ABSTRACT

This scientific paper aims to examine the Impact of Corporate Social Responsibility (CSR) and Corporate Governance (GCG) on Financial Performance Using Profit Management as a Mediation Variable (Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange 2018-2019). The background of this research is because financial performance is one of the indicators that can be used to measure whether a company is getting the expected profit and to fulfill its obligations to investors in order to achieve company goals. Two factors that affect the company's financial performance are corporate social responsibility (CSR) and corporate governance mechanisms (GCG). Earnings management which is used as a mediating variable in this study was chosen because it can describe the asymmetry of information about the state of the company between the owner (principal) and management (agent) where management does not provide true information about the condition of the company.

The population used in this study are manufacturing companies listed on the IDX for the period 2018-2019. The sample selected in this study amounted to 170 companies financial statements from 85 manufacturing companies in accordance with the research criteria. This study used SPSS 19 and WrapPLS7.0

This study shows that corporate social responsibility (CSR) and corporate governance (GCG) have a positive influence on financial performance, corporate social responsibility (CSR) has a positive effect on earnings management, and earnings management has a negative effect on management. profit.

Keywords: CSR, GCG, earnings management, financial performance.

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