	2020	2021	
1	AALI	292	315	315	308
2	ACES	225	325	292	281
3	ADHI*	1284	1390	N/A	1337
4	ADRO	678	744	788	737
5	AKRA	1240	1002	621	955
6	AMRT	428	692	1145	755
7	ANTM	1933	2215	2222	2124
8	ASII	467	557	556	527
9	ASRI	359	350	835	515
10	ASSA	842	968	1026	946
11	BBCA	1745	1860	2033	1880
12	BBNI	2867	2565	3156	2863
13	BBRI	2892	2979	2045	2639
14	BBTN	2211	2182	3140	2511
15	BEST	393	1390	396	727
16	BFIN	173	212	186	191
17	BJBR	1910	1573	1583	1689
18	BJTM	1244	2009	1597	1617
19	BMRI	2605	2846	2431	2628
20	BMTR	436	445	228	370
21	BRIS	691	1004	1557	1084
22	BRPT	707	705	685	699
23	BSDE	609	639	293	514
24	BTPS	887	991	1369	1083
25	CPIN	409	60	322	264
26	CTRA	519	588	458	522
27	DMAS	214	360	672	416
28	DOID	569	614	719	634

The Influence of Business Ethics, Organizational Governance, and Corporate Social Responsibility on the Financial Performance of Companies Listed on the Indonesia Stock Exchange

NO.	EMITEN	YEAR			AVERAGE
		2019	2020	2021	
29	ELSA	1045	1154	1207	1136
30	ERAA	375	490	964	610
31	EXCL	399	393	307	367
32	GGRM	155	197	250	201
33	HMSP	691	776	976	815
34	HOKI	305	545	357	403
35	HRUM	393	424	379	399
36	ICBP	454	568	411	478
37	INCO	588	608	625	607
38	INDF	512	628	447	529
39	INKP	423	444	370	413
40	INTP	1044	1229	913	1062
41	IPTV	317	427	535	427
42	ISAT	717	720	827	755
43	ITMG	833	873	890	866
44	JPFA	618	781	525	642
45	JSMR	2135	1769	1797	1901
46	KAEF	1156	1250	1592	1333
47	KLBF	839	1004	864	903
48	LINK	493	607	469	523
49	LPKR	1183	374	343	634
50	LPPF	456	504	975	645
51	LSIP	314	351	337	334
52	MAPI	221	347	292	287
53	MDKA	342	470	640	484
54	MEDC*	418	507	N/A	463
55	MIKA	517	812	966	765
56	MNCN	436	445	228	370
57	MYOR	193	330	567	364
58	PGAS	1501	1276	1173	1317
59	PTBA	1681	1717	1421	1607
60	PTPP	1914	2176	1481	1857
61	PWON	392	750	812	652
62	RALS	246	625	603	492
63	SCMA	577	652	582	604
64	SIDO	742	746	539	676
65	SMBR	1443	2140	1225	1603
66	SMGR	740	1013	1231	995
67	SMRA	397	509	467	458
68	SSIA	429	471	500	467
69	TBIG	349	415	461	409
70	TINS	1484	1875	1398	1586
71	TKIM	423	455	377	419
72	TLKM	1226	1697	1116	1347
73	TOWR	488	519	641	550
74	TPIA	552	801	891	748
75	UNTR	673	978	652	768
76	UNVR	1105	1018	556	893
77	WIIM	356	506	328	397
78	WIKA	1297	1828	1908	1678
79	WOOD	347	348	414	370
80	WSKT	1812	2176	1880	1956

Table 3. Variable CG data

EMITEN	2019	2020	2021	AVERAGE
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	# KI	# KA	# KI	# KA	# KI	# KA	# KI	# KA
AALI	50.00%	3	60.00%	3	50.00%	3	53.33%	3.00
ACES	50.00%	3	66.67%	3	50.00%	3	55.56%	3.00
ADHI	50.00%	3	33.33%	3	N/A	N/A	41.67%	3.00
ADRO	40.00%	3	40.00%	3	40.00%	3	40.00%	3.00
AKRA	25.00%	3	33.33%	3	33.33%	3	30.56%	3.00
AMRT	50.00%	3	50.00%	3	50.00%	3	50.00%	3.00
ANTM	33.33%	4	50.00%	6	50.00%	4	44.44%	4.67
ASII	30.00%	4	30.00%	4	40.00%	4	33.33%	4.00
ASRI	40.00%	3	40.00%	3	40.00%	3	40.00%	3.00
ASSA	50.00%	2	33.33%	3	33.33%	3	38.89%	2.67
BBCA	60.00%	3	60.00%	3	60.00%	3	60.00%	3.00
BBNI	55.56%	4	70.00%	5	70.00%	5	65.19%	4.67
BBRI	54.55%	7	60.00%	8	63.64%	8	59.39%	7.67
BBTN	50.00%	3	50.00%	4	57.14%	4	52.38%	3.67
BEST	60.00%	3	60.00%	3	66.67%	3	62.22%	3.00
BFIN	42.86%	3	42.86%	3	33.33%	3	39.68%	3.00
BJBR	60.00%	4	60.00%	4	66.67%	3	62.22%	3.67
BJTM	50.00%	3	50.00%	4	50.00%	4	50.00%	3.67
BMRI	50.00%	7	50.00%	7	45.45%	7	48.48%	7.00
BMTR	75.00%	3	75.00%	3	75.00%	3	75.00%	3.00
BRIS	50.00%	5	50.00%	5	50.00%	8	50.00%	6.00
BRPT	50.00%	3	50.00%	3	50.00%	3	50.00%	3.00
BSDE	25.00%	3	25.00%	3	25.00%	3	25.00%	3.00
BTPS	50.00%	4	50.00%	5	50.00%	5	50.00%	4.67
CPIN	33.33%	4	33.33%	3	33.33%	3	33.33%	3.33
CTRA	37.50%	3	42.86%	3	42.86%	3	41.07%	3.00
DMAS	33.33%	3	33.33%	3	33.33%	3	33.33%	3.00
DOID	57.14%	3	57.14%	3	60.00%	3	58.10%	3.00
ELSA	40.00%	3	50.00%	5	50.00%	3	46.67%	3.67
ERAA	50.00%	4	33.33%	3	33.33%	3	38.89%	3.33
EXCL	66.67%	4	66.67%	3	37.50%	4	56.94%	3.67
GGRM	50.00%	3	50.00%	3	50.00%	3	50.00%	3.00
HMSP	37.50%	3	50.00%	3	50.00%	3	45.83%	3.00
HOKI	33.33%	3	33.33%	3	33.33%	3	33.33%	3.00
HRUM	33.33%	3	50.00%	3	33.33%	3	38.89%	3.00
ICBP	50.00%	3	50.00%	3	50.00%	3	50.00%	3.00
INCO	20.00%	3	30.00%	3	30.00%	3	26.67%	3.00
INDF	37.50%	3	37.50%	3	37.50%	3	37.50%	3.00
INKP	42.86%	3	42.86%	3	42.86%	3	42.86%	3.00
INTP	33.33%	4	33.33%	3	42.86%	3	36.51%	3.33
IPTV	33.33%	3	33.33%	3	33.33%	3	33.33%	3.00
ISAT	33.33%	3	30.00%	3	33.33%	4	32.22%	3.33
ITMG	50.00%	3	42.86%	3	42.86%	3	45.24%	3.00
JPFA	50.00%	3	60.00%	3	33.33%	3	47.78%	3.00
JSMR	33.33%	5	50.00%	4	33.33%	4	38.89%	4.33
KAEF	40.00%	4	40.00%	4	50.00%	4	43.33%	4.00
KLBF	42.86%	3	42.86%	3	42.86%	3	42.86%	3.00
LINK	33.33%	3	50.00%	3	40.00%	3	41.11%	3.00
LPKR	40.00%	4	50.00%	3	33.33%	4	41.11%	3.67
LPPF	40.00%	3	50.00%	3	75.00%	3	55.00%	3.00
LSIP	40.00%	3	40.00%	3	40.00%	3	40.00%	3.00
MAPI	40.00%	3	40.00%	3	40.00%	3	40.00%	3.00
MDKA	40.00%	3	33.33%	3	33.33%	3	35.56%	3.00
MEDC	40.00%	3	50.00%	3	N/A	N/A	45.00%	3.00
MIKA	66.67%	3	66.67%	3	66.67%	3	66.67%	3.00
MNCN	33.33%	4	33.33%	4	33.33%	4	33.33%	4.00
MYOR	40.00%	3	40.00%	3	40.00%	3	40.00%	3.00

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EMITEN	2019		2020		2021		AVERAGE	
	# KI	# KA	# KI	# KA	# KI	# KA	# KI	# KA
PGAS	50.00%	4	50.00%	5	50.00%	5	50.00%	4.67
PTBA	33.33%	4	33.33%	4	33.33%	4	33.33%	4.00
PTPP	33.33%	3	33.33%	3	33.33%	3	33.33%	3.00
PWON	33.33%	3	33.33%	3	33.33%	4	33.33%	3.33
RALS	20.00%	3	33.33%	3	33.33%	3	28.89%	3.00
SCMA	40.00%	3	50.00%	3	50.00%	3	46.67%	3.00
SIDO	40.00%	3	50.00%	3	50.00%	3	46.67%	3.00
SMBR	40.00%	3	50.00%	3	50.00%	3	46.67%	3.00
SMGR	28.57%	3	28.57%	3	28.57%	4	28.57%	3.33
SMRA	60.00%	3	60.00%	3	60.00%	3	60.00%	3.00
SSIA	33.33%	3	20.00%	3	40.00%	3	31.11%	3.00
TBIG	50.00%	3	50.00%	3	50.00%	3	50.00%	3.00
TINS	40.00%	4	40.00%	4	50.00%	4	43.33%	4.00
TKIM	42.86%	3	42.86%	3	42.86%	3	42.86%	3.00
TLKM	66.67%	5	44.44%	6	44.44%	7	51.85%	6.00
TOWR	50.00%	3	50.00%	3	40.00%	3	46.67%	3.00
TPIA	42.86%	3	42.86%	3	35.71%	3	40.48%	3.00
UNTR	33.33%	3	33.33%	3	33.33%	3	33.33%	3.00
UNVR	80.00%	3	83.33%	3	83.33%	4	82.22%	3.33
WIIM	33.33%	3	33.33%	3	33.33%	3	33.33%	3.00
WIKA	42.86%	6	42.86%	4	57.14%	4	47.62%	4.67
WOOD	50.00%	3	50.00%	3	50.00%	3	50.00%	3.00
WSKT	42.86%	4	42.86%	3	28.57%	3	38.10%	3.33

Table 4. Variable CSR data

NO.	EMITEN	NUMBER OF NEWS	NO.	EMITEN	NUMBER OF NEWS
1	AALI	23	18	BJTM	13
2	ACES	4	19	BMRI	23
3	ADHI	7	20	BMTR	7
4	ADRO	18	21	BRIS	7
5	AKRA	11	22	BRPT	3
6	AMRT	30	23	BSDE	16
7	ANTM	7	24	BTPS	12
8	ASII	12	25	CPIN	9
9	ASRI	10	26	CTRA	6
10	ASSA	9	27	DMAS	0
11	BBCA	16	28	DOID	7
12	BBNI	26	29	ELSA	8
13	BBRI	30	30	ERAA	6
14	BBTN	28	31	EXCL	7
15	BEST	14	32	GGRM	11
16	BFIN	5	33	HMSP	8
17	BJBR	19	34	HOKI	3
35	HRUM	1	58	PGAS	23
36	ICBP	7	59	PTBA	31
37	INCO	13	60	PTPP	18
38	INDF	12	61	PWON	3
39	INKP	4	62	RALS	9
40	INTP	2	63	SCMA	1
41	IPTV	4	64	SIDO	10
42	ISAT	30	65	SMBR	7
43	ITMG	7	66	SMGR	9
44	JPFA	8	67	SMRA	4
45	JSMR	4	68	SSIA	0
46	KAEF	9	69	TBIG	11

NO.	EMITEN	NUMBER OF NEWS	NO.	EMITEN	NUMBER OF NEWS
47	KLBF	6	70	TINS	22
48	LINK	20	71	TKIM	8
49	LPKR	8	72	TLKM	7
50	LPPF	2	73	TOWR	3
51	LSIP	0	74	TPIA	17
52	MAPI	4	75	UNTR	6
53	MDKA	6	76	UNVR	10
54	MEDC	7	77	WIIM	2
55	MIKA	15	78	WIKA	18
56	MNCN	6	79	WOOD	2
57	MYOR	12	80	WSKT	12

Table 5. Variable FP data

EMITEN	2019		2020		2021		AVERAGE	
	ROE	Q Ratio	ROE	Q Ratio	ROE	Q Ratio	ROE	Q Ratio
AALI	1.11%	1.39	4.33%	1.17	9.31%	0.84	4.92%	1.13
ACES	21.72%	5.10	14.04%	5.37	12.78%	3.89	16.18%	4.78
ADHI	9.71%	0.59	0.43%	0.98	0.98%	0.56	3.71%	0.71
ADRO	10.15%	9677.95	3.72%	9751.65	20.94%	15431.45	11.60%	11620.35
AKRA	7.12%	1.43	8.76%	1.14	9.84%	1.44	8.57%	1.34
AMRT	16.16%	5.08	13.90%	4.26	21.70%	5.55	17.25%	4.97
ANTM	1.07%	0.22	6.04%	2.39	8.93%	2.55	5.35%	1.72
ASII	11.62%	1.38	8.27%	1.19	9.37%	1.04	9.75%	1.20
ASRI	9.58%	0.44	-10.95%	0.51	1.53%	0.33	0.05%	0.43
ASSA	8.25%	2.04	6.05%	1.62	8.08%	6.70	7.46%	3.45
BBCA	16.40%	4.49	14.69%	4.37	15.49%	4.37	15.53%	4.41
BBNI	12.31%	1.11	2.91%	0.99	8.61%	0.98	7.94%	1.03
BBRI	16.46%	2.60	9.33%	2.65	10.65%	2.05	12.15%	2.43
BBTN	0.88%	0.93	8.02%	0.90	11.10%	0.84	6.66%	0.89
BEST	8.51%	0.47	-2.64%	0.40	-1.65%	0.25	1.40%	0.37
BFIN	11.70%	1.36	10.62%	1.30	15.23%	2.50	12.52%	1.72
BJBR	12.94%	0.77	14.05%	1.12	15.53%	0.94	14.18%	0.94
BJTM	14.99%	0.84	14.88%	0.84	13.96%	0.97	14.61%	0.88
BMRI	13.15%	1.51	8.83%	1.41	12.62%	1.41	11.53%	1.44
BMTR	8.08%	0.31	4.39%	0.23	5.65%	0.18	6.04%	0.24
BRIS	1.45%	0.62	4.56%	4.04	12.11%	2.89	6.04%	2.52
BRPT	1.60%	48437.66	1.23%	34570.77	2.56%	18712.16	1.80%	33906.86
BSDE	8.32%	0.72	0.82%	0.75	3.76%	0.60	4.30%	0.69
BTPS	25.95%	5.77	14.54%	4.77	20.65%	3.81	20.38%	4.79
CPIN	17.25%	4.80	16.45%	4.41	14.40%	3.80	16.03%	4.34
CTRA	6.52%	1.06	7.57%	1.04	8.95%	0.93	7.68%	1.01
DMAS	20.55%	1.42	24.38%	1.94	13.36%	1.69	19.43%	1.69
DOID	1.88%	2210.66	3.82%	-5762.73	105.60%	8567.43	37.10%	1671.79
ELSA	9.97%	0.57	6.66%	0.67	2.88%	0.53	6.50%	0.59
ERAA	5.93%	1.07	10.76%	1.15	15.67%	1.41	10.78%	1.21
EXCL	3.73%	1.69	1.94%	1.30	6.41%	1.66	4.03%	1.55
GGRM	21.36%	1.87	13.07%	1.26	9.45%	0.99	14.63%	1.38
HMSP	38.46%	5.70	28.38%	5.13	24.45%	3.61	30.43%	4.81
HOKI	16.17%	3.40	5.74%	3.65	1.91%	2.62	7.94%	3.22
HRUM	4.63%	8797.60	12.97%	17450.33	11.39%	42582.77	9.67%	22943.57
ICBP	18.89%	4.64	13.09%	2.16	11.67%	1.85	14.55%	2.89
INCO	2.96%	18454.42	3.62%	21969.48	7.70%	21584.08	4.76%	20669.33
INDF	9.06%	1.18	8.16%	0.73	8.82%	0.64	8.68%	0.85
INKP	6.85%	10327.55	6.92%	13251.76	11.08%	8938.56	8.28%	10839.29
INTP	7.95%	2.59	8.15%	2.17	8.67%	2.05	8.26%	2.27

The Influence of Business Ethics, Organizational Governance, and Corporate Social Responsibility on the Financial Performance of Companies Listed on the Indonesia Stock Exchange

EMITEN	2019		2020		2021		AVERAGE	
	ROE	Q Ratio	ROE	Q Ratio	ROE	Q Ratio	ROE	Q Ratio
IPTV	5.51%	3.14	3.15%	1.82	2.44%	0.87	3.70%	1.94
ISAT	11.45%	1.04	-5.55%	1.91	65.52%	3.27	23.81%	2.07
ITMG	14.63%	11034.55	4.66%	15420.86	29.36%	12729.87	16.22%	13061.76
JPFA	15.42%	1.17	8.03%	1.14	15.44%	1.19	12.96%	1.17
JSMR	9.52%	1.61	2.02%	1.36	6.33%	1.11	5.96%	1.36
KAEF	-0.17%	0.93	0.25%	3.28	4.18%	1.85	1.42%	2.02
KLBF	15.01%	4.29	14.96%	3.64	14.97%	3.48	14.98%	3.80
LINK	19.21%	2.20	20.37%	1.46	16.87%	2.18	18.82%	1.94
LPKR	-5.77%	0.50	-37.72%	0.64	-7.13%	0.44	-16.87%	0.53
LPPF	78.26%	6.10	-150.26%	5.39	90.74%	10.69	6.25%	7.39
LSIP	2.99%	1.15	7.50%	0.99	9.74%	0.79	6.74%	0.98
MAPI	12.67%	2.38	-8.52%	2.02	6.19%	1.66	3.44%	2.02
MDKA	13.51%	45811.48	6.42%	96766.24	4.64%	117178.93	8.19%	86585.55
MEDC	-2.02%	11426.77	-15.57%	12222.32	3.82%	9528.30	-4.59%	11059.13
MIKA	15.23%	7.66	15.26%	6.86	20.74%	5.36	17.08%	6.63
MNCN	17.83%	1.84	12.08%	1.18	13.57%	0.77	14.49%	1.26
MYOR	20.08%	4.41	18.28%	5.19	10.45%	3.97	16.27%	4.53
PGAS	2.09%	13700.95	-8.96%	12623.32	9.25%	9435.73	0.79%	11920.00
PTBA	22.02%	1.19	14.09%	1.58	32.61%	1.10	22.91%	1.29
PTPP	5.37%	0.55	0.92%	0.83	1.86%	0.43	2.71%	0.60
PWON	15.03%	1.50	5.28%	1.38	7.21%	1.15	9.17%	1.35
RALS	15.54%	1.60	-3.73%	1.41	4.74%	1.24	5.52%	1.42
SCMA	19.50%	3.75	29.47%	8.58	18.06%	3.19	22.34%	5.17
SIDO	26.35%	5.61	28.99%	7.00	36.32%	7.30	30.56%	6.64
SMBR	0.86%	1.25	0.32%	3.10	1.49%	1.78	0.89%	2.04
SMGR	7.06%	2.00	7.83%	1.98	5.08%	1.05	6.66%	1.68
SMRA	5.45%	1.58	1.98%	1.28	2.88%	1.23	3.44%	1.36
SSIA	2.06%	0.68	-2.07%	0.64	-4.94%	0.56	-1.65%	0.63
TBIG	14.84%	4.78	10.85%	3.86	15.82%	6.74	13.84%	5.13
TINS	-11.62%	1.13	-6.89%	2.17	20.65%	1.66	0.71%	1.66
TKIM	12.02%	22839.87	9.81%	20129.25	14.18%	13290.09	12.00%	18753.07
TLKM	16.27%	2.93	17.47%	2.50	17.14%	2.66	16.96%	2.70
TOWR	26.73%	4.35	27.85%	4.61	28.41%	4.67	27.66%	4.54
TPIA	1.30%	104115.01	2.83%	88533.58	5.20%	54074.20	3.11%	82240.93
UNTR	18.51%	1.17	9.51%	1.47	14.31%	1.12	14.11%	1.25
UNVR	139.97%	56.36	145.09%	54.06	133.25%	35.67	139.44%	48.69
WIIM	2.64%	0.31	14.53%	0.88	13.40%	0.65	10.19%	0.61
WIKA	11.89%	0.89	1.12%	1.07	0.67%	0.57	4.56%	0.84
WOOD	8.04%	1.59	10.38%	1.16	14.73%	1.47	11.05%	1.41
WSKT	3.22%	0.69	-44.51%	1.18	-7.09%	0.56	-16.13%	0.81

Excluded data is highlighted

The results of Cronbach's Alpha (α) for testing all variables were $\alpha \geq 0.6$, so that in other words the internal consistency for this study was in the "Acceptable" category (shown in Figure 1). Correlation test results (Table 2) shows that the Ethics, Corporate Governance and Corporate Social Responsibility variables have a strong relationship or influence each other. Then, based on the results of the correlation test, it can be seen that the Financial Performance variable does not have a strong relationship or does not influence each other on the other test variables. Based on the results of the linear regression test between variables, it was found that variable E significantly affects the CG variable, the variable E has a significant effect on the CSR variable, the CG variable has no effect on the FP variable, and the CSR variable has no effect on the FP variable.

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	67	100.0
	Excluded ^a	0	.0
	Total	67	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics		
Cronbach's Alpha	N of Items	
.771	36	

Figure 1. Reliability Test Result

		Correlations			
		SUM_E	CSR	SUM_CG	SUM_FP
SUM_E	Pearson Correlation	1	.541**	.637**	-.163
	Sig. (2-tailed)		.000	.000	.188
	N	67	67	67	67
CSR	Pearson Correlation	.541**	1	.372**	-.065
	Sig. (2-tailed)	.000		.002	.603
	N	67	67	67	67
SUM_CG	Pearson Correlation	.637**	.372**	1	-.069
	Sig. (2-tailed)	.000	.002		.578
	N	67	67	67	67
SUM_FP	Pearson Correlation	-.163	-.065	-.069	1
	Sig. (2-tailed)	.188	.603	.578	
	N	67	67	67	67

** Correlation is significant at the 0.01 level (2-tailed).

Figure 2. Correlation Test Result

CONCLUSION

This study succeeded in finding important things in accordance with the number of hypotheses that have been stated, namely proving that the variable ethics (E) in business influences the corporate governance (CG) variable applied by the company concerned, the variable E in business influences the corporate social responsibility variable (CSR) carried out by related companies, the CG variable has no effect on the financial performance (FP) variable achieved by the related companies, and finally the CSR variable has no effect on the FP variable achieved by the related companies. Each data collected will be processed to obtain the average value of each issuer for three years (2019, 2020, 2021) from each research indicator. Which is known, that in 2020 there was an international disaster, the COVID-19 pandemic. Reporting of secondary data and reporting of CSR activities on the internet mass media may experience disturbances, especially in 2020. The impact of CG and CSR which is deemed to be of little benefit to the Company, may lead to the possibility of the practice of Corporate Governance and/or CSR being a formality or only as a prerequisite in order to avoid penalties/violations of regulations. In the long run, this will also have an impact on the formation of business practice trends that may not consider the importance of implementing transparent and independent Corporate Governance and the implementation of CSR in Indonesia in particular. The values of business ethics, good corporate governance, corporate social responsibility are corporate characteristics consisting of several aspects. It is hoped that further research will be carried out that examines these three variables but from a different side/point of view/aspect, as a complement to this research. Also, follow-up research based on primary data (observation) can be carried out directly on related companies, in order to support more accurate research results.

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