ABSTRACT

This study aims to examine the effect of Corporate Social Responsibility (CSR) on performance proxied by ROA and ROE, and firm value proxied by EPS and Tobin's Q, with company reputation as a mediating variable. The data used in this study are banking companies listed on the Indonesia Stock Exchange (IDX) for the period 2012 – 2021. The number of samples used were 43 banking companies which were taken using the purposive sampling method, in order to obtain a sample of 24 banks.

The analytical method used in this study is Partial Least Square (PLS) with the outer model and inner model tests using the SmartPLS version 3.0 application. Path Coefficient Analysis to see the direct effect of independent variables on dependency. Specific Indirect Effects to see the effect of mediating variables.

The results of the study show that Corporate Social Responsibility has no positive and significant effect on the company's financial performance. Meanwhile, Corporate Social Responsibility (CSR) has a positive and significant effect on firm value. Corporate Social Responsibility (CSR) also has a positive and significant effect on the company's reputation. This study shows that reputation can fully mediate the indirect and significant positive effect of Corporate Social Responsibility (CSR) on the company's financial performance. Reputation can mediate a significantly positive indirect effect between Corporate Social Responsibility (CSR) and company value proxied by EPS. However, reputation cannot mediate the effect of Corporate Social Responsibility (CSR) on company value which is proxied by Tobin's Q.

Keywords: Corporate Social Responsibility (CSR), Return on Assets (ROA), Return on Equity (ROE), Financial Performance, Earning per Share (EPS), Tobin's Q, Company Value, Company Reputation, Bank