

ABSTRACT

This study aims to examine the effect of political connections on environmental performance and profitability. The variables used in this study are independent variables, namely political connections and the dependent variable, namely environmental performance and profitability.

The population in this study is companies listed on the Indonesia Stock Exchange in 2018. Researchers choose a company to go public as a population because automatically the public can own shares of the company concerned, so the company will make transparency so that people can see and control the company's performance.

Sampling was done by purposive sampling method. Based on the sampling method used, there were 88 samples. The analytical method used in this study was ordinal logistic regression analysis and simple linear regression analysis.

The results of testing the data show that political connections affect environmental performance. That means, companies that have political connections tend to have good environmental performance. Similarly, the results of testing the effect of political connections on profitability show the same results. It also means that companies with political connections also have a high level of profitability.

Keywords: political connections, environmental performance, profitability.