ANALYSIS OF IMPLEMENTING GOOD CORPORATE GOVERNANCE
AND CORPORATE SOCIAL RESPONSIBILITY TOWARD
PROFITABILITY (CASE STUDY: MANUFACTURING INDUSTRIES
LISTED IN INDONESIAN STOCK EXCHANGE)

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ABSTRACT

This study aims to explain the correlation when the company implementing good
corporate governance and corporate social responsibility towards profitability. Good
corporate governance consist managerial ownership, proportion of independent
commissioners and audit committee followed with corporate social responsibility
disclosure, both as independent variable. Whereas, profitability ratio that consist of
net profit margin, return on assets and return on equity will be dependent variable.
These samples that the researcher use is from manufacturing industries that listed in
Indonesian Stock Exchange in 2013-2014. Before the writer calculate the data with
purposive sampling, the total manufacturing industries were 141 companies. After
the purposive sampling is used, the data become 21 companies with total overall
companies in two years result are 42 companies. It is found that only managerial
ownership affect the profitability ratio significantly, where all the other variables like
proportion of independent commissioners, audit committee and CSR disclosure is
not affected toward profitability ratio. (TB)

Keyword : Good Corporate Governance, Corporate Social Responsibility,
Profitability Ratio.