

ABSTRACT

This study aims to examine CSR variables on financial performance variables and third party assurance (TPA) variables as intervening variables in the manufacturing industry in Indonesia. The independent variables used are corporate social responsibility (CSR) and projected financial performance with Return On Assets (ROA) and Return On Equity (ROE) as the dependent variables in this study.

Purposive sampling was used to select 364 companies in Indonesia that were listed on the Indonesia Stock Exchange for the 2018-2021 period as research samples. The analytical method used is simple linear regression, path analysis, and the Sobel test.

The test results show that the CSR variable has a positive effect on financial performance. Where, CSR affects ROA and ROE. Then, CSR has a positive effect on TPA. Then, the relationship between CSR and ROA can be mediated by TPA and the relationship between CSR and ROE can be mediated by TPA.

Keywords: Corporate Social Responsibility, Third Party Assurance, Financial Performance