

ABSTRACT

The implementation of the company's operational activities in reality requires a responsibility for the obligation to maintain the environment or Corporate Social Responsibility (CSR). This is a corporate responsibility given due to the use of the environment by the company. In practice, sometimes the company commits a violation of reporting and recording so that the company's earnings can be manipulated.

This study focuses on companies that have high environmental utilization, namely mining companies. This is because mining companies utilize natural resources and carry out environmental dredging. Criteria for mining companies (38 companies) listed on the Indonesia Stock Exchange Researchers want to reveal CSR errors in earnings management, by analyzing social responsibility information using the GRI G4 CSR Index. Earnings management is used as the dependent variable which is measured by using discretionary accruals. This study requires control variables which include: profitability ratios (ROA), solvency ratios (DAR), and leverage ratios. The company standards used are mining companies for 2017, 2018, and 2019, which provide complete financial reporting and sustainability reports.

The disclosure of this research using OLS (Ordinary Least Square) method regression which indicates that good social responsibility disclosure practices tend to motivate management behavior to manage earnings in mining companies. Specifically, the publication of social responsibility activities creates trust and adds value to the company, so that by gaining the trust of stakeholders, management can more freely practice earnings management.

Keywords : corporate social responsibility, earnings management, misappropriation