

ABSTRACT

This study aims to analyze the causal relationship between corporate social performance and financial performance, which refers to study by Makni, Francoeur, dan Bellavance (2008). In addition, this study also aims to analyze are there any significant social performance differences between domestic companies and multinational companies operating in Indonesia, which refers to study by Fauzi (2008). This study only tests the differences of CSP between domestic companies and multinational companies simultaneously, contrary with study by Fauzi (2008) which also tested the differences of CSP partially .

This study used quantitative method to financial statement of manufacturer industry that listed in Bursa Efek Indonesia period 2008-2009. Total samples in this study are 34 companies which contains of 17 domestic companies and 17 multinational companies, that selected with purposive sampling method. The examinations of hypothesis method using the difference t-test and double linear regression.

Result of this study in line with the result of study by Fauzi (2008) that indicate there is no significant differences CSP (Corporate Social Performance) between domestic companies and multinational companies operating in Indonesia, it means that the result of this study supports the social impact hypothesis by Preston and O'Bannon (1997). In addition, this study indicate that CSP causes all of the proxy of financial performance (ROA, ROE, and EPS). Although this study found any significant relationship between CSP to financial performance ROE. The result of this study is different with the study by Makni, Francoeur, and Bellavance (2008) that supported trade-off hypothesis, and in the part the negative synergy hypothesis.

Keywords : multinational, corporate social performance, corporate financial performance, causality