

ABSTRACT

Implementation of corporate social responsibility is closely related to the sustainability of the company. CSR can be utilized to maximize shareholder value, strategy to achieve competitive advantage in the long term, as well as a marketing medium. To achieve this, then any CSR activity should be disclosed to shareholders.

This study aimed to get empirical evidence about the influence of corporate social responsibility disclosure of the value of the company to profitability as moderating variables.

The data collection is done by documentation of data which is based on financial statements, annual report and sustainability report published by the Indonesia Stock Exchange. Based on the collection of samples using purposive sampling techniques found the number of samples of this study were 6 companies listed in Indonesia Stock Exchange Telecommunications sub-sector in 2010-2014.

Based on test results using software Eviews 8.0, simultaneously independent variables divided into CSR, profitability and CSR interaction with profitability significantly influence the value of the company. Based on the partial test results, obtained results that indicate the variables CSR negative effect on the value of the company, then the variable profitability has a significant positive effect on the value of the company, while the interaction between the disclosure of CSR and profitability does not affect or does not moderate the relationship between CSR with the value of the company.

Based on the research results, the rise of CSR disclosure will affect the value of the company because the higher the disclosure of CSR will affect the higher burden of CSR that will lower corporate profits, then will lower interest of investors to buy shares of companies that will result in a decrease in the value of the company. Then rising profitability of the company will likely raise the value of the company because it will attract investors to buy its shares. While the interaction between CSR disclosure to profitability can not moderate the relationship between CSR disclosure by the company's value. In other words, the increase in the profitability of the company will not strengthen the relationship between CSR with corporate values, and vice versa declining profitability of the company will not weaken the relationship between CSR value of the firm.

Keywords: CSR disclosure; profitability; company value.