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THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY AND GOOD CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCE

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Abstract

This study aims to determine the influence of Corporate Social Responsibility and Good Corporate Governance on financial performance in manufacturing sector companies on the Indonesia Stock Exchange. The method used in this study is quantitative research method with multiple linear regression equation model. The results of the study show that Corporate Social Responsibility has a t-count of 2.538415 with coefficient value The regression of the Corporate Social Responsibility variable (X1) is 0.179732. The significance value of Corporate Social Responsibility is 0.0247 which means that Corporate Social Responsibility shows a positive and significant influence on Financial Performance. Good Corporate Governance (X2) obtained a t-count of 2.782864. The significance value is 0.0405 which means > α = 0.05 (5%). This shows that Good Corporate Governance (X2) has a significant influence on Financial Performance manufacturing sector for the 2018-2022 period. The test results show that there is a simultaneous influence between Corporate Social Responsibility and Good Corporate Governance on Financial Performance. Based on the results of the F-test, namely 34.28565 using a significance level of 95%, a = 5%. The significance value (sig) is 0.002798 or < α = 5% (0.05) which means that there is a significant influence of the independent variables, namely Corporate Social Responsibility and Good Corporate Governance, together or simultaneously on the dependent variable, namely the Financial Performance of the manufacturing sector listed on the Indonesia Stock Exchange for the 2018-2022 period.

Keywords: Corporate Social Responsibility, Good Corporate Governance, financial performance

1. INTRODUCTION

The increasingly open economic system due to the current era of globalization has caused increasingly tight competition, in addition to providing opportunities, it also challenges companies to be the best in the industrial world. Companies that can respond quickly to change are believed to be able to maintain their business. By following the principles of good governance, this will be achieved. The phenomenon in the economic system in Indonesia is about the existence of manufacturing companies in Indonesia that can build and destroy at the same time. In terms of development, it can create new jobs and increase economic growth around the company's area. However, on the other hand, companies also have the potential to damage the environment if not managed properly (Fitriyani & Mutmainah, 2011).

One way to assess a company's performance is by looking at its financial performance. Financial performance describes how a company's business activities are run and what has been achieved from those business activities. The achievement of the company's business activities is described by generating profits. This is in accordance with the opinion of (Suputra et al., 2017) that a company's ability to generate profits is the main thing in assessing the company's financial performance. The use of profit as a parameter in measuring financial performance is based on the fact that profit is very much needed by a company for the survival of its company (Jayati, 2016).

The problem of the rise and fall of the company's net profit can occur due to several aspects such as management management and environmental aspects that surround the company. Environmental aspects in the environmental accounting system are company problems that are highlighted by the media and the public such as environmental problems and corporate governance.

Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG) are two things which is inseparable as a long-term corporate strategy based on mentoring programs and public policies. The company's relationship with its social environment demands the fulfillment of corporate social responsibility (Corporate Social Responsibility) so that good corporate governance is needed. Through the implementation of Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG), companies are expected to increase attention to the environment, workplace conditions, corporate relations, society, corporate social investment, corporate financial performance and capital access as well as the image of the company in the eyes of the public to be good. If Corporate Social Responsibility (CSR) is implemented, Good Corporate Governance (GCG) will be adequate, because by implementing Corporate Social Responsibility (CSR) in the corporate environment, it can provide assurance to stakeholders that the company has implemented good corporate governance.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a mechanism for a company to have various forms of responsibility towards all stakeholders, including consumers, employees, shareholders, communities and the environment. In all aspects of the company's operations that include economic, social and environmental aspects. CSR is closely related to "sustainable growth" namely an organization, especially a company, in carrying out its activities must base its decisions not only on its impact on the economic aspect, for example the level of profit or dividends, but must also consider the social and environmental impacts arising from the decision, both for the short term and for the longer term.

Lamo (2015:17) stated that Corporate Social Responsibility (CSR) is an important part to be implemented because its activities are always related to the government and the community as stakeholders of the company. In order for the Corporate Social Responsibility (CSR) program to be sustainable, effective, efficient and on target both for the government and the community, its implementation needs to be carried out professionally by involving all related stakeholders.

Sudana (2015:25) states that corporate social responsibility (CSR) is the responsibility of a company organization towards the impact of its decisions and activities on society and the environment. Social responsibility can be realized in the form of transparent and ethical behavior, which is in line with the concept of sustainable development and community welfare, by considering the expectations of stakeholders, in line with applicable laws and international behavioral norms.

According to Crowther and Aras (2008) in Suwandi (2017:21-22) Corporate Social Responsibility (CSR) consists of 3 (three) main principles as follows:

a. Sustainability
   This principle relates to actions taken now that have an impact in the future. Resources are limited in number and will eventually run out in the future. At a certain point, alternative resources are needed just to fulfill the function of the resources that are currently available. Therefore, the company must dosustainable activities for the future.
b. Accountability (Responsibility)
   Accountabilityor accountability related to the company's recognition in taking actions that affect the external environment. Of course, the company must be responsible for the actions that have been taken. This principle has an impact on the calculation of the effects of actions taken by the company both internally and externally. More on reporting to stakeholders who are related and explaining how the activities carried out relate to stakeholders.
c. Transparency (Transparent)
   Transparency or transparent is a principle that states that external impacts must be reported in real terms without being hidden. This principle is related to both principles of Corporate Social Responsibility (CSR) and can be said to be the same as the process of recognizing responsibility for the effects that can be caused by external parties or the same as the process of transferring power to stakeholders. Stakeholder can also consciously carry out

its role as a supervisory function because the organization implements the principle of openness in every activity carried out by the company.

Good Corporate Governance

Good Corporate Governance (GCG) is a set of systems that regulate and control companies to create added value for stakeholders (Kusmayadi, Rudiana, & Badruzaman, 2015). According to IICG (2013) Corporate Governance (CG) is a series of mechanisms that direct and control a company so that the company's operations are in accordance with the expectations of stakeholders. According to Bambang Rianto Rustam (2017:294) "Good Corporate Governance is a series of relationships between the board of commissioners, directors, stakeholders, and shareholders of the company. Corporate Governance creates a structure that helps the company set goals, carry out daily business activities, pay attention to stakeholder needs, ensure the company operates safely and healthily, complies with laws and other regulations, and protects customer interests".

From several definitions, it can be concluded that Good Corporate Governance is a system that implements a mechanism by the company management and must be accountable for its performance to the company owner in order to facilitate achieving one of the company's goals and control the relationship between the parties involved in the company both internally and externally. The principles of Good Corporate Governance have broad dimensions so that their implementation is adjusted to the characteristics and needs of the company which is characterized by the separation of owners, managers and controllers, each of whom has rights and obligations (Rustendi, 2017:106).

In general, KNKG (2006) which is strengthened by the Regulation of the Minister of BUMN RI No. PER-01/MBU/2011, states that Good Corporate Governance which considers the role of stakeholders in efforts to support the continuity of the company's business, consists of the following principles (Rustendi, 2017:107-109):

1) Transparency is openness in the decision-making process, and disclosure of relevant material information about the company. In this case, decision-making/policy must involve parties with the appropriate authority, and communicate the decision/policy to stakeholders according to their rights.
2) Accountability is the clarity of function and implementation of organizational elements in achieving the effectiveness of company management, as well as accountability to the mandator. In this case, delegation and distribution of authority and responsibility must be in accordance with the rights and obligations of each element of the company organization by considering the organizational status and competence.
3) Responsibility is the responsibility for the management of the company that refers to its compliance with legal provisions and regulations and the rights of stakeholders outside the organization with the aim of creating healthy practices. In this case, every element of the company organization must adhere to the principle of prudence to comply with legal provisions and regulations in managing its company.
4) Independence is the level of independence of each element of the organization in managing the company professionally, and is limited from conflicts of interest and pressure/influence of other parties that are not in accordance with legal provisions, regulations and ethical values. In this case, each element of the company organization must carry out its responsibilities in accordance with the rights and obligations that have been regulated and comply with legal provisions and regulations.
5) Fairness and equality are justice in an effort to fulfill the rights of stakeholders protected by legal provisions, regulations and/or obligations. In this case, the company must provide opportunities or facilitate stakeholders to provide criticism, suggestions, or objections to products, services and services that are beneficial to the company.

Based on these five principles, when linked to the board of commissioners and the board of directors, they are in line with the principle of independence where their existence cannot be influenced and pressured by other parties, while institutional ownership is in line with the principle

of transparency and accountability where the ownership structure is responsible to shareholders and has an obligation to report this accountability fairly and transparently.

Financial Performance

According to Hery (2016:13) financial performance is a formal effort to evaluate the efficiency and effectiveness of a company in generating certain profits and cash positions. By measuring financial performance, the prospects for growth and financial development of the company can be seen from relying on the resources it has. A company is said to be successful if the company has achieved a certain performance that has been set.

Financial performance is an indicator in evaluating and measuring the financial condition of a company through the company's ability to generate profits (Pang et al., 2020). Stable financial performance of the company is an attraction for investors to invest capital in the company, so maintaining stable financial performance is one of the goals that must be achieved by the company. Financial performance can be shown through financial reports. The information disclosed by the company in the financial report is a manifestation of management's responsibility to the company's owners and as an indicator of the company's success in achieving its goals, as well as material for consideration in decision making for stakeholders (Wijaya, 2017).

The purpose of measuring financial performance is to provide useful information in making company decisions and to refer managers to make decisions that channel the interests of the company. According to Munawir (2010:31), measuring the company's financial performance has several purposes, including:

1. To determine the level of liquidity, namely the company's ability to meet its financial obligations that must be met immediately when billed.
2. To determine the level of solvency, namely the company's ability to meet its financial obligations if the company is liquidated.
3. To determine the level of profitability and rentability, namely the company's ability to generate profits during a certain period compared to the productive use of assets and equity.
4. To determine the level of business activity, namely the company's ability to run and maintain its business so that it remains stable, which is measured by the company's ability to pay principal debt and interest expenses on time, as well as regular dividend payments to shareholders without experiencing difficulties or financial crises.

Based on the objectives of measuring financial performance, it can be concluded that the objective of measuring financial performance is to determine the value of potential changes in economic resources in the future that can be controlled.

2. IMPLEMENTATION METHOD

The research method used in this study is quantitative research, namely research that focuses on testing theories through measuring research variables with numbers and analyzing data with statistical procedures. According to Sinambela (2020) quantitative research is a type of research that uses numbers in processing data to produce structured information. This research was conducted at Manufacturing Companies listed on the Indonesia Stock Exchange which can be browsed on the website www.idx.co.id. While the time used for this research was carried out since the date of issuance of the research permit within a period of approximately 3 (months), starting from January to March 2024.

The data collection method used in this research is as follows:

1. Library research
   In this study, the data taken and used comes from research journals, literature books, financial reports and similar research that is in accordance with the variables in this study.
2. Document
   Documentation in the research is by collecting data in the form of annual reports for 2018-2022.

Multiple Linear Regression Analysis is used to measure the influence of more than one predictor variable (independent variable) on the dependent variable.

Formula : Y = a + b1.CSR+b2.GCG

Information :

Y = Financial Performance
a = Constant
b1, b2, = Regression Coefficient
CSR, GCG = Independent Variables

3. RESULTS AND DISCUSSION

Descriptive Statistical Analysis

The following are the statistical results of the data from the variables used in this study which can be seen in the following table.

Table 4.1
Descriptive Statistical Analysis

	Corporate Social Responsibility (CSR)	Good Corporate Governance (GCG)	Financial performance (ROA)
Mean	0.350700	2.820533	0.026042
Median	0.352000	2.778000	0.025668
Maximum	0.418000	4.095000	0.253171
Minimum	0.286000	2.111000	-0.142079
Std. Dev.	0.033502	0.564160	0.058928
Skewness	-0.022118	0.920302	1.149202
Kurtosis	2.053904	3.161469	10.38213
Jarque-Bera	1.121319	4.267372	74.72317
Probability	0.030833	0.018400	0.000000
Sum	10.52100	84.61600	0.781272
Sum Sq. Dev.	0.032548	9.230019	0.100704
Observations	30	30	30

Source: Eviews Output Version 13 (Processed Data, 2024)

Based on table 4.1 descriptive statistical analysis, it is known that there are 3 (three) research variables, namely the dependent variable is financial performance which is proxied by ROA, while the independent variable is Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG). The amount of data observeda total of 30 samples.

Panel Data Regression Model Estimation Test

Panel data regression analysis is a method used to model the influence of predictor variables on response variables in several sectors observed from a research object during a certain time period. Panel data regression can be done by testing three analysis models, namely common effect (CE), fixed effect (FE), and random effect (RE). Each model has its own advantages and disadvantages. The choice of model depends on the assumptions used by the researcher and the fulfillment of the requirements for correct statistical data processing, so that it can be statistically accounted for. Therefore, the first thing to do is to test the correct model estimate of the three existing models.

Common Effect (CE) Model

The Common Effect (CE) model is the most basic model or estimation method inpanel data regression, which still uses the principle of ordinary least squares. The common effect (CE) model

combines cross-section data with time series and uses the OLS method to estimate the panel data model.

Calculation resultsThe Common Effect (CE) model using the Eviews version 13 application is as follows:

Table 4.5
Model Test ResultsCommon Effect(CE)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CSR	0.179732	0.333818	0.538415	0.5947
GCG	0.015519	0.019823	0.782864	0.4405
C	0.132846	0.133059	0.998399	0.3270
R-squared	0.030769	Mean dependent variable		0.026042
Adjusted R-squared	-0.041026	SD dependent var		0.058928
SE of regression	0.060125	Akaike information criterion		-2.690145
Sum squared residual	0.097605	Black criterion		-2.550025
Log likelihood	43.35218	Hannan-Quinn critter.		-2.645320
F-statistic	0.428565	Durbin-Watson stat		1.381887
Prob(F-statistic)	0.655798			

Fixed Effect (FE) Model

The fixed effect approach is that an object has a constant that remains constant in magnitude for various time periods. Likewise, the regression coefficient remains constant in magnitude over time (time invariant). This model assumes that the intercept is different for each subject while the slope remains the same between subjects. In distinguishing one subject from another, a dummy variable is used (Kuncoro, 2012).

Calculation resultsThe Fixed Effects (FE) model using the Eviews version 13 application is as follows:

Table 4.6
Model Test ResultsFixed Effects (FE)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CSR	-0.351791	0.273669	-1.285465	0.2120
GCG	0.036339	0.073923	0.491572	0.6279
C	0.046922	0.242942	0.193139	0.8486
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.529264	Mean dependent variable		0.026042
Adjusted R-squared	0.379484	SD dependent var		0.058928
SE of regression	0.046419	Akaike information criterion		-3.079017
Sum squared residual	0.047405	Black criterion		-2.705365
Log likelihood	54.18526	Hannan-Quinn critter.		-2.959483
F-statistic	3.533616	Durbin-Watson stat		2.750779
Prob(F-statistic)	0.010750			

Model Random Effects (FE)

Random effectis an approach to estimating panel data whose residuals are likely to be interrelated across time and individuals. In the random effect model, parameters that differ across individuals and across time are included in the error so this model is also called the error component model.

Table 4.7
Model Test Results Random Effect (RE)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CSR	0.337362	0.268713	1.255471	0.2201
GCG	0.007144	0.033132	0.215616	0.8309
C	0.164505	0.139421	1.179908	0.2483
Effects Specification				
			SD	Rho
Random cross-section			0.044601	0.4800
Idiosyncratic random			0.046419	0.5200
Weighted Statistics				
R-squared	0.056426	Mean dependent variable		0.010989
Adjusted R-squared	0.013468	SD dependent var		0.045748
SE of regression	0.046055	Sum squared residual		0.057269
F-statistic	0.807307	Durbin-Watson stat		2.274671
Prob(F-statistic)	0.456535			
Unweighted Statistics				
R-squared	0.015483	Mean dependent variable		0.026042
Sum squared residual	0.099145	Durbin-Watson stat		1.313915

Model Selection Test

To select the most appropriate model used in processing panel data with several tests. After processing the original data from all variables (independent and dependent variables) into analysis data, the next step is to select the most appropriate research model among the Common Effect Model (CE), Fixed Effect Model (FE) and Random Effect Model (RE). Testing to select the right model is by using the chow test and the hausmann test.

Chow Test

The chow test is used to select the best model from the Common Effect Model (CEM) and Fixed Effect Model (FEM). If the chow test results show that the significance value is 0.05 or 5%, the model used is a fixed effect. While if the significance level is more than 0.05 or 5%, the model used is a common effect model. The following are the results of the chow test in this study, namely:

Table 4.8
Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Cross-section fixed effects test

Effects Test	Statistics	df	Prob.
Cross-section F	4.659465	(5.22)	0.0047
Cross-section Chi-square	21.666166	5	0.0006

Cross-section fixed effects test equation:

After the regression results using the common and fixed models are obtained, the next step is to conduct a test to determine which estimation model is more appropriate between the common or fixed model. In determining between the two models, the chow test is used as a test for selecting a panel data regression model. The results in table 4.10 show the probability of the cross-section chi-square is 0.0006 lower than 0.05. So according to the decision criteria, this model uses a fixed model. Because the chow test selected uses a fixed model, it is necessary to conduct further testing with the hausman test to determine the fixed or random model used.

Hausmann test

The Hausman test is a test to determine the most appropriate model between the Fixed Effect Model and the Random Effect Model. If the results of the Hausman test test have a significance value of <5% or 0.05, then the correct model to use is fixed effect. Meanwhile, if it is significant > 0.05 or 5% then the model used is random effect.

To determine the results of the Hausman test, you need to assess the cross-section probability. If < 0.05 then the model used is fixed, but if the probability is > 0.05 then the model used is random. The results in table 4.12 show that the random cross-section probability value is0.4544greater than 0.05, meaning that the Hausman test results chose to use a random model. Based on the results of the panel data model selection, to assess the panel data regression test using a random model in determining the decision of the results of this study. The Random Effect Model is accommodated through error. The panel data regression estimation method in the Random Effect Model uses the Generalized Least Square (GLS) method.

Panel Data Regression Analysis

Based on the results of the panel data analysis, it has been determined to use a random effect model, so the formula for the random effect model is as follows:

$$\mathbf{Yit = \beta 0 + \beta 1X1it + \beta 2X2it + eit + \mu i}$$

Panel data regression equation using the model random effect (RE)which has been selected through the Chow Test and the Hausman Test. The following are the results of the panel data regression test:

Table 4.10
Random Effect Panel Data Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.132846	0.133059	0.998399	0.0270
CSR	0.179732	0.333818	2.538415	0.0247
GCG	0.015519	0.019823	2.782864	0.0405
R-squared	0.420769	Mean dependent variable		0.026042
Adjusted R-squared	0.313026	SD dependent var		0.058928
SE of regression	0.060125	Akaike information criterion		2.690145
Sum squared residual	0.097605	Black criterion		2.550025
Log likelihood	43.35218	Hannan-Quinn critter.		2.645320
F-statistic	34.28565	Durbin-Watson stat		1.381887
Prob(F-statistic)	0.002798			

Based on the results of the panel data regression analysis using the Random Effect Model, we can create a panel data regression equation for this study, namely:

Y =0.132846+ (0.179732) CSR + (0.015519) GCG + eit

The panel data regression equation can be explained as follows:

1. The constant is0.132846This means stating that if the independent variable remains constant then the dependent variable (financial performance) is equal to0.132846.
2. The regression coefficient of the CSR variable (X1) is0.179732This means that if the value of the other independent variables remains the same and CSR (X1) increases by 1%, then financial performance will increase by0.179732.
3. The regression coefficient of the GCG variable (X2) is0.015519This means that if the value of the other independent variables remains the same and GCG (X2) increases by 1%, then financial performance will increase by0.015519.

Hypothesis Testing

Partial Test (t-Test)

The t-test is used to test the effect of independent variables partially on dependent variables. This test is done by looking at the probability value with the following criteria:

a. If the probability value < 0.05 then it is stated to have an effect

b. If the probability value > 0.05 then it is stated that it has no effect.

Table 4.11
Result of Panel Data Random Effect Model t-Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.132846	0.133059	0.998399	0.0270
CSR	0.179732	0.333818	2.538415	0.0247
GCG	0.015519	0.019823	2.782864	0.0405

Based on the results of the t-statistic test in table 4.11, we can analyze the t-test value and interpret the variables.Corporate Social Responsibility(CSR) andGood Corporate Governance(GCG). as follows:

1. Corporate Social Responsibility/CSR(X1)

The first hypothesis (H1) shows that Corporate Social Responsibility (X1)Based on table 4.14 regarding the results of partial statistical testing, the t-count figure for the independent variable

Corporate Social Responsibility (X1) is2.538415. Then the t-table is (df=n-2, df=29-2=27) of 1.70329. This means that the decision H01 is rejected.t-count > t-table. and accept Ha1 which means the variableCorporate Social Responsibility(X1) has a positive effect on the company's financial performance. The significance level value is0.0247which means < α = 0.05 (5%). This shows that Corporate Social Responsibility (X1) has a positive and significant influence on financial performance.

2. Good Corporate Governance/GCG(X2)

The second hypothesis (H2) shows that Good Corporate Governance (X2)Based on table 4.14 regarding the results of partial statistical testing, the t-count figure for the independent variable Good Corporate Governance (X2) is2.782864. Then the t-table is 1.70329. This meansGood Corporate Governance(X2)has an effect on Financial Performance. The significance level value is0.0405which means > α = 0.05 (5%). This shows that Good Corporate Governance (X2) has a significant influence on Financial Performance.

Simultaneous Test (F-Test)

The F test or simultaneous test is used to analyze the influence of independent variables (Corporate Social Responsibility and Good Corporate Governance) simultaneously or together on the dependent variable (Financial Performance) in Manufacturing Sector companies on the Indonesia Stock Exchange for the period 2018-2022. The simultaneous test was carried out with the help of the Eviews Version 13 program, namely by looking at the output in the least squares panel table by looking at the significant value of F. The results of the ANOVA test can be seen in table 4.12 as follows:

Table 4.12
F-Test Statistic Results

R-squared	0.420769	Mean dependent variable	0.026042
Adjusted R-squared	0.313026	SD dependent var	0.058928
SE of regression	0.060125	Akaike information criterion	2.690145
Sum squared residual	0.097605	Black criterion	2.550025
Log likelihood	43.35218	Hannan-Quinn critter.	2.645320
F-statistic	34.28565	Durbin-Watson stat	1.381887
Prob(F-statistic)	0.002798		

Based on the results of the F test in the table above, the F test shows that the F-statistic value34.28565while the sig value is0.002798. So it can be concluded that Corporate Social Responsibility and Good Corporate Governance together have an effect on Financial Performance.

Determination Analysis

The coefficient of determination is used to determine how much influence the independent (free) variable has on the dependent (bound) variable. The following are the results of the determination coefficient test:

Table 4.13
Test Results-Determinant

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.132846	0.133059	0.998399	0.0270
CSR	0.179732	0.333818	2.538415	0.0247
GCG	0.015519	0.019823	2.782864	0.0405
R-squared	0.420769	Mean dependent variable		0.026042
Adjusted R-squared	0.313026	SD dependent var		0.058928
SE of regression	0.060125	Akaike information criterion		2.690145
Sum squared residual	0.097605	Black criterion		2.550025
Log likelihood	43.35218	Hannan-Quinn critter.		2.645320
F-statistic	34.28565	Durbin-Watson stat		1.381887
Prob(F-statistic)	0.002798			

Based on the table presented above, it can be seen in the columnR-squaredhave value 0.420769or around 42.07% of Financial Performance canexplained by Corporate Social Responsibility (CSR)and Good Corporate Governance (GCG). The rest of the output results are influenced by other variables not examined in this study, it is possible that other variables not examined have a more significant influence on the dependent variable studied so that the error rate is higher, so that the variables examined in this study have a smaller value.

CONCLUSION

Based on the results of the analysis and discussion that have been carried out, the following conclusions were obtained:

1. Corporate Social Responsibilitybased on the partial t-test results, the t-count number is 2.538415 with coefficient valueThe regression of the Corporate Social Responsibility variable (X1) is 0.179732. The significance value of Corporate Social Responsibility is 0.0247which means <α = 0.05 (5%). The results of the study indicate that Corporate Social Responsibility has a positive and significant influence on the Financial Performance of manufacturing sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period.
2. Good Corporate Governance (X2) Based on the results of partial statistical testing, the t-test figure for the independent variable Good Corporate Governance (X2) is 2.782864. The significance value is 0.0405 which means > α = 0.05 (5%). This shows that Good Corporate Governance (X2) has a significant influence on Financial Performance.manufacturing sector for the 2018-2022 period.
3. The test results show that there is a simultaneous influence between Corporate Social Responsibility and Good Corporate Governance on Financial Performance. Based on the results of the F-test, namely 34.28565 using a significance level of 95%, a = 5%. The valuesignificant (sig) of 0.002798 or < α =5% (0.05) which means it is presentsignificant influence of independent variables, namely Corporate Social Responsibility and Good Corporate Governance together or simultaneously on the dependent variable, namely the Financial Performance of the manufacturing sector listed on the Indonesia Stock Exchange for the period 2018-2022. The determination analysis shows that in the columnR-squaredhave value 0.420769 or around 42.07% of Financial Performance can be explained byCorporate Social Responsibility (CSR) and Good Corporate Governance (GCG).

Suggestion

Based on the results of the analysis of the discussion, conclusions and limitations of this study, there are several suggestions for further researchers, namely as follows.

1. For companies that want to improve their company performance, this research can be used as useful input, one of which is by paying attention to the disclosure of Good Corporate Governance and Corporate Social Responsibility of the company.
2. It is hoped that further researchers can expand the research objects not limited to the manufacturing sector, so that the number of populations and samples owned is large.
3. Further researchers can add other types of variables that can be indicators of CSR and GCG as well as control variables so that the value of their influence can be greater.

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