Abstract

Objectives This research is intended to investigate the trend of CSR disclosures in Indonesia as well as to assess the correlation between share price, sales amount, net income, price to earnings ratio, and trading frequency, and the frequency of CSR disclosures. Hence, this is an exploratory study supported by hypotheses testing.

Method The method used in this study is the content analysis, based on Global Reporting Initiative (GRI) framework. The variables were measured against sentences as unit of analysis over four years from annual reports of 35 listed companies in Indonesian Stock Exchange.

Results and Conclusions In summary, the study reveals eight findings. Firstly, the CSR disclosures have increased over the years. Secondly, economic disclosure is the main disclosure. Thirdly, the proportion of economic disclosures has decreased whereas the proportions of social and environmental disclosures have increased over the years. Fourthly, the social disclosures have the fastest increase rate. Fifthly, finance industry never reveals any environmental issue in its CSR disclosures. Sixthly, agricultural, mining, and basic industry and chemicals industry have the greatest concerns regarding environmental disclosures. Seventhly, there is an increased correlation between CSR disclosures and share price, sales amount, and net income throughout years 2003-2006. Eighthly, there is no correlation between CSR disclosures and price to earning ratio, and trading frequency throughout years 2003-2006.

Keywords Corporate Social Responsibility, Disclosure, Content Analysis, Annual Reports, Indonesia, Economic, Social, Environment
Preface

First, the author would like to express the highest gratitude to God the Almighty for tremendous blessings throughout the author’s life. This thesis entitled **A Content Analysis Study on Listed Companies in Indonesia: Corporate Social Responsibility (CSR) Disclosure and Its Relation to Market Performance Indicators**, was prepared and designated to fulfill the final requirement for the completion of undergraduate degree of Sarjana Ekonomi from Binus University International, Jakarta, Indonesia and Bachelor of Commerce from Curtin University of Technology, Perth, Australia on accounting Major.

This thesis is the final project that has been planned and prepared during the undergraduate study period. The completion is expected to provide added value to the readers so that further research may be conducted and this research can contribute to the development of further study.

Along with this opportunity, the author would like to thank these following people:

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topic.

Jakarta, July 14th, 2008

Author

Andi Kieputera
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